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Senate Economics Legislation Committee  
Department of the Senate  
Mr Mark Fitt  
Committee Secretary  
Parliament House  
Canberra ACT 2600

### **Inquiry into Australian Business Growth Fund bill 2019 [Provisions]**

Dear Mr Fitt,

Thank you for the invitation to comment on the *Inquiry into Australian Business Growth Fund bill 2019 [Provisions]*. I provide the comment below.

In its response to the recent Thodey review of the Australian Public Service (APS) the Australian government affirmed its commitment 'to embed evaluation planning in new policy proposals' (Commonwealth of Australia, 2019, p. 22; Commonwealth of Australia, 2019). Consistent with this commitment section 21 of the *Australian Business Growth Fund Bill 2019* includes a provision for a 'review of the effectiveness' of the fund in its first three years of operation.

The provision for a review of the fund is welcome in light of the findings of research commissioned as part of the Thodey review that found that the APS's approach to evaluation '...is piecemeal in both scope and quality, and that this...is a significant barrier to evidence-based policy-making' (Bray, et al., 2019, p. 8).

The Tax and Transfer Policy Institute (TTPI) at the Australian National University proposes that the provisions pertaining to the review of the Australian Growth Fund go further than those contained in the bill. TTPI proposes:

1. that a budget for a rigorous evaluation be set aside and stipulated in the Act;
2. that the evaluation of the fund be conducted by an independent panel of experts with the majority drawn from academia;
3. that the evaluation strategy and data infrastructure be designed alongside the implementation of the fund.

There exists a growing literature that demonstrates that policy evaluations are most effective when the evaluation strategy and data collection are built into the planning phase of a

program prior to implementation. Evaluations conducted as an afterthought, subsequent to implantation, are not always able to obtain baseline measurements of the outcomes that were to be impacted making it difficult to form a basis of comparison. Evaluations conducted 'ex post' may also have trouble forming accurate measures of program outcomes and have to resort to whatever data is available rather than those that the program was intended to impact.

The proposed evaluation panel of experts would bring together academics and other experts with a proven track record of conducting high quality policy evaluations. The panel would work with the management of the fund to design the evaluation strategy and determine the outcomes upon which the evaluation would focus in consultation with the Australian Treasury and other stakeholders including those providing capital. The panel would advise on how to leverage the fund's information systems to facilitate the evaluation and whether any additional data gathering is required. The evaluation itself would be conducted independent of the fund's management to ensure transparency and should include randomisation.

A transparent and rigorous approach to policy evaluation brings with it significant benefits for public policy. It provides a credible basis for government deliberations on whether to maintain or modify programs. Furthermore, the public release of policy evaluations demonstrates to the broader community the value of government programs whilst also providing a rationale for why they may need to be modified or abandoned. Ultimately a better understanding of 'what works' leads to better public policy.

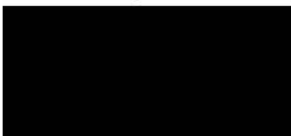
## References

Bray, R., Gray, M. & t'Hart, P., 2019. Evaluation and learning from failure and success. In: A. T. e. al, ed. *APS Policy Capability Project Insights Report*. Canberra: Australia and New Zealand School of Government, p. 11.

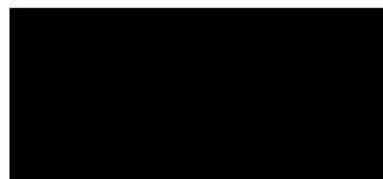
Commonwealth of Australia, 2019. *Delivering for Australians. A world-class Australian Public Service: The Government's APS reform agenda*, Canberra: Department of the Prime Minister and Cabinet.

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Sincerely



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Director



Matthew Taylor  
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