

Realising the vision

Governance for the Smart State

Office of Public Service Merit and Equity

2003



Foreword



Queensland is the Smart State of Australia. My Government is committed to making Queensland a place where new ideas are welcome, where the new jobs of the 21st century will bring prosperity for the community and improve our high standard of living.

The Smart State has a whole-of-government approach to innovation and new-age industries. We are reforming education and training, and fostering research, biotechnology, nanotechnology and information technology.

The Queensland Public Service is central to realising the Smart State vision.

The Queensland Public Service is developing new and better ways for government agencies to focus their energy and resources. It is working with the community to improve communication and collaboration between agencies within the public service, and also between different levels of government.

Increasingly, the Queensland Public Service will work in partnership with organisations outside the public sector to deliver government policy. It will ensure the community's smart ideas become reality.

The changing role of the public sector adds complexity to the design, development and delivery of services, and to governance models.

In August 2001 Cabinet established a Chief Executive Officer Governance Committee to address issues emerging from this changing environment. The Committee advises on the challenges, opportunities and future directions of the Queensland Public Service.

The Governance Committee has undertaken extensive research into the challenges for the public service. It consulted widely with public servants. It also reviewed experience across regional and Organisation for Economic Cooperation and Development (OECD) countries, and found strong parallels with Queensland's experience.

This document outlines a vision for the future governance of the Queensland Public Service based on this research. Finding ways to achieve this vision will call for innovation and a willingness to change.

I am confident the Queensland Public Service will meet these challenges.

A handwritten signature in cursive script, reading 'P Beattie'.

Peter Beattie MP

Premier and Minister for Trade

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Queensland – the Smart State

So Queenslanders, thank you very much. I am determined to deliver the policies we promised. But in particular, in particular, I am determined that we will deliver our commitments to make Queensland the Smart State.

Premier, Peter Beattie, tally room speech 2001

The impacts of globalisation, emerging markets, new technologies, fiscal constraints, and the demands of diverse communities for quality services, all present significant challenges for governments as they look ahead at how to meet the expectations of the communities they serve.

Planning for Queensland's future is already well under way.

The importance of building an innovative and entrepreneurial culture is critical to the Queensland Government's vision to position Queensland as the Smart State.

Smart State heralds an activist approach to the future, with a commitment from Government to balance a sound economy with social benefits, making Queensland an attractive place in which to live, work and do business.

Projections to the year 2020 reveal continued growth in the state's population, workforce and economy. Net interstate migration to Queensland is the highest of all Australian states and territories, and numbers of overseas immigrants coming to Queensland in 2001 increased by 20% over the previous year (OESR, Qld Treasury).

Such demographic information will not only inform the economic, social and environmental policies governments put in place, but will impact on the type of public services delivered in the future.

For example, it is projected that by the year 2020:

- Queensland's population will increase by one third from 3.6 million to 4.8 million
- more than 18% of the State's residents will have been born overseas
- the State's Indigenous population will be one of the highest in Australia
- 45% of the State's population will be aged over 55
- 17.4% of the State's population will be school aged
- life expectancy will increase to 80 (males) and 84 (females)
- Queensland will be one of only two states in Australia which will have positive workforce growth.

The Government has articulated five key priorities through which to achieve its vision:

- **more jobs for Queensland – skills and innovation**
- **safer and more supportive communities**
- **community engagement and better quality of life**
- **valuing the environment**
- **building Queensland's regions**

The five Government priorities also represent a set of directions for the future development of Queensland. They provide an insight into the range of future activities the Government will undertake including:

- Queensland profiled as a leading location for new industries in fields such as biotechnology, information technology and food and fibre manufacturing
- stronger partnerships between private and public sector
- the responsible management of the State's finances and economy to sustain new industries
- a greater focus on the development of targeted and integrated services to meet the needs of clients
- increased participation of communities in government decision making
- provision of sustainable economic and social infrastructure.

In the Smart State, government will work in partnership with the community, engaging the community more effectively in making decisions about the future, delivering improved and integrated education, health, housing, family and other services and programs that improve the quality of life.

It will also meet head on the demands of an information economy, emerging new industries and an export-oriented environment. In particular, with 4.3 million Internet subscribers in Australia and 820,000 of these in Queensland (ABS, 2001), technology will be a key enabler.

Successful achievement of the Government's five priorities will require a range of changes in the way government operates. Five CEO Committees have been established with responsibility for meeting this challenge:

- Human Services
- Employment, Economic Development and Infrastructure
- Law and Justice
- Land and Resources
- Governance

The Queensland public service is a key vehicle through which the Smart State vision will be driven. For the Government to achieve its vision of positioning Queensland as the Smart State it needs to be backed by an innovative, efficient and accountable public service. To achieve this, the CEO Governance Committee will focus attention on providing advice and recommendations on the challenges, opportunities and future directions of the Queensland public service.

Smart Government

I challenge you to embrace the opportunities the Government is creating for you to help shape the future of Queensland by getting to know our system of governance and becoming an active part of it. Only then can we as a modern, mature society continually shape our current system of governance to ensure it fulfils our needs and aspirations, now and into future.

Premier, Peter Beattie, Brisbane Courier Mail, 3 June 2002

According to the European Community, governance is the "rules, processes and behaviour that affect the way in which powers are exercised".

In Queensland, governance for the Queensland public service will embrace the structures and processes that underpin the Smart State vision.

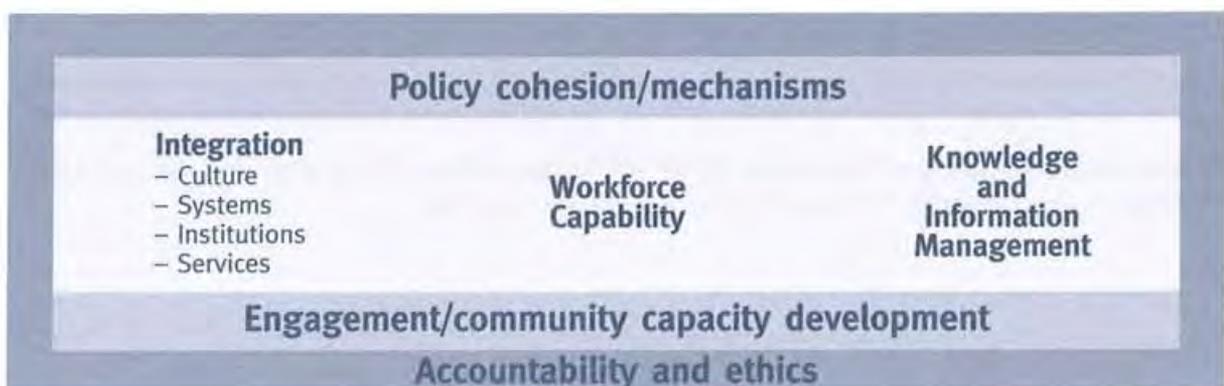
There is, however, no one-size-fits-all model for governance. While the broad characteristics and approaches adopted in recent years are common across OECD countries, each government's response is tailored to its individual circumstances.

The OECD has identified good governance as participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and as following the rule of law. In addition, it assures that corruption is minimised, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is responsive to the present and future needs of society.

Good governance for the Queensland public service encompasses, and goes beyond, the principles identified by the OECD. Good governance supports the achievement of Government priorities by:

- having a shared vision and purposeful leadership
- being decisive, productive, responsive and innovative
- enabling flexible decision-making within an accountable and ethical framework
- meeting obligations to the Executive and Parliament
- building effective relationships and collaboration across the public, community, business and NGO sectors, and
- engendering trust within communities.

Good governance for the Queensland public service may be represented as follows:



Looking ahead, these principles will be supported by a public service which approaches major policy issues from a whole of government perspective and adopts processes for greater community involvement in decision-making.

Wider community participation in the planning and design of services will take place. Services that are more closely aligned to the needs of the community and that are not limited by the internal structures of the public service will be one result. More innovative approaches to issues, bringing to bear not only the experiences and resources across government, but also those of the broader community, will be another.

Community expectations will assist government to prioritise and manage resources effectively. As a consequence, there will be a continued expectation that the public service demonstrate responsible fiscal management. Finding better ways to direct resources to key priorities and to demonstrate value for money will continue to preoccupy public service managers.

New and emerging technologies offer major opportunities to improve access to, and the quality of, services to the highly decentralised population of Queensland. Australia is internationally recognised as a leader in e-government. Further exploration of the potential of information and communication technologies to improve the effectiveness and efficiency of government will be a priority.

In order to fulfil these objectives it will be essential to create a culture within the public service workforce that is 'can-do', innovative and energised by the possibilities of the future.

A new, more proactive approach to workforce management will be required. It will need to recognise and reward performance. It will need to be sufficiently flexible to manage knowledge workers in a more fluid labour market where the traditional appeal of lifelong career employment may no longer be present.

The Government has already taken steps to respond to this changing context for public service. Some recent developments across the Queensland public service illustrate new governance arrangements. These include the following:

- The Cape York Partnership, the Community Renewal program, and QGAP, which demonstrate the benefits of multi-agency collaboration and place management responses
- Community Engagement Division, Premier's Department, which is developing opportunities for increased public participation in decision-making
- Access Queensland, which is actively exploring ways to enlist information and communications technology to improve the delivery of government services
- the establishment of the Departments of State Development, and Innovation and Information Economy
- Aligning Services and Priorities (ASAP), which is aimed at achieving better cross-agency integration of services
- Managing for Outcomes, linking budget allocations to agency performance
- The Charter of Social and Fiscal Responsibility, ensuring public funds are targeted towards community needs and delivered in a financially responsible and sustainable way.

These initiatives have provided sound policy and operational responses to new and emerging situations, helping the Government deliver relevant outcomes to the real issues faced by communities in Queensland.

In doing so, Queensland is at the forefront of historic change, shifting the role of government from one of controller to one of enabler, working in partnership with communities.

Cape York Partnerships: an overview

Providing services to the 18,000 citizens who live in Cape York presents major challenges to a Government with a commitment to regional Queensland, improving the quality of life of all Queenslanders, and fostering economic development because:

- the region is remote and sparsely settled
- communities are small and isolated one from the other
- access is difficult because the basic infrastructure is still not well developed
- tensions exist between the interests of pastoralists, miners and the Indigenous people who maintain a strong connection to traditional lands and seas
- Indigenous people in the Cape experience much lower levels of health, education, life expectancy and employment than other Queenslanders. For example:
 - mortality rates are 2-3 times higher than for the rest of the Queensland population
 - the median age at death is at least 20 years lower than that of non-Indigenous people
 - alcohol related death rates are more than 21 times the general Queensland rate
 - the rate of homicide and violence (much of it alcohol related) is 18 times higher than that for other Queenslanders.

The Government's response to the Cape York Justice Study has been coordinated by the Department of Aboriginal and Torres Strait Islander Policy. It aims for closer collaboration and coordination of government activities and a new approach to the way government deals with issues impacting on Indigenous communities.

Some of the innovative features of the model include:

- the establishment of community negotiation tables. These tables are just one of the processes for sitting down to listen to each other and find solutions together. They involve community leaders and government officials with the authority to make decisions, commit resources or re-design services
- more effective cross-agency networks with formal legitimacy for taking action to address issues
- government employees, such as teachers, nurses and police, working more collaboratively in communities
- the reallocation of funds across programs to achieve solutions that meet local priorities
- the development of partnerships with major private sector employers such as Comalco and Westpac in the provision of services and the development of skills
- an emphasis on partnerships with all that entails in terms of shared governance, shared responsibility, shared benefits and shared risk, and above all, a commitment to a long term relationship based on an understanding of the needs and aspirations of each partner
- government assuming a new role of enabler or catalyst for making things happen instead of simply delivering standard services
- establishment of a Regional Partnerships Office which houses government and the community
- collaboration across all three levels of government.

While these developments augur well for the future, the Cape York Partnership is still a pilot program and the extent of its success is yet to be determined.

Challenges

There are a range of key issues to be considered in shaping the Queensland public service to meet the challenge of the Smart State vision. These include:

- how to achieve greater cross-agency collaboration and coordination in the design and delivery of integrated services that reflect the expectations of users
- how to provide the flexibility in resource allocation and management to support the development of multi-agency strategies for the achievement of priority outcomes
- how to manage the implications for policy formulation, decision-making and priority setting of greater community participation in these processes
- how to improve knowledge management within and across public service agencies so that it supports greater coordination in the development of policies and the implementation of Government-endorsed strategies
- how to lift the profile and standard of performance management in the public service
- how to manage the transition of the public service workforce through the reshaping process
- what changes might be required to current accountability processes to reflect multiple agency involvement in the achievement of outcomes.

Future Directions

Looking into the future, there are five priority areas to be addressed in support of the goal of good governance in the Queensland public service. They can be summarised as:

Seamless government	government as a single entity, working together, responsive to community needs
Managing information	harnessing the opportunities of the information revolution to inform the efficient, innovative services, policies and programs of government
Partnering communities	meeting the needs of all Queenslanders through the participation of communities in government decision making
Policy shaping	developing forward looking solutions, to deliver outcomes that matter
Innovative workforce	valuing the work of public servants and developing a leadership, ongoing learning and innovative culture across government.

In the following pages, these concepts are more fully explored in terms of the challenges, opportunities and future directions each might take in supporting Smart Government and the Queensland public service.

Seamless Government

Across OECD countries there is a move towards breaking down the vertical silos that characterise traditional public service modes of operation.

Issues such as employment creation, the environment, crime and drugs require policy responses that lie beyond the scope of individual agencies. Improved service to the community requires services to be designed around the needs of users rather than the internal structures of the public service.

Advances in technology and greater community participation in decision-making each support the drive for greater cross-agency collaboration to tackle issues in a more holistic way.

Future economic and social development requires increased emphasis on whole of government initiatives and greater inter-agency and inter-governmental collaboration. Agencies need to think beyond traditional boundaries and tap into the wealth of skills, resources and expertise that exists within other government and non-government agencies.

The UK's *Modernising Government* White Paper identified that the values of the public servant of the future will encompass a commitment to innovation, crosscutting thinking, collaboration, and customer service as well as upholding the core values of the public service.

Challenges

Seamless government will only be achieved through coordinated action across all five of the priority areas identified earlier: agencies working together; better management and sharing of information; partnerships with the community; policy skills; and a workforce culture that encourages innovation.

In addition, there are some specific issues that will be critical to creating an environment that supports greater collaboration across government agencies. They include:

Resource allocation and accountability

Traditionally, the public service has been arranged in vertical structures, or 'silos', along functional lines. The fundamentally important concept of Ministerial responsibility - along with crucial management systems, such as the arrangements for resource allocation and management, and accountability processes - reinforce these vertical structures.

Greater cross-agency collaboration and delivery of multiple services through single outlets will lead to pressure for adjustments to existing arrangements. New ways of operating will need to be found to enable the development of suitable levels of accountability and Ministerial control.

Linking across the tiers of government

Seamless government will deliver its best results when new relationships are developed with the Commonwealth and local government authorities that enable all three levels of government to act in concert.

As state government agencies demonstrate the benefits of coordinated action, opportunities to develop linkages with the other levels of government are expected to increase. Some reallocation of responsibilities among the various levels of government may also occur in the interests of more seamless government.

Professional values

While increased community engagement and innovative ways of doing business will inform new approaches to the roles of public servants, the long held values that are the essential underpinning of a professional public service will remain as relevant in the future as they ever were. Integrity, impartiality, probity, accountability, regard for due process, respect for democratic institutions, and service to the community are core values to be nurtured.

A balance will need to be struck between the new behaviours implicit in the Smart State concept and more traditional forms of operation. Restating the role of public servants so that they understand when innovative, entrepreneurial approaches are appropriate – and what the limits to such behaviour are – and when adherence to established processes is required, will be fundamental to achieving the cultural change inherent in the Smart State concept.

Reaching a shared vision

Smart State aims to achieve greater horizontal integration of services across agencies, and envisages the delivery of multiple services through single outlets. Devising ways to make this happen, and negotiating the new management processes that will be required, will be a major task. Service integration can be considered on a number of levels, from big picture to local initiatives. There needs to be clarity around what the layers are.

Future Directions

The process for allocating resources across portfolios through the preparation of the State Budget will continue to be developed to complement the operations of a seamless government.

Accountability requirements will be adjusted in response to the issues raised by greater cross-agency collaboration and whole of government activity.

State government agencies will work progressively towards developing seamless relationships with Commonwealth and local government authorities.

A Charter for the Queensland public service will be developed to guide public service employees through the transition to Smart State governance. The Charter will articulate the values and behaviours expected of a public servant in the Smart State. It will embody the features of the public service of the future – innovative, client centred, inclusive, accessible, efficient, professional, accountable and non-partisan.

Existing cross agency programs will be surveyed to find new ways for public service agencies and employees to work together to improve the delivery of government services, by learning from the experiences of agencies which have tested new, more integrated methods and approaches. This process should identify both the factors necessary for success and possible impediments to whole of government activity. The survey will include Access Queensland, Cape York Partnerships and Community Renewal.

The results of the survey will provide a clearer understanding of the factors critical to making whole of government projects successful and will be used to articulate principles to strengthen the capability of the Queensland public service to respond to the challenges of seamless government.

Managing Information

Contemporary society is experiencing an information revolution, driven by new information and communication technologies. These developments have exciting potential, but technologies alone cannot manage information or deliver better outcomes. Harnessing the possibilities offered by the information revolution for service delivery and policy development requires innovative, forward-looking management.

Increasingly, service integration and community engagement will rely on shared data. This places a premium on the ability of government information systems to network effectively.

It also suggests that government investment in information systems should be linked to priority outcomes and that particular attention should be given to the identification and management of key strategic information holdings.

Canada's 2001 *Achieving Excellence – Investing in People, Knowledge and Opportunity* outlines the Canadian Government's innovation strategy. It recognises the need to consider knowledge as a national strategic asset and proposes goals, targets and priorities for the next decade.

Challenges

More effective information management in the future will depend on steps taken now in relation to:

- managing and sharing information for policy, performance management and decision making
- managing and sharing information which underpins client service
- e-enablement of services.

To achieve these improvements, the Queensland public service needs to address the following issues:

Development of compatible, standardised information and communication technology (ICT) systems

Efficiencies can be developed and savings realised through effective utilisation of ICT. E-government initiatives are currently on an ad-hoc basis. There is no unifying framework. Standardisation of IT systems across the public service will minimise unnecessary developmental costs, enhance connectivity between agencies for both front of house and backroom services and minimise ongoing costs.

Access to information within and between agencies

The ability of agencies to collaborate effectively on whole of government projects and to deliver seamless government will be determined in large measure by their ability to share information. The use of non-government service providers and the involvement of the community in decisions and planning will require that they, too, have direct access to a range of data held by government agencies.

Resolution of privacy, legal, management, ownership and community acceptance issues

Clients are often common to a range of agencies. Currently, privacy requirements and a lack of appropriate systems and procedures impede potential improvements in efficiency, from the point of view of both the client and the agencies, by hindering the sharing of information.

Cultural change

Managers need to be aware of the implications and advantages offered by new information and communication technologies to fully exploit their benefits.

Managers need to concurrently address people and culture, business processes and technology. They need to drive the uptake of new technologies, as new technology alone will not generate improvements nor drive change.

According to Singapore's reform agenda, *Public Service for the 21st Century*, the most important requirement is to make public servants receptive to continuous change, by making them "activists for change".

Information needs to be acknowledged as a valuable resource for use by a wide range of people both inside and outside the government sector. The current localised management of information will be replaced by a more purposeful and whole of government approach. Recognition that data collection and analysis is fundamental to good policy and the design of effective and efficient services will lead to greater attention being paid to the processes of data collection and information management.

Future Directions

A blueprint for ICT across the Queensland public service will need to be developed to deliver the necessary capabilities for the future. This process will assist agencies to better plan their investment in technology so that greater cross-agency connectivity is achieved. It will also help agencies to identify and manage risks and security issues associated with increased use of ICT - for example, examination of the level of investment in computer hardware that protects information that is readily available through Freedom of Information.

The idea of government as a single entity needs to be established, to facilitate the sharing and legal exchange of information between agencies, giving due consideration to the privacy needs of individuals.

In addition, the potential of new technology needs to be constantly explored. This may require integrating ICT specialists into policy formulation processes. The potential applications of many new technologies are yet to be realised. The Queensland public service needs to develop the policy and forward looking capability to identify the many potential new opportunities for ICT application.

Partnering Communities

Community engagement and a better quality of life is one of the key priorities of the Queensland Government.

In the Smart State, communities will have greater participation in choices made by government, through working more closely with the public service.

Community engagement is more than just involving local communities in dialogue about local priorities. It is about government designing and delivering responsive public services, fostering collaboration and strengthening the capacity of communities.

In Queensland, consultation with the community is a familiar part of the policy process. Existing consultative mechanisms, such as Community Cabinets, Community Forums and Regional Managers' Forums are just some of the ways government today listens to the views of the community, collects information and suggestions and monitors the implementation of key policies and services.

Significant programs, such as the Cape York Partnerships, Community Renewal and the Crime Prevention Strategy highlight the Government's commitment to working with communities to address complex social and economic issues.

The recent development of the Community Engagement Improvement strategy and e-democracy initiative signal that the future is more about asking communities first about their needs, rather than imposing predetermined services.

The active involvement by the community in policy development and decision making will drive significant changes to existing practices within the public service. The challenges community engagement poses to the public service, if met, will strengthen the responsiveness and ability of the Government to position Queensland as the Smart State.

The Federal Republic of Germany embarked upon the program *Modern State – Modern Administration* in 1999. Its aims are to shift the role of the state from provider to enabler; to be more responsive to citizens as partners; and to build a more competitive, modern, efficient administration. *“More personal responsibility and less state – the federation as partner”*.

Challenges

Greater community engagement in the processes of government will impact on how government formulates policy, designs services and evaluates program performance.

The diverse needs of Queenslanders mean that priorities will vary among communities and modes of service delivery will need to be tailored to local circumstances. Responding to these challenges will drive innovation.

Developing options that take account of the views of communities will stimulate cross-agency collaboration and highlight the importance of service-wide access to information.

Community engagement presents some particular challenges for the Queensland public service. They include:

Skill development

Traditionally, engagement with the community has been the domain of elected representatives. Closer interaction between bureaucracy and community means that in the future public servants will also be required to develop sets of skills in areas such as:

- community engagement techniques
- stakeholder/network management
- contract/partnership management
- information management
- policy development.

Closer engagement between the non-government, business and industry sector to develop policy or deliver services will also require the public servant of the future to be skilled in facilitating consultation with the wider community.

Collecting information to shape better policy

Governments recognise that effective community engagement enhances policy decisions. As communities expect that their views and ideas will inform government policy programs and service design, the internal operations of public service agencies will need to support the integration of information collected from the community into the development of policy and services.

Strengthening the relationships between community and government is a sound investment in better policy making. Some of the challenges community engagement will pose to public service agencies include:

- addressing the way information is collected, fed into policy processes and distributed across government to other agencies
- assembling relevant resources and expertise in response to issues
- management of consultation and negotiation processes at both an agency and whole of government level.

Building community capacity – active participation

In the future the public service will change the ways in which it works with the community. Community engagement requires that those whose views are being sought are able to participate effectively in the consultative process. Many groups, however, are unused to dealing with government.

Encouraging more people to contribute information about important issues and increasing the participation of individuals/communities during the development of policy process requires agencies to create new and effective ways to involve community representatives.

Building capacity within some communities may be a necessary precondition to effective engagement by government agencies. It also highlights the responsibility of Government to facilitate opportunities for participation beyond election day.

The challenges in this area include:

- supporting opportunities for learning about how government works and how to engage with it
- working with citizens to be part of communities
- providing a range of engagement opportunities which meet the needs of diverse communities.

Balancing local and government interests

The diversity of interests in the Queensland community is such that priorities will vary substantially from one community to another. Similarly, preferences regarding the mode of service provision will also vary.

Governance arrangements associated with existing place management projects will need to be reviewed to ensure they are able to deal effectively with the tensions that will arise between the demand for local action and the requirements of broader government policy.

Future Directions

As the role of government changes in the future, participation of the community in decision-making will increase.

The Department of Premier and Cabinet's Community Engagement Division will continue to build on the many valuable and successful examples of engagement in Queensland and develop new and innovative approaches for community and government to engage.

In 2002, the work of the Community Engagement Division won international recognition through receipt of an award under the International Innovation Awards Program conducted by the Toronto-based Commonwealth Association for Public Administration and Management. The Association has members in more than 80 countries.

This significant achievement commended the Queensland Government for finding new and innovative ways to take government to the people. The submission highlighted the many ways Queenslanders can access government and be involved in the decision-making process through initiatives such as Community Cabinet, Ministerial Regional Community Forums and the September 2002 sitting of Parliament in North Queensland. The award recognised Queensland's position at the forefront of international efforts driving continuous improvement in community engagement.

The Community Engagement Division's *Directions Statement*, released in Parliament in November 2001, sets out the key strategic directions for community engagement. This, and ongoing work building on the *Directions Statement* – including keeping abreast of emerging public sector and community governance models across Australia and internationally – will ensure that Queensland maintains leadership in this area.

Policy Shaping

A key role of Government is to set policy direction and responses.

Governments seek policy advice from a wide range of sources. The principal source is the public service. The public service's central role in policy will continue in the future, but the processes of policy shaping are expected to change significantly.

The interaction of greater efforts to adopt whole of government approaches to major policy issues, increased community consultation, and the ability of citizens to connect directly to government through the Internet, will mean that the policy shaping process will become more open and participative.

In the face of these developments, agencies will be obliged to share information and collaborate in the development of options in order to provide advice leading to comprehensive and seamless solutions.

The ability to develop long-term strategies will be critical to the capability of the Queensland public service – both to deliver the Smart State vision and to find solutions for the more intractable policy issues.

Internationally, public and private organisations are responding to the challenge of better policy shaping through exploring new approaches to organisational management, sharing knowledge, building networks and partnerships, creating learning approaches and through developing staff who are able to adapt rapidly to changing environments.

Challenges

The Smart State has already begun to move along the road of developing innovative and forward-looking policy responses. Examples of this can be seen in programs such as the Cape York Partnerships, Access Queensland and Community Renewal.

These programs signal the nature of policy work in the future. They feature cross agency collaboration to achieve more effective solutions for communities and closer interaction between agency and stakeholders. They make effective use of research, including knowledge of the experiences of other jurisdictions, to develop innovative policy responses to complex social and economic issues.

This style of policy shaping presents a range of challenges for government. It also has workforce implications in ensuring that public service policy officers possess a broad range of skills to deal with new ways of doing business, changing environments and increasing expectations.

Some of the specific challenges for policy shaping include:

Developing policy skills

Policy officers require a broad range of skills to operate effectively. They need to be flexible to deal with new ways of doing business in a constantly changing environment. They need to have well developed research and analytical skills.

Most importantly, they need to be able to take a whole of government perspective to the issues they are dealing with. Being able to bring together the relevant capabilities across government to deliver a coordinated and comprehensive solution will be the hallmark of effective policy shaping in the future.

Managing complex relationships

Delivering consistent and effective policy outcomes across a number of boundaries will require the public service to manage new and more complex relationships – not only with other government agencies, but also with a diverse stakeholder group outside government. Working across individual agencies, levels of government, interest groups and the community will require efficient information sharing and communication systems between all parties involved.

Strengthening the link between policy and service delivery

Good policy cannot be designed in isolation from those responsible for its implementation, or those upon whom it impacts. Maintaining open communication with service providers is vital to understanding the implications for service delivery of policy options under consideration.

Regular monitoring and evaluation of programs enables evidence of performance to be gathered and used to inform policy decisions. Effective engagement with the community should ensure that the unintended consequences of policy decisions are quickly brought to attention.

Balancing the urgent and the important

Evidence based policy research takes time. So, too, does consultation that involves divergent opinions and priorities. Often, however, policy formulation responds to emerging situations or the need to capitalise on opportunities and is conducted under the pressure of immediate deadlines.

Developing a base of solid research, and maintaining productive relationships with all the consultation partners, while at the same time maintaining a capacity for quick response, is an on-going challenge for policy officers.

Future Directions

The ability to develop long-term, forward-looking policy will be critical to the effectiveness of the Queensland public service in delivering the Smart State vision. To achieve this, effective policy development needs a two-pronged approach. There needs to be a distinction drawn between:

- ongoing policy formulation to meet the immediate needs of government, and
- evidence-based policy research focused on the mid to long-term, of the type that may take years to develop a database to support policy formulation.

Mechanisms need to be developed within agencies, and across the sector, that devote policy resources to longer-term research, strategic thinking and policy development.

Policy shaping in the Smart State will be guided by the following principles:

A strong evidence base	establishing the research capability to underpin medium to long-term policy directions.
Collaboration	a shift to designing policy around a set of Government priorities rather than organisational structures or individual agencies.
Inclusiveness	a commitment to involving a broad cross section of stakeholders and communities.

Innovation	accessing research, evidence, experience of other jurisdictions and ideas from the community to devise policy which will achieve long-term change or improvements.
Accountability	developing innovative and forward-looking policy within a framework of accountability.
Evaluation	policy shaping will be informed by robust evaluation results in order to achieve quality outcomes and community acceptance.

Innovative Workforce

The Queensland public service of the future will operate in a much more complex environment. It will feature greater community involvement in priority setting, policy development and service design, and access to a much wider range of service delivery options.

The capacity to manage complex relationships with multiple stakeholders will be crucial to the successful achievement of government policy objectives. In particular, the development of policy options and service delivery strategies in respect of multi-dimensional issues will involve working in cross-agency teams and with external partners to generate comprehensive solutions.

As well, and in keeping with trends in developed countries all over the world, the Queensland public service is moving from being the provider of solutions, using its own resources, to an enabler of solutions, using a combination of government and community resources.

These developments challenge the structure of the public service, with its vertical, functionally specialised, self-contained departments responsible to portfolio Ministers. New approaches will require cooperation beyond portfolio boundaries.

Primary responsibility for workforce management rests with individual departmental heads. Within a general regulatory framework, each chief executive has a wide discretion in the way his or her department is organised and operates.

Because of the way the public service is structured, the workforce in each department tends to be characterised by specific occupational groups. As a result, the extent of staff mobility for positions below Senior Executive is low. For many public servants, the career service has meant a career in a particular department and within a particular professional discipline.

Workforce practices across departments vary. Some departments take a proactive approach to the management and development of their workforce, while others adopt a more minimalist approach.

Key Facts (June 2002)

- 182,380 people are employed in the Queensland public service. Adjusted for part-time and casual staff, this is the equivalent of 154,054 full time employees
- 76% of employees are employed on a permanent basis
- 63% of public service employees are women
- 64% of public service employees are located in south-east Queensland
- 63% of all public servants are employed in the Departments of Education and Health.
- The average age of public service employees is 42, which is similar to other Australian public services
- 27% of all employees (16% of permanent staff) have less than 3 years service
- 39% of all employees (49% of permanent staff) have more than 10 years service

Challenges

The public service is entering a period of generational change. One in ten public servants has already reached the minimum retirement age, and one in five is over 50.

The generational change will take place at the same time as major changes affecting the way the public service operates.

Cultural change will be required to create an environment in which staff are actively encouraged to develop initiatives that make use of the full range of resources available within and beyond government, rather than being constrained by arbitrary departmental boundaries. It is likely that changes to financial management and accountability systems will also be required to bring this about.

Some priorities for workforce management under these circumstances are:

Leadership

The combination of major cultural change and generational change will place a premium on leadership within the public service. Developing leadership capability will be a matter of high priority. Future leaders will need to be innovative at all levels, deliver a clear sense of direction, capture and share knowledge, bring partners together and respect and build on diversity.

Capability development

Existing measures to develop a responsive and skilled workforce and a client service oriented culture will need to continue. Additional skills will be required to operate successfully in the public service of the future. They include:

Community engagement	skills in relationship management, facilitation, consultation, negotiation, networking, partnering
Whole of government thinking	skills in information and knowledge management, networking, consultation, negotiation
Policy analysis and development	skills in relationship management, research and analytical capabilities, fostering medium to long-term approaches
Contract management	the skills to understand the operational and legal aspects of managing contracts effectively.

Multi-agency collaboration

Public servants need to think beyond the boundaries of their own agency and look for partnerships across the sector. Finding ways to bring together and manage multi-agency teams will be an essential precondition to the development of effective and creative whole of government policy responses and service delivery strategies.

Workforce mobility and flexibility

Workforce policies based on the assumption of a career service will be increasingly out of touch with the realities of a more fluid labour market. New approaches will be needed to attract and retain key personnel, while managing greater two-way mobility between the government and non-government sectors.

In order to build capacity for the public service of the future, particular attention needs to be given to the attractiveness of the public service as an employer for young and new talent.

Careful management of the workforce will be necessary to ensure the preservation of essential operational knowledge and the availability of key capabilities.

Future Directions

Agencies will take steps to ensure that they have in place the necessary leadership and change management capacity to manage the cultural and generational changes that lie ahead of the public service. A whole of government approach will be fundamental to these changes.

A whole of government approach will also inform the development of generic capabilities, in particular in relation to policy and community engagement skills.

Agencies will need to take a more strategic and proactive approach to workforce management issues to ensure that their staff have the capabilities needed to operate effectively in the complex environment of the future.

Agencies will also need to develop succession plans to ensure the maintenance of essential operational knowledge. This will entail the transfer of knowledge between new, existing and exiting employees.

Measures will need to be developed to enable the public service to compete effectively in the market for new and young talent. Workforce flexibilities need to better reflect the values and expectations of younger employees. At the same time, strategies will be needed to encourage mature age workers with critical corporate knowledge to remain in the workforce for longer.

The regulatory and industrial framework for workforce management in the public service will need to be progressively reviewed to bring it into line with the demands of a more fluid labour market.

The Way Forward

Through the work of the CEO Committees and a range of initiatives already under way, the Queensland public service is demonstrating its commitment to the five priority areas that support good governance. The priority areas, elaborated upon more fully within the chapters of this report, are:

Seamless government	government as a single entity, working together, responsive to community needs
Managing information	harnessing the opportunities of the information revolution to inform the efficient, innovative services, policies and programs of government
Partnering communities	meeting the needs of all Queenslanders through the participation of communities in government decision-making
Policy shaping	developing forward-looking solutions to deliver outcomes that matter
Innovative workforce	valuing the work of public servants and developing a leadership, ongoing learning and innovative culture across government.

As a catalyst to progressing these priorities, and in line with the findings of this report, the CEO Governance Committee is currently undertaking the following four projects:

Accountability Frameworks

The Public Service Charter

Whole of Government Solutions

Workforce Management.

The aims and background to each project are provided in the following pages. With the exception of the Accountability Frameworks project, the projects are expected to be finalised during 2003. The size and complexity of the Accountability Frameworks project requires that it be undertaken in stages over a longer period.

There is a strong momentum for change across the Queensland public service. Departments are beginning to break down the barriers and work as one inclusive government sector, achieving better, more effective policies and systems, and improved outcomes for clients.

By working smarter and more collaboratively, using knowledge-based technologies and striving for continuous improvement, Queensland will consolidate its efforts towards building a world-class public service.

Accountability Frameworks

The aim of this project is to streamline the accountability requirements imposed on government agencies to ensure a suitable balance between proper reporting, transparent and effective administrative decision-making, well-managed risks and efficient and effective use of government resources.

A demonstrated commitment to high standards of integrity has a positive influence on furthering Queensland's Smart State agenda and enhancing Queensland's attractiveness as a location for international business and investment.

Since the report of the Fitzgerald Inquiry in 1989, successive Queensland Governments have placed a high priority on ensuring that measures are in place to enhance public accountability, transparency in decision making and ethical behaviour.

Notwithstanding a strong commitment to high levels of public service accountability, many managers are concerned that an increasing number of accountability measures - incrementally developed and legislatively and administratively imposed - mean that the resources required to ensure compliance are growing. It is argued that the extra requirements are not returning commensurate benefits.

Concern has also been expressed that the extent of regulation is encouraging a risk averse, compliant culture and that such a culture will not generate the levels of innovation and creativity necessary to build the Smart State.

In addition, and perhaps of even more importance, is the extent to which existing accountability arrangements inhibit improved cross-agency collaboration in service delivery. Also, as it is expected that in the future there will be a greater reliance on partnerships with organisations outside government, the project will look at the need for changes to existing arrangements to facilitate this development.

At present, a comprehensive framework document that accurately reflects the multiple dimensions of the Queensland public service's accountability regime does not exist. Similarly, the cumulative impact of Queensland's accountability requirements on public service operations is unknown.

To address this, a whole of government audit of current accountability requirements is required. This will be a necessary prerequisite to the identification of opportunities for re-alignment to support the Smart State governance framework.

In mapping a comprehensive framework for accountability for the Queensland public service, attention would focus on - but not be limited to - the requirements of:

- political accountability (reporting to Parliament) *e.g. Estimates Committees, Annual Reports, Charter of Social and Fiscal Responsibility*
- the Auditor-General *e.g. Financial Administration and Audit Act 1997, State Purchasing Policy; asset management, Governance and Risk Management Self Assessment Program for Departments*
- Treasury (*Managing for Outcomes*)

- the Ombudsman (*investigation of administrative actions of agencies*) and Office of the Information Commissioner (*administrative review of the merits of decisions by agencies about access to documents under FOI legislation*)
- the Crime and Misconduct Commission (*responsibility to prevent and deal with official misconduct in the public service*)
- the Integrity Commissioner (*advises government and public officials on conflicts of interest*)
- the Office of Public Service Merit and Equity *e.g. Public Service Act 1996, Equal Opportunity in Public Employment Act 1992, Public Service Ethics Act 1994, Whistleblowers Protection Act 1994*
- other legislative requirements including judicial review, appeals against administrative decisions and the *Freedom of Information Act 1992*.

Public service charter

The aim of this project is to produce a clear and simple statement of what it means to be a Queensland public servant. The statement will:

- ensure delivery of the Smart State objectives
- generate pride in the public service
- provide direction to public servants on their relationships with the Government and the community
- make clear the purpose and values of the Queensland public service
- improve the understanding of members of the public of the role of public servants.

It is important that public servants are clear about the objectives of government service and understand the values and behaviour required of public servants. They should understand the need to serve the Government and the community in a professional way - one that is client centred, efficient, innovative, accountable and non-partisan.

A Public Service Charter will provide a clear statement of these requirements in a way that will support recruitment and induction and will engender community confidence in the public service as an important guardian of a civil society.

The elements of the Charter will reflect the Smart State vision, the five Government priorities and relevant legislative provisions.

Whole of government solutions

The aim of this project is to find new ways for public service agencies and employees to work together to improve the delivery of government services by learning from the experiences of agencies which have tested new, more integrated methods and approaches.

Recent public sector experience has clearly demonstrated that traditional, departmentally based responses to issues are inadequate to deal with increasingly complex problems. The holistic nature of the responses needed means that departments have to find ways of delivering services jointly. They also have to create governance structures that support such delivery.

The focus on multi-agency activity reflects the desire of the Government to develop more cohesive public policy and deliver effective services to the community. This shift acknowledges the interdependence of issues and the increased participation of communities as partners in government decision making and direction.

Such a shift, however, presents a challenge for the public sector. The focus of current governance arrangements - as well as policies, systems and cultural practices - all combine to strongly support single agency responses. The challenges involved in developing effective multi-agency collaboration consume considerable time and resources and often require experimenting with different approaches to find workable solutions.

The public sector needs to learn quickly from projects that are testing new approaches so that it can adopt new practices and learn from those experiences.

A broad cross section of examples of recent multi-agency operations will be examined, including key projects such as the Cape York Partnerships and response to the Justice Study; Access Queensland; and Community Renewal.

Workforce management

The aim of this project is to develop a strategic approach to the potential impact on the Queensland public service of changing workforce demographics. The project will investigate the related issues of an ageing workforce, youth recruitment and retention of skills and knowledge.

The population of Queensland, like that of Australia generally and most other developed nations, is ageing. This trend is paralleled in the Queensland public service where the average age of employees is 42 and only 17% of employees are less than 30 years old.

Queensland public service workforce data indicates that there is a significant growth in the number of employees aged over 50 years, suggesting a potential loss of intellectual capital and service delivery capacity as employees exit the service through age retirement.

It is important for the Government and individual agencies to implement appropriate policies to identify and address potential issues associated with an ageing workforce. These policies will need to facilitate the retention of mature age employees with vital corporate knowledge, while also ensuring the maintenance of a balanced, age-diverse workforce through youth recruitment.

To increase the attraction, recruitment and retention of younger employees, strategies will need to promote the Queensland public service as an employer of choice for youth and provide a transparent and easily navigated path to public sector employment. The project will identify and explore these issues and develop a range of options for consideration.

Notes