Governing through Collaboration
Dr Peter Shergold

There are new and exciting changes occurring in the processes of governance, which have profound implications for public services. The provision of policy advice is becoming more contested. The views of officials now compete with those of political advisers, advocacy organisations and policy think tanks. The implementation of policy is increasingly contracted out and delivered through third parties, with the Public Service taking responsibility for oversight, evaluation and accountability.

At the same time—and significantly extending these developments—broader networks of policy influence are emerging. They demand new ways of doing things and new forms of leadership behaviour. At the heart of these changes lies the growing importance of collaboration—across government agencies and jurisdictions and between the public, private and not-for-profit sectors.

In Australia, these trends are evolving within a Westminster form of government, set within a federal system, much (but not all) of it articulated in a written constitution. The Australian systems’ sovereignty, majority-party control of the Executive, ministers accountable to parliament, the cabinet as the basis of collective responsibility, institutionalised opposition and parliamentary conventions and rules of debate.

This system of representative and responsible government provides an institutional framework for managing political debate in democratic ways. Within this structure, the Australian Public Service (APS) plays a key role. Much of its influence is hidden, in that it provides advice to the government of the day in confidence. It works, however, within an environment of political contest in which decisions are subject to parliamentary questioning and intense media scrutiny. The delicate balance between responsiveness to government direction and Public Service independence is a matter of continuing public debate.

Public servants provide support to ministers. They put forward non-partisan policy advice, but, sometimes after robust behind-the-scenes discussion, they accept the directions set by government. They implement the policy decisions of government whether or not their advice has been taken. They draft the legislation, deliver the programs and services and provide the regulatory and compliance framework for government.

The APS remains a professional, merit-based, career service. By that I mean that its senior public servants continue to be selected on the basis of competence and experience. They serve through changes in ministers and government. They are not recruited or promoted on the basis of party affiliation or political allegiance. The APS serves successive governments with equal commitment. It accepts the right of the Executive to set directions and make decisions. It is accountable, through ministers, to parliament.

There have been some fundamental developments in the past 30 years, such as the emergence of ministerial advisers (employed outside the Public Service Act) and the growth of a panoply of mechanisms to provide administrative review of decision making. At the same time, in a form often characterised as ‘new public management’, the Public Service has increasingly assessed its performance against the achievement of explicit outputs and outcomes—not just the ethical deployment of inputs. Nevertheless, until now the traditional structures of
Westminster have continued to frame the relationship between the government and the APS. Greater change could beckon.

Let me tell a personal story. My job seems to be getting harder. In part, that’s because government gets ever busier. The volume of legislation is rising. The number of policy measures is increasing. Here’s one example: whereas there were 353 individual budget items in 2001–02, there were 532 items in 2006–07. At the same time, my job is becoming more intense. I discern that the speed with which government expects programs to be delivered is intensifying. New forms of technology are adding immediacy to decision making and public communication.

Concurrently, new, more complex institutional structures of governance are emerging, which take many forms. Within the Public Service, much authority has been devolved to individual agencies. The number of these organisations has increased with time and many wield various levels of statutory independence. To some extent, specialist agencies have assumed the power that was traditionally the provenance of departments of state. Consequently, the need for inter-agency, cross-jurisdictional involvement is rising. So, too, is the requirement for contracts, memorandums of understanding, partnerships and alliances to establish continuing relationships across the public–private divide.

I find that the pressures of devolution, the proliferation of government agencies and involvement of non-government parties present significant challenges to the way I work. Increased organisational demarcations present the danger of territoriality at the same time that political issues are broadening beyond the ambit of single agencies. The increased number and authority of agencies across governments need to be harnessed to a single purpose—namely, the making and executing of good policy. That demands collaboration. It is now a requirement of my job. I spend much of my time trying to overcome bureaucratic barriers in pursuit of whole-of-government, joined up approaches to policy development and more seamless policy delivery.

Partly in response, I have established a Cabinet Implementation Unit (CIU) in my department (Prime Minister and Cabinet, PM&C) to oversee the delivery of government programs. Today, 16 per cent of the programs the CIU is monitoring in its ‘traffic-light’ implementation reports to cabinet involve three or more Commonwealth agencies in delivery or are based on agreements between the Commonwealth and the states. The challenges of inter-agency and/or inter-jurisdictional cooperation are each responsible for one-quarter of the reasons given by agencies for programs accorded ‘amber lights’ (indicating potential delivery problems).

At the same time, more stakeholders are being given an opportunity to contribute to the processes of governance. An emerging trend is for policy to be progressed through task forces. My department has hosted no fewer than 62 individual task forces since 1999–2000. Many are internal to the Public Service, effectively operating as a full-time interdepartmental committee (IDC), brought together for a specific purpose. Increasingly, however, they are being widened to include participation from the private and not-for-profit sectors, often with secretariat support. They are being given the opportunity to provide advice to government on specific issues.

Typical is the Task Group on Emissions Trading, which I chaired (as Secretary of PM&C) from its establishment in December 2006 until it presented its report to the Prime Minister in May 2007. It comprised a group of seven private-sector business leaders and five Public
Service secretaries, supported by a high-level secretariat drawn from a range of agencies. Innovatively, the secretariat was also widened to include outside representation (from the Business Council of Australia and the Australian Industry Greenhouse Network). Its conclusions—to support the introduction of an Australian cap-and-trade emissions trading system—were accepted by the government. The APS is now tasked with implementing that decision.

Such task forces are taking an increasingly significant role, including even the oversight of the implementation of government policy. I have just become a member, for instance, of the Northern Territory (NT) Emergency Response Taskforce. Its key role will be to provide advice to government on the diverse operational issues associated with Commonwealth intervention in remote Indigenous communities. It will require a high degree of collaboration between Commonwealth departments, the Australian Defence Force, the Australian Federal Police, NT government agencies and non-governmental organisations.

Another emerging role is for third-party agents. Private-sector and community institutions now deliver services to and on behalf of the government outside the traditional structures of governance. The key characteristics involve the allocation of government business, by Public Service tender, with conditions set by contract. The goal is to harness market competition. Payment is made on the basis of outcomes and procurement decided on the criterion of performance. The contracted organisations enjoy greater autonomy with respect to delivery processes than is normal in public-sector agencies. Crucially, the Public Service (the purchaser) remains accountable as manager for the ethical conduct of the contracted body (the provider).

Let me again give a personal instance. The Job Network was established in May 1998 to replace the 50-year-old government provider, the Commonwealth Employment Service (CES). I had responsibility for the network while I was secretary of the Department of Employment, Workplace Relations and Small Business from 1998 to 2002. Indeed, in 1999, I was the decision maker on a tender for the reallocation of business, which, controversially, saw the dominant public provider (Employment National) lose most of its work. It had found itself unable to compete effectively on performance with private and community-based organisations. Today, the network has more than 100 competing providers, predominantly from the private and not-for-profit sector, operating from 1100 locations around Australia. It delivers job placement, job-search training and customised assistance to job-seekers, worth about $1.2 billion annually.

Outsourcing began as a competitive form of procurement. It used the market to secure the best value for money in achieving required government outcomes. It required Public Service contract management to meet required standards and to assess performance. The rationale of third-party delivery is, however, now changing. Increasingly, it has become clear to me that the Job Network’s success depends on continuing collaboration between the APS and delivery agents. It calls for relationship management in order to facilitate innovation and continuing improvement in the long term.

A contractual relationship, based initially on compliance, has the potential to be transformed by collaboration. Third-party delivery has the capacity to evolve into a partnership in which public and private goals and values become ever more similar.
Stakeholders are also increasingly important. Again, let me inform my remarks by personal experience. In 2002, when I was secretary of the Department of Education, Science and Training, I launched an ‘Open for Business’ initiative, which was designed to make the department more externally focused. It sought to recognise formally as stakeholders those organisations and individuals who shared the department’s interest in university, vocational and school education, skills training and science policy.

A ‘Stakeholder Charter’ was drafted and used as the basis for informing expectations and assessing the extent to which they were met. It has proved an important vehicle for building and maintaining levels of trust across the ‘network’ of those who engage with government. The third Stakeholder Perception Survey was conducted in June 2007. It indicated that perceptions about the quality of the relationship between public servant and external advocate had progressively improved. Indeed, overall satisfaction levels have risen since my time and are now at more than 85 per cent. The goals of accessibility, engagement and inclusiveness have largely been met.

Challenges remain. The department receives considerable positive feedback on the opportunities it now provides for networking, general discussion and helping stakeholders to understand government policies and programs. Perceptions, unfortunately, are less satisfactory in terms of the department consulting stakeholders early in the process of policy development and facilitating their influence on policy. Here, too, is a relationship, originally premised on notions of consultation and communication that has the potential to be transformed through collaboration into participatory governance.

Other structures of governance are already evolving into partnerships. I take as my personal example the Area Consultative Committees (ACCs), which were established in 1994 to generate support for the government’s labour-market programs. Today, there are 54 ACCs. They take particular responsibility for promoting and facilitating projects under the Regional Partnerships Program. With time, the ACCs have also played a growing role in promoting government programs and helping small business to respond to them. To this end they have hosted Indigenous employment policy officers (to promote training and job opportunities for Aboriginal and Torres Strait Islanders), goods and services tax (GST) support officers (to advise and assist small business on changed tax arrangements), sugar resource officers (to facilitate the restructuring of the Queensland sugar industry) and AusIndustry/Austrade outpost officers.

The ACCs remain volunteer-based organisations whose administration is funded by government and supported by the Public Service. They have provided a vital conduit between regional areas and the Australian Government. They have proved an effective means by which to link government to business and the community at the local level, to facilitate public–private dialogue, to promote access to government programs, to advise on government projects and to build stakeholder networks. Here, again, is the potential for greater collaboration.

There is also greater interest from governments, through their public services, in engaging directly with communities. Perhaps the best instance of this approach—of which I have personal experience—relates to the delivery of policy to Indigenous communities, particularly in remote Australia. The Office of Indigenous Policy Coordination initiated Shared Responsibility Agreements (SRAs) in 2004 with my active encouragement. They have expanded during the period I chaired the Secretaries’ Group on Indigenous Affairs.
SRAs are based on the negotiation of joint responsibilities between the government and the community. Today, there are 240 SRAs with Indigenous communities around Australia. Initially, they focused on the funding of discretionary projects, but they have become progressively more complex.

The goal is not just to provide a vehicle for delivering publicly funded initiatives tailored to local need, or even to establish a mechanism for channelling whole-of-government effort: beyond that, SRAs serve to articulate in concrete terms the government ethos of mutual obligation. Success clearly requires a commitment to consultation and negotiation. Even more effective would be government–community collaboration.

This variety of new network arrangements—many still in the early stages of development—suggests an evolutionary process is under way. Government, it would appear, is being transformed into an ‘enabling state’. Sources of authority and influence are becoming more diffused. A ‘shared-power world’ beckons. Some argue that the State is becoming weaker and ‘hollowed out’. Sovereign decision making, it is argued, is increasingly constrained by the growing importance of international regulatory and legislative frameworks and by the impacts of globalisation. Both serve to weaken national autonomy.

At the same time, it is suggested, government is reducing the scope of its public interventions, leaving more to the market. The commercialisation of government enterprise continues apace. Accompanying this, the Public Service is becoming enmeshed in a series of horizontal networks that limit (or crowd out) its influence. It is left with only ‘rubber levers’ to achieve government objectives. Its influence is concomitantly weakened.

I am not persuaded by this interpretation. While the State certainly appears to be changing its mode of operation, I see no indication of a diminution in the government’s desire to shape society. Rather, government appears to be embracing new interventions. It now seeks to extend its influence to private behaviour (for example, smoking, the use of alcohol, sexual conduct, obesity and respect for the rights of others).

Whether or not the State is weakening, the structures of governance are widening, influenced by a complex interrelationship of organisations. A ‘differentiated polity’ is emerging, distinguished by governance characteristics and institutional features. Table 2.1 summarises the key elements.

Table 2.1 The differentiated polity

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<th>Governance characteristics</th>
<th>Institutional features</th>
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<td>Functional devolution</td>
<td>Privatisation of government enterprise</td>
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<td>Agency specialisation</td>
<td>Market competition</td>
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<td>Policy fragmentation</td>
<td>‘New public management’</td>
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<td>Delivery outsourcing</td>
<td>Alternative delivery systems</td>
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<td>Greater use of</td>
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Governance characteristics | Institutional features
--- | ---
• markets  
• networks | Special-purpose state agencies  
Involvement of non-state actors  
Professionalisation of advocacy
More interdependence

What we are witnessing appears to be the emergence of a ‘centreless society’ in which public policy is made and delivered by an interdependent mix of government, markets and networks. Institutional networks in which sources of influence are fragmented are replacing the traditional hierarchical procedures, formal organisation and rules, procedures and conventions. The exercise of power is becoming more diffuse and opaque.

More players get to play a part, including advocacy groups and lobbyists. For this reason, I sometimes argue that this represents the democratisation of governance. More organisations are engaged with the political process, even as the number and influence of individual members of political parties wane. It is a new process of governing, involving non-state actors, in which the boundaries between the public, private and voluntary sectors are becoming more opaque.

This is exciting. It opens new prospects. I do not, however, want to exaggerate the speed or substance of change. The Public Service remains the key to coordination. It retains positional authority. In exercising government will, the bureaucracy still dominates.

A public service remains at the political heart of governance networks. It retains extensive powers. There are many reasons for this: its resource capability; its collective experience and knowledge; its legislative and regulatory authority; the financial control it wields through grants, loans and contracts; its access to influence; and its exercise of covert power (by which I mean nothing more sinister than the provision of advice on the basis of confidentiality).

The processes of public-sector collaborations often continue to reflect implicit hierarchical relationships between the actors. The government (or its public service) often externally imposes the structure of public-sector collaborations. It decides on representation. Bureaucracy can exert covert power through access to information and its capacity to marshall resources. It benefits from direct access to government ministers.

Structures tend to maintain public service dominance. The real work of collaboration is generally done in committee or through a secretariat, usually provided by the bureaucratic ‘host’. Decision making continues to reside with the government, not with networks (although it is now subject to more contest, wider scrutiny and greater ‘outside’ influence). While the deliberative processes of networks result in agreements, conclusions or recommendations, most decisions are still taken outside the collaborative group. In short, neither the Public Service nor the government operates within the network of governance as ‘just another organisation’.

The Public Service also retains a distinctive role. That is appropriate. It has to discern and understand the nature of particular interests and advise the government of its own assessment of the national interest (while accepting that it is the responsibility of the government to
decide that interest). The environment in which it wields its influence is, however, changing. The Public Service is playing out a traditional role in contemporary circumstances. Increasingly—outside or within government—its power is that of persuasion.

Certainly, the coordinating mechanisms are changing—so are the modes of achieving outcomes. At the risk of gross simplification, I discern a move from command, through coordination and cooperation to collaboration (Table 2.2).

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<th>Table 2.2 The transformation of process</th>
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<tr>
<td>Command</td>
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Increasingly, governance outcomes (the development and delivery of public policy) require the collaboration of a diversity of interested parties. They possess varying degrees of influence, autonomy and capability and often exhibit competing interests, expectations and values.

At its best, collaboration adds public value to the process of governance. It allows participants to learn alternative modes of behaviour and new ways of doing things. It provides mutual benefit to participants, stimulates the development of a mutual inter-agency or inter-organisational culture and helps create and manage knowledge.

Genuine collaboration in governance involves recognition of interdependence within the network of institutional structures. It depends on accepting mutuality of interest. It should not naively assume consensus. The parties will often come to the table with competing interests. Their different perspectives will be resolved—indeed, they will be properly understood—only by interaction and negotiation. The entire process of seeking solutions needs to be iterative: not just reaching agreement on answers, but jointly framing the questions and identifying the problems.

Through a process of integration, collaboration can bring a network of interested parties to mutually beneficial outcomes, sometimes in unexpected ways. I have been fortunate enough on occasion to be present at meetings during which collective deliberation has added creative value. It has fired imagination beyond the capacity of any single participant. When collaboration works, the whole can be greater than the sum of its parts. The process of governance is improved. The key to success is to appreciate these characteristics and seize the opportunities they provide. To build collaboration requires the Public Service to recognise the innate differences in power and to consciously modify its approach to mitigate these imbalances.

The success or failure of collaboration lies not in the emerging network structures of governance or even in the evolving systems by which influence is wielded. It requires new forms of leadership behaviour, particularly on the part of the public servants who remain
central to most discussions of public policy and administration. Instead of agendas being imposed, they need to be negotiated. Collaboration demands public servants who can stand in the shoes of those with whom they deal, who can understand their particular perspectives and interests and, by doing so, can build trust. Collaboration can also be enhanced by a clear indication that public servants will champion the collective decisions of the group—using their disproportionate power on behalf of the collaborative venture.

Genuine collaboration will not come about simply as a result of evolving networks of democratic governance or the changing role of the nation-state. It requires public servants who, with eyes wide open, can exert the qualities of leadership necessary to forsake the simplicity of control for the complexity of influence. More explicitly, they need to operate outside the traditionally narrow framework of government, which they have for so long worked within.

Public Service leadership has always been premised on the ability to influence. The challenge now is to extend that capacity from government structures to governance networks. While it will not be an easy path to travel, the prospect is alluring.

References


