

FURTHER SUBMISSION TO THE INDEPENDENT REVIEW OF THE PGPA ACT

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The Supplementary Submission to the Review from John Wanna and myself referred to a study being conducted by the (US) National Academy on Public Administration for the Office of the Budget and Cabinet on organisational health and performance. NAPA has now provided a final draft of its report to the OMB. I expect it to be published by the end of January, but the Panel chair, John M. Kamensky, has authorised me to send you a copy to assist your review. I assume it should not, however, be made public until NAPA publishes it. A copy of the draft report, *Strengthening Organisational Health and Performance in Government*, and the accompanying Working Paper #1, is attached to this submission.

As in Australia's case, the US has a good statutory framework for focusing on results and performance, but there is much more to do to take full advantage of it. The NAPA Report advocates a strategic re-orientation to build the healthy organisations that can achieve high levels of performance. This includes a stronger bottom-up approach taking advantage of the increased availability of administrative and other operational data, including from the US employee survey.

As emphasised in the earlier submissions to the Independent Review, there is more that can be done in Australia to focus on organisational health and capability, focusing on 'how', to complement the focus on results and performance ('what'). This relates not only to the role of corporate plans, now mandated by the PGPA Act, but also to more continuing and systematic review of capability supported by both Finance and the APSC.

Another recent US development relevant to the Independent Review's work is the Report of the Commission on Evidence-based Policymaking (*The Promise of Evidence-based Policymaking*) released in September 2017, and the subsequent passage of legislation through the US House of Representatives (the Foundations for Evidence-Based Policymaking Act 2017), but not yet through the Senate. The proposed approach again involves more systematic use of the data increasingly available, complemented by firmer privacy requirements to facilitate appropriate linking of data without undue risk to privacy, and improvements to institutional capacity including through establishing Chief Evaluation Officers in each agency.

The earlier submissions also emphasised the role of evaluation, and the need for public service managers, ministers and the Parliament to take a more systematic approach to evaluation. While it may not be necessary to appoint chief evaluation officers in every department, the APSC's capability reviews indicated widespread loss of strategic policy capacity suggesting many departments need to invest in analytical capacity through dedicated central strategic policy units. This, combined with a more systematic approach to regular evaluation and regular Senate Committee hearings on performance and capability, could greatly improve the quality of public policy deliberation across government.