1. Introduction — Improving Implementation: the Challenge Ahead

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Shortly after winning the 2004 election Prime Minister John Howard reflected that ‘we tend to look at service delivery as an afterthought rather than a policy priority’. He was referring to difficulties in implementing programs, especially those involved in more than one level of government or spread over several agencies. He made the statement in the context of announcing his new cabinet, including the establishment of the new Ministry of Human Services, which gave his comment added significance.

Many believe that this marked a new strategic direction for his cabinet and the policy departments. A key feature of this new direction is the insistence that project management is about transforming the culture of the public service – applying project management disciplines not only to major projects but to the harder areas of social policy and whole-of-government initiatives.

The implementation message conveyed by the Prime Minister signalled a new direction for the federal government. Entering his fourth term, Howard indicated he wanted ‘can-do government’ guided by expert practitioners and project managers to replace the era of ‘hands-off government’ of the late 1990s advocated by accountants and economists. The new focus was to be on improving implementation and delivering programs to meet higher expectations. This was an incidence of a nation-building state changing its collective mind.

But Howard was not alone in expressing such concerns. State premiers have made similar remarks over the lack of follow-through. Peter Beattie in Queensland lamented that when cabinet made decisions it often took months for action to occur. Similarly, in recent years Steve Bracks, Geoff Gallop, Jon Stanhope, Bob Carr and Morris Iemma have all emphasised service delivery and the need to focus on performance in the public sector. Implementation problems have beset all their governments, and blame-shifting has become less and less an option as a defence and no longer washes with the electorate. In their jurisdictions, when policy failures occurred critics laid the blame on predictable pitfalls, on ‘learned incapacities’ and ‘learned helplessness’, and of a malaise in management. Some have even pointed to an emerging culture of ‘management deficit’ where executives refused to take responsibility or washed their hands of emergent problems.

The Council of Australian Governments has also moved from a concern with national policy frameworks and new policy agendas to better co-ordination and delivery of existing services where both levels of government are invariably involved (such as in health, the environment, family services and childcare, training and education).

So, why are government leaders and their cabinets getting interested in service delivery, project management and implementation? And why now? Normally the topic would be regarded as the rightful province of line managers, with the invisible 'plumbing' taking place in the depths of departments, too miniscule and trivial to interest ministers or even their senior executives. Yet, the recent political concerns are not simply a reflection of partisan interest from one side of politics, or the preoccupations of a particular leader, or one driven by electoral cycles. The trend is too topical and widespread.

The 'take implementation seriously' movement is part of a much broader concern with governance and the effectiveness of public policy. Consider, for instance, the following trajectories and signals.

All governments report far more on their results, performance and progress towards the achievement of outcomes than ever before (financial and performance reporting, better annual reports, triple bottom line reporting, quality of services reports, outcomes reporting, state of the service reporting). How far they are believed and how far they engage in a little obfuscating is another matter, but reporting has increased visibility and in its importance to governments.

Governments are calling for greater 'passion for policy' and greater commitment in delivering outputs (see Briggs 2005). They are not satisfied with mere technical proficiency from their bureaucrats but seeking a cultural renewal in the public service and a rekindling of a sense of 'serving the public' with good policy innovations. Governments do not want their public officials to absolve themselves from responsibility but to become passionately committed to policy directions.

To date, three governments have formally established special implementation units attached to cabinet to both spur and track implementation progress according to agreed milestones (see Tiernan 2006; Wanna 2006). These units aim to help agencies 'think through' the likely implementation issues at the policy formation stage when making submissions to cabinet. Cabinet can also flag which of its decisions it wants monitoring or tracking, and call for broader reviews of implementation progress. Some of these units (as with the Delivery Unit in Britain) set targets and measure departmental performance against these standards, but so far the trend in Australian has been to establish collaborative bodies increasing the focus on implementation issues.

The Commonwealth and Victorian governments have established 'gateway review' processes to help in the management of large projects and provide project

assurance. Special review teams of experienced project managers produce timely reports to executives (the so-called 'senior responsible owners') in the relevant departments. Victoria commenced in 2002 while the Commonwealth process began in 2006. Both review processes investigate risk management with projects, the necessary operational skills and knowledge of project management in administration. Importantly, while their reports remain largely confidential, their reviews function to improve the information exchange with the stakeholders (senior executives and ministers).

In similar vein, the NSW and Queensland governments have established central assessment units to investigate the cost and quality of services, and whether governments have been getting value for money in the services they provide or procure. These bodies have investigated the relative costs of provision, quality assurance and expectation management.

Most of these central agency initiatives are aimed at enabling governments to better monitor progress and review performance information. They offer practical ways of allowing risks to be assessed and managed and, if necessary, for actions to be taken so that policy initiatives that may have run into difficulty can be revived or emerging risks managed before the project or policy is seriously derailed. These initiatives are not intended to embarrass governments or to result in the release of damaging information into the public realm. They are not done for public accountability reasons, although it can be argued that they improve the oversight of executive governance.

Certainly, there were other catalysts prompting these concerns. The importance of the implementation agenda was underscored by some major policy or implementation failures where problems multiplied until they could not be hidden. Such failures were exposed in the areas of income support to families, job referrals under outsourced provisions, immigration administration and the detention of supposed illegal over-stayers or residents, child protection and health administration in public hospitals. Some major information technology and procurement projects in government agencies such as Defence or Centrelink have resulted in costly embarrassments. Other significant cost overruns have been publicly exposed.

A further problem is the issue of cultural alignment between agencies and policy intent. Is there a close alignment between organisational cultures and the policy objectives? Are traditional administrative organisations suitable for new delivery methods? Is there an appropriate synergy between policy departments and delivery agencies? Are the intentions of government clearly communicated to delivery agencies and indicated to client groups? These are some of the more difficult aspects of good implementation.

But, how then do we turn the focus on implementation and build an 'implementation culture'? What are the challenges ahead?

There are concerns among many senior advisors and executives that feedback loops have been neglected or destroyed as governments have separated policy responsibilities from delivery responsibilities. Compartmentalisation of 'policy advice' from the delivery coalface has created strains and tensions in the policy delivery chain. This is a problem that has been noted in the UK especially with executive agencies (James 2003).¹

Policy designers may lack a detailed knowledge of implementation and delivery. Today's senior executives may not know in detail what is going on within their area of policy responsibilities. They are dependent on the provision of good and open information exchange, and in practice information asymmetries tend to occur and obfuscate close scrutiny. Whereas in the past, senior executives, who had worked their way up the organisation from the bottom up, often had extensive implementation experience in their agencies, today they are dependent on information provided by delivery agencies and contracted service suppliers in the profit and non-profit sector. Some rely on occasional audit reports to monitor performance. Often there is little implementation knowledge passed back to the policymakers and little effective monitoring of progress.

Hence, the need for governance frameworks that operate on effective project management, that provide relevant and timely information to executives with oversight responsibilities – or to put it another way 'project management is too important to be left to the nerds' (Shergold 2006). 'Senior responsible owners' who may not be personally involved in project management but who still have accountability for the results, are being directed to take a far more active interest in the governance of projects within their portfolio. They needed better information and skills to ensure projects were in line with government policy objectives, were on track with projected timelines and were achieving intended outputs. They need to employ a matrix of project management disciplines – not as a formal set of prescribed techniques, but as a range of possible tools and disciplines to apply when appropriate.

Then, there is the issue of how agencies test the reliability and veracity of feedback information? How do they ascertain that adequate tests or inspections have been undertaken and accurately reported? How do they know what issues to raise with third party deliverers, or what questions to ask if they have limited background in the area? They often do not. How should those ultimately accountable for programs and the impact of policy design, collate and interpret the information they receive from those agents responsible for their delivery?

Policy today is more interconnected and complex. It is increasingly bound up with delivery issues that cross traditional portfolio responsibilities and Commonwealth-state demarcations. Many players have legitimate involvement in policy sectors and their cooperation or involvement is crucial to success. Welfare services, for instance, now involve anything up to a dozen federal

agencies as well as a host of state and third-sector agencies. Delivery issues are more a kaleidoscope of coordinating influences than a logical set of stages unilaterally declared by silo departments. Immigration, health and national security services face similar delivery issues. Effective implementation is as strong as the weakest link in the chain. When things go wrong, governments have to accept responsibility and attempt to rectify the problems often under the glare of publicity. For instance, in Immigration after the release of the Palmer report into maladministration in her department (July 2005), the Minister, Senator Vanstone, insisted that her department post its remedial implementation plan in the department's website as a discipline to her executives.

Reviews of existing implementation strategies have found agencies do not adequately identify and address barriers to good delivery. They find policy proposals conceived and devised without the benefit of implementation experience. They find that departmental cultures and administrative practices run counter to declared policy goals of the government. Departments struggle with changes of management as policy priorities change. In some cases, poor project management disciplines have been discovered, without adequate planning, risk assessment, key milestones, or with little heed paid to formal implementation plans. Government projects and investment decisions are often uncoordinated and poorly evaluated over time or between different jurisdictions.

Hence, it is clear that much of the current interest in implementation and project management is an unintended consequence of the trajectory of public sector reform followed by Australian governments since the 1980s. Governments have detached implementation 'knowledges' and are now seeking to 'rebuild the connections' in a different organisational context or changed delivery mode. They are not talking about dismantling the reforms of the past two decades but of managing the 'black holes' created, facilitating better information exchanges, and building more organic connections not just within agencies but between them also. They are attempting this within a framework of corporate governance and integrated delivery.

Those responsible for managing projects are now required to consider not just the input-output measures, but to show they understand the transaction costs, the different forms of risk, better evaluations of outcomes, the need for collaborative partnerships and synergies, and for good relationship management. They also need to be more aware of how far projects 'drift' in implementation from intentions of government.

Senior officials away from the delivery point need to become responsible owners and supplement their oversight functions with additional expertise and feedback. If the policy-delivery loop is broken it needs to be re-knitted by other means, especially with senior executives taking a closer responsibility and knowing

what to ask and when. The trick is to 'manage implementation' without getting swamped in the detail of implementation or descending into micro-management.

Certainly, as this collection demonstrates, governments throughout Australia are increasingly focused on the politics and processes of implementation, and on feedback mechanisms to inform ministers and 'senior owners' on progress. Yet, it is the executives and senior managers who are the ones driving this current agenda, not the politicians. But political interest and occasional prods from the prime minister or premiers will be essential to sustain the interest of the bureaucrats. Even if politicians engage in this debate with the motivation of shifting responsibility for implementation directly to their officials, they will nevertheless be unleashing a new agenda for those delivering public policy. It may be somewhat overdue, but the new-found interest is certainly a welcome development.

The 20 contributions contained in this monograph comprise a cross-section of the best papers delivered at the ANZSOG annual conference on Project Management and Organisational Change, held at the Canberra Convention Centre in February 2006. The monograph is divided into four parts. Part 1, *Governance, Ownership and Oversight*, canvasses the range of issues affecting the basic governance and control of projects. It offers insights into the key factors for success and failure. Part 2, *Organisational Alignment—Organisational Change*, presents a range of perspectives on change management and the cultural alignment between organisations and government objectives. These papers illustrate, through real-world examples, how a well-conceived and structured project management framework can be used to secure stakeholder buy-in and achieve broad acceptance of organisational aims and means. Part 3, *Better Project and Program Delivery*, focuses on the development of appropriate project and program management cultures in organisations. It provides pertinent advice on how to improve operational management and sustain effective policy delivery. Part 4, *Implementation Reviews*, explores the factors underpinning successful implementation initiatives and sound implementation cultures. It reports on new initiatives in various jurisdictions relating to good project and program management practice.

References

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ENDNOTES

¹ Oliver James 2003, *The Executive Agency Revolution in Whitehall: Public interest versus bureau-shaping perspectives*, Palgrave Macmillan.