SERVICE PRIORITY REVIEW
BACKGROUND PAPER
SUCCESSFUL IMPLEMENTATION OF REFORM
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SERVICE PRIORITY REVIEW - BACKGROUND PAPER

Successful implementation of reform

Introduction

It is common for new governments to undertake reviews of the public sector to find ways to increase efficiency and effectiveness, implement government priorities and pre-election commitments and, ultimately, deliver better services to the community. The Service Priority Review (the review) is one of a suite of measures by the State Government to drive significant reform and cultural change across the public sector.1

Review processes are an opportunity to take stock, reflect, consolidate and consider better ways to undertake core business and deliver services. However, there is no certainty that these processes will lead to lasting change, with key variables such as the stability of implementation mechanisms, government appetite to lead sustained change and competing priorities (i.e. the balance that chief executives must strike between meeting everyday obligations, expectations of performance and driving a reform agenda) impacting on outcomes. Reforms implemented as a result of previous reviews, along with the content of earlier inquiries and reports, present a platform of past successes and failures from which key learnings can be derived.

The purpose of this paper is to outline some of the key factors that can drive successful implementation of public sector reform, with a view to developing an implementation plan for the review recommendations.

As very little evaluation of previous Western Australian reforms has been conducted, many of the observations within this paper are drawn from other jurisdictions.

Why do some reform initiatives succeed?

To be successful, the review recommendations need to be considered and framed in a way that will help to ensure they are effectively owned and implemented. Lessons from other jurisdictions can usefully inform decisions about the final suite of recommendations for the review.

An Institute for Government analysis of United Kingdom civil service reform observed that success largely depends on awareness, understanding and insight.2 In each of the reforms they explored as part of their analysis, the most successful leaders were those who understood the context and operating environment, set the ambition accordingly and had the right leadership and reform process in place to drive desired changes.

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A roundtable discussion on the Australian public service *Ahead of the Game* report³, coordinated by the Institute of Public Administration Australia (IPAA), highlighted the importance of an underlying narrative behind the reforms.⁴

Shergold suggests a trial or staged approach, with early evaluation, before major policy reforms are rolled out in full.⁵

Another analysis by the Institute for Government on United Kingdom civil service reform found three groups of independent success factors:

- Entry, context, local ownership and iteration
- People, learning and capability building
- Design

The three elements and success factors are not intended to be sequential, but rather provide a way of thinking and some key questions and challenges (see figure 1 below).

**Figure 1. Implementation Success Factors**⁶

Collectively, the experiences from other jurisdictions highlight a number of critical success factors which can guide thinking around the final review recommendations.

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⁵ Shergold, P. 2015. *Learning from Failure: Why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved*. Australian Government. Canberra, Australia.

Success factors

Context

The success of reform is largely dependent on the prevailing environment at any particular point in time. In order to effectively analyse how supportive or constraining the prevailing environment is and how receptive it may be to change, it is important to consider a variety of factors. These include the economy, technology and legislative requirements as well as the interests, concerns and priorities of key stakeholders (government, public sector employees, non-government entities and the community), the political cycle and any explicit or implicit support or challenge for reform goals.

Within the context of Western Australia, it will be important to consider the challenging fiscal environment, the cyclical nature of the economy, the geographical isolation of some regional and remote communities (especially Aboriginal communities) and the changing climate.

The Institute for Government identifies the need to understand and adapt to the context, drivers and local political dynamics that influence the pace and direction of change. By being cognisant of the broader environment, as well as the stated purpose of the reform process, reform initiatives can be modelled and adapted accordingly to achieve the greatest success. To broker effective leadership, reforms also need to be relevant to the local issues and priorities.

For the review in particular, recommendations need to be cohesive, strategically aligned and complement the work of broader reforms being pursued by government under the public sector renewal agenda. With several reform processes underway, leveraging off other initiatives will consolidate and add value to the overall reform process, and model the integrated way of working advocated by the Service Priority Review panel.

Vision and narrative

Consistent themes in the IPAA roundtable discussion included the extent of cultural change required to deliver the reforms, and the importance of the senior executive service (SES) and Australian public service employees equally showing support for the new directions and taking action to ensure they were implemented effectively. Many participants felt that employee engagement could be assisted by a stronger sense of the underlying narrative behind the reforms. This is based on the assumption that employees need to understand and commit to the objectives of the reform agenda; recognise the relevance and importance of the objectives to their work; and feel inspired to do their part in delivering those objectives.

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Similarly, the Global Centre for Public Service Excellence, in its reflections on New Zealand public service reform, emphasised the importance of intrinsic motivation:

If you are working on reform and not thinking explicitly about harnessing the intrinsic motivation of civil servants, you are not heading for the right destination and may be undermining the likelihood of sustainable change.\(^{10}\)

The passion and commitment of leaders and teams to improve the lives of NZ citizens was essential to building momentum around the reform agenda and overcoming resistance to different ways of working.

In order to achieve real reform, public sector employees would ideally see themselves as part of a single workforce guided by a common purpose and a shared set of values. While whole-of-government targets provide one mechanism to help achieve this, a clear vision for the public sector – driven by political and sectoral leadership – is another mechanism to support long-lasting change. This may take the form of a unique public sector identity statement (refer to One sector workforce background paper). It could also take the form of a simple, practical and relevant interpretation of the overarching narrative.

**Number, scope and sequencing**

Recommendations need to be fit for purpose. In instances where review recommendations have been successfully implemented, there appears to be a trend towards a small number of clear and practical recommendations. A large number of recommendations may stretch agency or public sector capacity to effectively deliver the changes required or divert attention away from key goals.

In selecting the number and scope of recommendations, there are lessons to be learned from successful whole-of-government ‘targets’ approaches. NZ’s Better Public Services Results\(^{11}\) have worked as a reform tool partly because of their degree of focus – there are just 10 results. These results provide a clear direction and set of common goals, without needing to address all roles of government or cover every sector and agency. Similarly, in 2015 the former Premier of New South Wales, Mike Baird, streamlined the number of government priorities down from 186 targets and 321 measures to 12 Premier’s priorities and 18 State priorities, taking the view that the State needed a sharper focus and a greater sense of accountability.\(^{12}\)

It is also important to strike a balance between the specificity and openness of recommendations. Those that are too broad and open to interpretation and application can be difficult to implement or, alternatively, easier to disregard. On the other hand, those that are too specific may not have the desired system-level impact. Ideally, recommendations should cascade to additional reforms and be a balance between continuous improvement and transformational change, depending on the type and timing of change needed to support the overall reform process.


In this regard, the sequencing of recommendations is critical. Decisive actions taken quickly signal a clear intent to change. Disruptive actions may be needed to break through inertia and complacency. Staged implementation can be effective to build momentum and match and grow capacity for more significant reforms.

The 2009 Economic Audit Committee report\textsuperscript{13} into the operations of the public sector in WA had 43 recommendations, some with multiple subsets. Many of the concepts and much of the discussion in the report remain valid and, in the more than eight years that have passed, there has been significant movement in some key areas but a lack of progress in many others. The large number of recommendations, the way in which they were structured and their lack of sequencing may have been a contributing factor as to why some recommendations had little to no success.

\textit{Capacity to implement}

The importance of ministerial support to initiate a change process was highlighted in a number of areas during the IPAA roundtable discussion. Many of the new initiatives in the \textit{Ahead of the Game} report relied on the support of ministers and their advisers, particularly in regards to the use of shared outcomes, reporting and accountability; the focus on long-term policy issues; and the emphasis on fostering innovation and countering risk-averse behaviour.\textsuperscript{14} The Victorian Government has a Special Minister of State whose functions are to oversee government transparency, integrity, accountability and public sector administration and reform.\textsuperscript{15} Assigning a senior minister with responsibility for public sector reform establishes a clear line of direction and accountability, and helps give priority to the agenda.

In addition to ministerial support, successful implementation benefits from the presence of senior leaders who take ‘ownership’ of the agenda and are committed to sustaining momentum. An Institute for Government analysis found that leaders of successful reforms understood the influence of politics on reform goals and made a considered judgement about the extent of political engagement and support required to drive them.\textsuperscript{16} The observation here is that in driving public sector reform, public sector employees need to be politically astute and understand the need to attract the right degree of political support when progressing reform.

In Victoria, the public sector has a secretaries’ board comprising the secretaries of each department, the Chief Commissioner of Police and the Victorian Public Sector Commissioner. The board is chaired by the secretary of the Department of Premier and Cabinet. The aim of the board is to coordinate policy initiatives across the public sector and promote leadership and information exchange.\textsuperscript{17} NSW has also adopted a similar leadership model.


\textsuperscript{14} Tacy, L. and Podger, A. 2010. pp47-51.


\textsuperscript{16} Panchamia, N. and Thomas, P. 2014. p4.

The current reform process creates an opportunity to establish a directors-general leadership (or stewardship) council for the WA public sector, which will help drive strategy and reform at the system level.

In the context of the review, central agencies will need to play an active role in providing the necessary operational support and stewardship to those who are responsible for delivering key reform initiatives. This will involve a combination of enabling infrastructure and support mechanisms, not just budget and physical resources, as well as coordination and leadership.

Capacity within the public sector is also key to delivery. Most analyses suggest that those who have experience or skills in change management and project management are integral to the reform process – in both central and line agencies. There is an opportunity to mobilise people with these skills into a reform implementation unit and a network of collaborators across the public sector who will be responsible for helping turn reform recommendations into tangible successes. The United Kingdom Government has experimented with this approach through the implementation unit, established in the Cabinet Office, which oversaw implementation across government, supported departmental capability and provided informed, hard-hitting advice on specific implementation issues to senior leaders.  

In addition to leadership support, a reform implementation unit needs a variety of tools to help implement change (e.g. tools to support the narrative and tools to support the internal change). To be successful, the process of implementing reform needs to be a long-term proposition. In this regard, it is important the reform architecture is robust enough to be sustained through the transitions of political and/or sectoral leadership. This must be factored into the design of the reform program from the beginning through collective decision making, regular communication, transparent reporting and other built-in mechanisms.

Implementation, reporting and evaluation

How the recommendations transition to implementation is critical to the successful delivery of outcomes. The suite of recommendations needs to be coherent and well designed to capitalise on opportunities for success and address barriers to reform.

The priority and sequence of recommendations also contributes to successful implementation. Some initiatives need to be introduced immediately to achieve essential changes early; for others it may be pragmatic to deploy a prototype from which to learn, or to trial, and compare the effectiveness of different approaches.

Research from the UK suggests that successful reform adopts an iterative problem-solving approach. An iterative and incremental approach acknowledges that the best solution and means of delivering it are not always obvious from the start. By trialling short iterations, receiving feedback and learning from mistakes, a much more successful system can evolve than if everything is implemented simultaneously. This can be an effective start to a reform program, but longer-term sustained commitment to the total package is essential for enduring benefits to be achieved.

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Implementation actions need to be clearly mapped to purpose. Actions are generally a means to achieve a particular end, not an end in their own right. Describing success clearly helps to reinforce the original purpose and usefully supports review and improvement processes.

Progress should be tracked in a deliberate and systematic manner at regular intervals during implementation so that adjustments to implementation arrangements can be made as necessary. Progress assessments should be built in through the design process, and be an integral part of the program plan, serving as built-in evaluation mechanisms at critical milestones. In essence, they are a ‘snapshot’ in the life of an initiative and serve to guide necessary changes.

Regular measurement and evaluation will also help promote accountability and transparency throughout reform by providing assurance that the agenda is progressing and meeting community expectations around probity. This is a way of securing trust in the process and, when integrated within existing accountability frameworks, does not need to lead to additional ‘red tape’.

The below case study demonstrates how WA’s Regional Service Reform Unit has approached implementation of their reform program.

<table>
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<th>Case Study – Regional Services Reform Unit</th>
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<tr>
<td>ISSUE</td>
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<td>Despite high and increasing levels of expenditure, progress in closing the gap in Aboriginal disadvantage in WA has been slow. On a wide range of indicators, Aboriginal people are worse off than other West Australians. Outcomes are particularly poor in the State’s regions and decline further with remoteness. In 2015, the State Government committed to major long-term reform to improve outcomes and bring about systemic change.</td>
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<td>ACTION</td>
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<td>The Regional Services Reform Unit was established to tackle these challenges, with an initial focus on the Kimberley and Pilbara regions. The small team comprised officers with relevant expertise drawn from the public, private and community services sectors and was led by a State reform leader reporting directly to two ministers. The reform unit consulted widely with Aboriginal leaders and other stakeholders to develop a roadmap for reform that was endorsed by Cabinet in July 2016. The roadmap set out 10 priority actions to be undertaken within two years. The release of the roadmap was followed by an extensive period of engagement with the State’s 274 remote Aboriginal communities.</td>
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<td>OUTCOME</td>
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<td>The Regional Services Reform Unit secured $250 million State Government funding for programs to strengthen Aboriginal families, improve living conditions, increase job prospects and accelerate student progress at school. Current reform programs, including the North-West Aboriginal Housing Fund and the Essential and Municipal Services Upgrade Program, are now being led by the Department of Communities in collaboration with Aboriginal organisations, the Commonwealth Government, local governments and community service providers.</td>
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Concluding comments

The lessons from other jurisdictions highlight the need for recommendations to be cohesive, carefully targeted, appropriately balanced, pragmatic and achievable. Some of the key points to guide effective implementation are summarised as a checklist of success factors in Appendix 1.

To help drive effective reform, individual recommendations (as well the full suite of review recommendations) can usefully be considered against the observations from other jurisdictions.

Options for reform

1. Establish appropriate governance and stewardship of the implementation program:
   • consider assigning a senior minister with responsibility for public sector reform
   • establish a directors-general leadership council
   • develop a ‘narrative’ that links the recommendations and engages with the public sector
   • build skills and capacity for ways of working that support the reform agenda
   • ensure accountability by way of responsibility, reporting and evaluation.

2. Coordinate and support delivery of reform initiatives:
   • support the formation of an implementation team/unit within the Department of the Premier and Cabinet
   • set up and formalise a networked reform team across the public sector to help support delivery of the reform program in agencies or clusters of agencies
   • establish the priority and sequencing of recommendations
   • co-develop tools to support agencies to deliver reform initiatives and directions.
References


Shergold, P. 2015. *Learning from Failure: Why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved.* Australian Government. Canberra, Australia.

Appendix 1. Success factors to support implementation

Context

• Frame recommendations within the context of the prevailing environment.
• Ensure recommendations are well targeted, complementary and leverage off other reform initiatives.

Vision and narrative

• Establish a vision and narrative which unifies the public sector towards a common goal.
• Ensure recommendations are aligned to the vision.
• Build on the public sector’s inherent sense of purpose and foster ‘grass roots’ support.

Number, scope and sequence

• Develop a small number of recommendations.
• Focus on recommendations that are enabling and will cascade to additional reforms.
• Sequence recommendations accordingly.
• Where complex change is needed, ensure the outcome is clear and delivery mechanisms are appropriate and well timed.

Capacity to implement

• Foster support from ministers and senior leaders to drive reform.
• Mobilise people with relevant skills to deliver reform initiatives.
• Develop a range of tools to support the implementation reform initiatives.

Implementation, reporting and evaluation

• Track progress in a deliberate and systematic manner at regular intervals during implementation.
• Build in accountability at all levels, but avoid additional process by integrating within existing accountability frameworks (to be overhauled as needed).