

Address to IPAA ACT

Secretaries Series

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Why Delivery Matters.

Introduction

Acknowledge traditional owners.

Thank you to IPAA for inviting me to speak today.

Always difficult to work out what an audience such as you want to hear from a secretary. Today I will speak about the importance of the delivery of public policy – Why Delivery Matters.

Confidence in the Australian Public Service is essential for us to do our jobs. We need the confidence of governments that our advice is high quality and that we can deliver policy. We also need the confidence of citizens that we can engage with them and deliver outcomes in an effective manner.

To ensure confidence, we need to pay attention to both policy development and delivery. Each of us needs to consider how the ultimate recipient, the citizen, will experience, or be impacted, by a policy. We need to include delivery options when we develop policy and we need to apply appropriate resources and attention to the roll out of the policy. Our focus must always be on achieving the policy objective.

So today I will

- explore why delivery is so important in maintaining the confidence of Australians in the Australian Public Service;
- quickly explain the public policy life cycle model that I use in order to provide context;
- share what I consider to be the key elements of successful policy delivery, gleaned by my experiences, both positive and negative;
- discuss the importance of organisational accountability to the successful integration of policy development and delivery; and
- finally offer some ideas on how we attract talent to delivery roles.

Compared to some other jurisdictions, in the Commonwealth we don't do a lot of direct policy delivery. We often fund third parties - for profit and not for profit - and states and territories, to deliver on our behalf. Maybe

that is why, sometimes we think a cabinet decision delivers public policy. I consider that public policy is only delivered when the targeted sector, community, participant, recipient or citizen, is actually impacted.

Of course, both policy development and delivery operate within a tight fiscal environment, immediate deadlines, and a political environment that is constantly moving. These are constants and we need to develop senior managers who can deliver under these conditions.

Confidence in the APS

Every day, Members of Parliament engage with their constituents on issues. MPs quickly understand how the Tax, Centrelink, Veterans' Affairs and Child Support systems work and how grant rounds are undertaken. They quickly learn to navigate the Commonwealth/State split as it applies in their electorate, or state or territory in the case of senators. MPs go on to be Ministers. Ministers know that the citizens' view of the Government and the APS can be shaped by their own, or their families, experience of our service delivery. Ministers do expect we will deliver services in the most efficient and effective manner possible. They do understand that ICT systems will have issues at roll out, preferable very few, and they expect us to fix any issues quickly. As such, they also expect us to be across the detail.

Citizens expect that we will get service delivery right. Most citizens are not really interested in a public policy framework. They have a high expectation of public services because they are paying for the service through their taxes. And most of the time, we do get the delivery right.

Confidence in delivery is something that needs to be constantly monitored. Social media means one service delivery failure can become a major issue quickly. Immediate, and well publicised, service recovery is therefore essential.

Participant satisfaction is a good measure of how our service delivery is considered. NDIA currently has an 88% satisfaction rating. The agency and board are rightly proud of this. And yet, if you read some of the media, you might think that rate would be much lower. As you would expect, we spend a lot of time focusing on why the 12% are not satisfied and what can be done to improve their experience.

Trust in institutions is achieved and maintained in different ways. Competency is a fundamental expectation. To retain trust, we need to develop quality policy and deliver effectively and efficiently.

Public Policy Life Cycle

I am sure we each have our own model or framework for the life cycle of public policy. I have a simple model – policy development, delivery, and evaluation.

For me, policy development includes:

- the initial ideas or hypotheses,
- the collection and analysis of evidence,
- the review of stakeholder views and positions,
- identifying the objectives of the policy,
- the development of options, including delivery, change management and risk management, for government consideration,
- Government decision making,
- the explanation of the policy to the public, and
- the passage of legislation.

Direct policy delivery includes:

- the development of the implementation plan,
- engaging in co-design with the policy owner, the delivery entity, and the recipient,
- systems development which includes ICT, operating procedures, and staff training,
- clear communication to recipients, and
- continued monitoring to address implementation issues.

The final part of the cycle is the evaluation of the policy to determine if the objectives are being realised. I might save Evaluation for a future speech!

I have spent about half of my career in a central agency, six and a half years in direct service delivery, and for the last year, back in a predominantly policy department. I have therefore had the opportunity to reflect on ways to improve outcomes. As in all areas, most of the time things go boring well, and I have drawn lessons from successful approaches. Occasionally, things go not so well and they end up in the public domain. While difficult, I consider it vital that we develop lessons from these instances and share the lessons broadly.

Delivery considered as part of policy development

Early and fulsome engagement is the best way to develop policy that takes into consideration delivery issues and ensures that the citizen experiences the policy outcomes as intended. Involving service delivery entities early in the policy development cycle is the best way to provide informed and workable options to Government. Service delivery entities have insights into the environment that will enhance the policy. There should be a shared focus on better outcomes.

Productive engagement requires policy development and delivery staff to understand each others roles and a willingness to compromise. It also requires trust. Sometimes policy departments would prefer not to consult too widely in order to mitigate the risk of leaks. A balance needs to be struck in order to ensure workable policies are developed.

The best results are achieved when policy and delivery work in partnership. In 2016, DHS undertook a review to determine opportunities to enhance service delivery for both recipients and for the Government. A number of areas were identified for improvement, including the operation of the complex job seeker compliance framework. Some job seekers were confused by what they were meant to be doing and found themselves inadvertently non-compliant, thus losing access to payments. As well as annoying the job seekers, this lead to an increased workload for DHS as they were required to sort out what had happened. Driven by the then Minister for Human Services, DHS worked with DSS and the then Department of Employment to develop a new, simpler compliance framework that met the policy objective of activating job seekers, whilst providing an avenue for vulnerable job seekers to access specialist support from DHS. The then Ministers for Social Services, Human Services, and Employment brought forward the proposal in the 2017-18 Budget and it has now been implemented.

Planning

Once Government agrees to a policy, comprehensive planning for delivery needs to commence. Project management is an essential skill, not just for engineers or ICT professionals but for all of us. Delivering a cabinet submission requires project management. Delivering the roll out of a complex reform such as the NDIS needs much more detailed and ongoing project management. All of us come under pressure to do things faster and cheaper. The discipline of project management allows us to offer options and demonstrate why time and resources are required.

NDIS is a massive reform. At full scheme, there will be 460,000 participants throughout Australia. A large number of participants will not have ever accessed services before. The NDIS allows choice for participants about the services they receive and the providers they engage. The families of participants are deeply involved. The introduction of the NDIS has significantly disrupted providers, moving from block funding to individual service funding. In some locations, there are very thin provider markets and providers-of-last-resort need to be identified.

Planning for the implementation of the NDIS was undertaken from 2013. In hindsight, it probably did not quite capture the scale of the ramp up nor the extent of the disruption to the providers. The planning could have been more extensive with more detailed involvement of both DSS and DHS. From August 2016, DSS and DHS, under clear direction from the then Minister for Social Services, worked closely with NDIA to address delivery issues. Both secretaries and the agency head were involved in weekly meetings, working through detailed remediation plans to ensure problems were rectified. More comprehensive project management would have identified key risks much earlier and allowed mitigation action to occur.

This lesson was immediately shared with the Department of Education and Training (Education) who were planning for the roll out the new childcare payment. Again, DHS was responsible for the ICT system with Education responsible for change management, the communications strategy, and stakeholder engagement (both parents and providers).

Education appointed an SES B3 officer with delivery experience, as the lead to ensure a 'joined up' approach. This resulted in a successful outcome with the new payment delivered from 2 July 2018.

Co-design

Listening to the voice of the citizen ensures that policy will be delivered in a manner most likely to achieve success. Some policy will be welcome by citizens and some policy less so. Co-design means working with the recipient or participant to determine how best to deliver services. It can be achieved by the use of focus groups or one-on-one in customer experience laboratories. The bottom line is that we hear from the citizen.

It is fair to say that we in DHS didn't initially do enough co-design when we were rolling out the Online Compliance Initiative (OCI) which came to be known as Robo Debt.

The policy intent of OCI was to match ATO and Centrelink records of income declarations by income support recipients and identify mismatches which may have led to an income support overpayment. Once the mismatches were identified, recipients would be contacted and given the opportunity to explain the mismatch. If after a number of letters the recipient had not responded a debt letter would be raised. If the recipient was no longer in receipt of a payment, the debt would be referred to debt collectors. If a recipient was currently in receipt of a payment, deductions would commence from the ongoing payment to address the debt.

This became an issue in early January 2017 when many people claimed that the first they had heard of the issue was when the debt collectors contacted them. Being early January there was not a lot of other news around and this ran hot until the 26th of January.

A Senate inquiry and an Ombudsman's review provided us with plenty of opportunities to reflect on lessons learnt. The Ombudsman's report found that while we were carrying out the policy as intended, we could have improved the recipient experience.

We immediately addressed some concerns and over a longer timeframe, addressed others. We used registered mail to ensure recipients received letters. We had previously created the Design Hub at 1 Canberra Avenue and we used the Hub with 'real recipients' to test our letters and ICT system interfaces. Watching the co-design participants

review what we had thought was good designs was refreshing. Their insights were powerful.

One of the lessons we addressed immediately was the need to appoint a Chief Citizen Experience Officer. We recruited from the private sector.

Another important lesson was that we had failed to explain to recipients and the broader public what was required. We should have had a 'call-to-action' message which reminded recipients of the need to act when they received a letter.

Systems Development (ICT, operating procedure, and staff training)

Ensuring the planning of implementation is critical. Executing that plan to develop systems, both ICT and operating procedures, and training staff, is where the 'rubber hits the road'. Small things overlooked have big impacts.

ICT systems are inherently complex. Even when brand new systems are developed, there are always teething issues. This is even more acute when working with legacy systems that have been developed and updated over 30 years without comprehensive documentation.

Internally, detailed procedures and staff training are vital. This needs to be planned and deftly executed, often for large numbers of junior staff in geographical disperse locations.

The then Government agreed in the 2012-13 Budget to changed eligibility for parenting payment for recipients grandfathered from 2006. This resulted in recipients whose youngest child was aged over eight transitioning from Parenting Payment Single to Newstart from 1 January 2013. The Government had agreed that recipients would not lose access to the pensioner concession card even though recipients were moving to an allowance. The measure had attracted significant public criticism.

DHS had been involved in the policy development, had undertaken comprehensive planning, had developed the ICT system changes, and trained staff in the procedures to implement the new policy.

The implementation plan did involve a face-to-face interview with the affected recipient to ensure they understood the changes as well as establishing referrals to a job search agency.

The legacy Centrelink system generated letters using a number of set paragraphs which were inserted depending on the individual circumstances of a recipient. One such paragraph detailed the changes when moving from a pension to an allowance, including a direction that the recipient no longer use the pensioner concession card. This conflict with the agreed policy was identified late in the testing. When it was determined that the paragraph could not be changed in the available time frame, a work around was established where the recipient would be

advised to ignore this advice in the letter at the time of their face-to-face interview. Unfortunately this matter was not escalated to someone who would have appreciated the policy sensitivity.

The media were sent the letters and in early January 2013, reported that the Government had reneged on its promise. Immediate service recovery was undertaken, including me writing to every one of the affected recipients. While we received less than 100 calls from the 90,000 recipients, the issue led to a lack of confidence in service delivery and further criticism of the policy.

I am always looking for positives. We immediately commenced work on the business case to replace the Centrelink legacy ICT system. In the 2013-14 Budget we received agreement to develop the business case. In the 2015-16 Budget, the Welfare Payment Infrastructure Program (WPIT) was announced. WPIT is now considered a key element of the modernisation of the Public Service.

Clear communication

We know that clear communication to recipients is essential. We sometimes refer to it as the 'call to action'. Importantly, sometimes we deliver a 'no need to act' message. This allows resource to be directed to priority areas.

The measure Rebalancing of the Pension Asset Test were announced in the 2015-16 Budget with implementation from 1 January 2017. The changes involved pensioners with higher levels of assets losing access to part pension and for some part-pensioners with lower level of assets, being able to access full pension. It was expected that around 370,000 pensioners would be adversely impacted and 165,000 positively impacted. Again, this measure had attracted some media criticism so it was important that the implementation did not add to that criticism. It was also important that millions of pensioners who were not affected received the 'no need to act' message.

We implemented a comprehensive strategy of co-designed letters, social media and conventional media to explain what was happening. Hank Jongen, the DHS spokesman, did lots of talk back radio during the lead up to 1 January. This was a successful strategy. While the policy continued to be discussed, the implementation did not attract criticism.

This is how public policy should be debated – ideas not administration.

Continued monitoring to address implementation issues

Service delivery requires constant monitoring and readiness to address issues as they arise. This is not just for new measures but also for long running programs such as age pension, which has been in place for nearly 110 years.

From 1 July this year, the Government introduced the National Redress scheme for survivors of sexual abuse in institutions. This is a complex policy which requires referrals of powers by states, and agreement by non-government institutions to participate. Delivering the policy requires engagement with often elderly survivors where the need to tell their story risks re-traumatisation.

DSS and DHS have worked closely on the policy development and the planning of the roll out. Co-design with advocacy groups, survivors and trauma specialists has occurred on forms and processes. Clear and sensitive communication products have been developed. Staff have been trained by trauma specialists to work with survivors.

Three months in, we are closely tracking the reaction of survivors. We are working to adjust processes as we learn from doing. We will continue to monitor and remain agile and intent on improvement.

Organisational Accountability

While I have discussed some key factors that are important to successful delivery, it is essential that organisation structures drive appropriate engagement and clear lines of accountability. In some instances of Commonwealth direct service delivery, this is achieved by having policy development and delivery in the same entity such as the biosecurity function within the Department of Agriculture and Water Resources. Other examples include policy development and delivery being in separate entities but within the same portfolio, such as Treasury and the ATO within the Treasury portfolio, and DSS, DHS and the NDIA within the Social Services portfolio. Separating policy and service delivery into different portfolios gets a bit trickier.

Each portfolio needs to have in place arrangements that ensure appropriate engagement and accountability between policy development and delivery. Ultimately, the senior minister is responsible for the performance of the portfolio in delivering public policy outcomes. Department and agency heads have legislated responsibilities but most importantly, we need to ensure the relationships and systems are in place to ensure we are 'joined up'. In our portfolio, if we have a problem in delivery, we work together to resolve it. For example, neither the public nor Ministers want to hear that it is an NDIA problem and not a DSS issue. They just want it fixed. And to reinforce that message, I get plenty of direct correspondence from citizens about their payments. I recently had a correspondent who pointed out to me that as the Secretary of DSS, I was responsible under the legislation for the payment he was seeking. Fortunately, I already knew that.

Attracting Talent

You have probably worked out by now that I consider service delivery skills to be essential for the APS. In no way does that detract from the importance of policy development skills. Most people will specialise in one area or the other. I consider that senior managers need experience in both domains. Our ability to develop good policy needs to be informed by an understanding of the intricacies of delivery. Delivery sharpens the mind on the end point, the participant or recipient. Equally, delivery staff need to understand policy development so they can better contribute and deliver the objective.

I don't think delivery skills are as well valued in the Commonwealth as they should be. There is a view that policy is of a 'higher calling'. To be honest, I also think people get a little scared off by delivery. It is hard work and there is nowhere to hide. If something goes wrong, it becomes apparent very quickly and sometimes in the public arena. Alternatively, if you make a mistake in developing a policy option, the Secretary and Minister might be unhappy but it rarely enters the public domain.

So why is delivery worth doing?

Service delivery gives you the opportunity to engage with citizens. I recently visited a school in Redbank in QLD from where a community hub was operating. Newly arrived Australians had dropped their children at school and were undertaking skills training, in English and certificates in Child Care, Aged Care and Disability Care. All areas where we need skilled labour. This is a community lead initiative with a very small investment by the Commonwealth. It was a great example of how our policies and programs are making a difference in the lives of Australians. It encouraged me to come back and look at the next steps for this program.

Managing delivery builds resilience. What could possibly go wrong when you are rolling out complex policy to millions of Australians, sometimes relying on legacy ICT? Managers quickly learn that agility in addressing problems is critical. The media, both social and mainstream, can be quick to criticise and sometimes personalise the criticisms. While uncomfortable at the time, such experiences do prepare you for future challenges. I was very well supported during RoboDebt by Glenys

Beauchamp, Dennis Richardson and Michael Pezzullo. The staff in DHS were amazing and we came together as a really strong team.

Service delivery generally involves leading large teams and contract management. Both of these skills are important to staff who aspire to take on senior roles.

I do consider that all SES should have gained experience in both policy and service delivery before being promoted to a Deputy or an Agency Head position. The discipline of having to develop policy and then follow through, from idea to action, is invaluable. Corporate areas provide excellent opportunities for such experience. Consular services is another such example. When I was the Secretary of Human Services, we offered SES secondment opportunities to other agencies and attracted a number of participants. I see a formal program of secondments, to both policy and delivery areas, as enhancing the skill base of the APS. Culturally, we need to value both policy and delivery skill sets.

Conclusion

In concluding, my overall message is that we need to pay attention to delivery right from the start, at policy inception. Delivery can't just be an add on. It has to be integrated and we, as a public service, need to continue to develop people with the appropriate skills and passion to deliver.

We also need to be willing to review both positive and negative outcomes and share learnings broadly. Hopefully I have been able to share some of my learnings with you today. It has been cathartic for me.

The importance of engagement between policy development and delivery requires constant reinforcement. We all need to be vigilant and think deeply about the entire policy life cycle when confronted with an issue. We need to be curious and constantly working on relationships. This is not some bureaucratic turf war. Ultimately, this is about delivering good public policy to the people of Australia and retaining confidence.