Number 2

CABINETGUIDE

Developing policy
Turning ideas into action

Government
of South Australia

January 2015

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Introduction

This publication is intended as a general introduction to policy development for staff in South Australian Ministers' Offices and public sector agencies.

The Guide introduces basic concepts about how to develop policy options within Government and highlights the importance of considering the impact of policy changes on the community at large.

As the Guide makes clear, all members of the public sector must consider themselves as players in the policy development process whether by interpreting government goals, actively developing options and managing their implementation or simply by delivering specific services and reviewing their effectiveness.

Applying this Guide

This Guide is intended as a useful starting point for Ministerial office, agency and statutory authority staff with little or no experience in the preparation and implementation of policy proposals, including those embodied in Cabinet documents.

Introduction: what do we mean by 'policy'?

'Policy' is often the expression of what a government wants to achieve – whether it be about the 'means' or the 'ends' or both. In other words it provides the rationale or the driver for Government initiatives and programs. 'Public policy' refers to policy by governments, as distinct from the policy of a business or other organisation.

At a general level, a Government's 'policy' on an issue is the Government's view on it – its interpretation of the problem at the heart of the issue and its broad sense of how best to tackle such problems. Such a general policy approach or framework may take the form of principles – as in, "the Government's policy towards early childhood development is that it should encompass consideration of health and education and social skills" or "it is this Government's policy that 15% of all major new housing developments be designated as 'affordable housing', including a 5% component for 'high needs' housing".

This is a statement about 'ends' more so than 'means'. Another kind of policy can be more focused on the 'means', as in: "the Government's policy on road safety is that we need to reduce deaths from road accidents to less than 90 per year by 2010 (and to achieve this by a combination of driver education on speed and safety precautions (e.g. wearing of safety belts, with fines for failure to do so) and improvements to signage and roads where accidents most often occur (e.g. through the 'Black Spots' program). Another example is "it is this Government's policy that all newborn babies will be visited by a health professional at their mother's home at least once."

Political parties outline general and specific policy propositions during election campaigns. Once elected, governments can implement their major policy commitments – their policy agenda – through new or changed laws, programs, Budget allocations or organisational entities which take on particular functions. Minor policy commitments can be effected in other ways, through administrative decisions that lead to smaller, but still quite significant, changes to the way the government operates or deals with the public.

Policy-making is a dynamic process, so governments do not just act on the promises they make prior to election, but develop policy to respond to problems or issues that emerge during their time in office. In so doing, they may need to consider a range of policy options, rather than make a clear-cut 'do it or don't do it' choice. Sometimes policies are developed internally; other times in consultation with 'stakeholders' or the wider community. Once in place, governments can continue to develop that policy – to draw on relevant information to update or modify and substantially alter what's in place. Again changes can happen at a macro level – a change in a policy setting or the 'ends' – and others can involve minor adjustments in the implementation of a policy (to the 'means'.)

In South Australia, we have a whole-of-State Strategic Plan which sets out some longer-term challenges for the State. These were tested and debated with community representatives around the State. The Plan turns the list of challenges into targets that have been adopted as policy. So, for example, as a State we have a need to increase our population to support economic development and to tackle the problems of an ageing society. This is expressed as a target in the Plan to achieve a total population of 2 million by 2050. Achieving that target is the policy of the current government.

Policy decisions can occur at various levels so, for example, the Cabinet may decide to put greater effort into improving customer service. This could be described as a new policy initiative. A department may then make a policy decision to introduce a customer service charter as a means to delivering on the Government's broad policy initiative. A service delivery area in that department may then decide to introduce a new policy – as part of a roll-out of the customer service charter – that follow-up phone calls be made to a random selection of clients to see whether they feel like the terms of the charter were being met by that particular service.

In sum, then, policy can be about: identifying a problem and figuring out ways to solve it; addressing a new need or responding to a new challenge; or evaluating something to see if it can be improved.

Role of the public service in policy development

As was alluded to above, policies can be internal or external, and they can apply at a whole-of-government level, or be specific to a service delivered by a particular agency in a particular location. It is hard sometimes to distinguish, therefore, between an operational or procedural decision on one hand, or a substantive policy shift on the other. This is not necessarily a bad thing, as policy should not be made in a vacuum, but should be informed by a good understanding, based on directly-observed or otherwise validated evidence.

Policy development should be seen also as a step in a process which starts with an idea and moves through implementation and evaluation to further refinement and development. The role of the public service throughout these steps is to provide advice to decision-makers – good, well-founded advice that supports good public policy outcomes, and good policy advice which is consistent with the broader goals, directions and high-level policy settings of the Government of the day. That advice can be based on their own expertise which they have brought to an organisation, their own investigation and research into an issue, or the advice of colleagues who have done the necessary consultation and analysis. Again, it can be focused on an aspect of service delivery, on resource allocation, or on meeting a long-term challenge for the State – any number of issues which span the role of governments.

All public sector employees therefore should consider themselves as players in the policy development process - whether by interpreting government

goals, developing options, proposing choices, marketing, managing implementation, delivering specific services, reviewing outcomes or terminating programs.

Policy skills

That said, policy development can be regarded as a professional skill. Those staff whose primary responsibility is to develop policy options for consideration at the higher levels of Government (by Cabinet, Ministers and Chief Executives) are sought after for their particular expertise in analysis, consultation, and communication. They may also be valued for the specific knowledge they bring to a policy area.

In its 1999 *Report on Professional Policy Making for the Twenty First Century* the UK Cabinet Office identified nine core competencies for professional policy making:

- **Forward looking** – taking a long term view, based on statistical trends and informed predictions, of the likely impact of policy

- **Outward looking** – taking account of factors in the national, regional and international situation and communicating policy effectively

- **Innovative and creative** – questioning established ways of dealing with things and encouraging new ideas; being open to the comments and suggestions of others

- **Evidence-based** – using the best available evidence from a wide range of sources; involving key stakeholders at an early stage

- **Inclusive** – taking account of the impact on the needs of all those directly or indirectly affected by the policy

- **Collaborative –** Looking beyond institutional boundaries; setting cross-cutting objectives; defining and communicating joint working arrangements across departments; ensuring that implementation is part of the policy process

- **Evaluating** – building systematic evaluation of early outcomes into the policy process

- **Reviewing** – keeping established policy under review to ensure it continues to deal with the problems it was designed to tackle, taking account of associated effects elsewhere

- **Learning lessons** – learning from experience of what works and what doesn't.

The important point is that people doing policy work do not need to be experts in a particular field. Rather, they need to be good at gathering the right information (more often than not from colleagues or stakeholders as much as from literature reviews or researchers), distilling it, considering the costs and benefits of a range of options, developing and testing specific recommendations, and thinking about the issues and risks involved in implementation.

In trying to capture the complexities of what policy work might involve, one scholar has said that public policy is "… both an art and a craft. It is an art because it requires insight, creativity, and imagination in identifying societal problems and describing them, in devising public policies that might alleviate them, and then in finding out whether these policies end up making things better or worse." (Dye:1998)

The Policy Cycle

As mentioned, the development of public policy is a dynamic and continual process consisting of several key components. Because it is not a discrete single act or event, it is best seen as a cyclical process.

Althaus, Bridgman and Davis (2007) offer an Australian policy cycle model with the following stages:

- issue identification
- policy analysis
- policy instruments
- consultation
- coordination
- decision
- implementation
- evaluation.

It is appreciated that policy development is not a linear process, neatly and predictably following a sequence of steps. Policy making is ambiguous and layered and not a single, uniform, transferable process. As such, the policy

cycle should not be read as a staged and ordered process but an active and iterative process. The policy cycle model does, however, outline the key components to be considered in developing policy.

Stages of the policy cycle

The following is an introductory explanation of the components of the cycle. These components are explored in greater detail in the Althaus, Bridgman and Davis *Australian Policy Handbook* (2010).

Issue identification

Issue identification involves understanding the issue, problem or concern commanding the attention of government and requiring a policy response. These issues form the policy agenda. Kingdon (1984:205) questions why some subjects rise on policy agendas and are identified as serious matters, subjects or problems attracting the serious attention of the government and bureaucracy at any given time while others do not.

Issues can elevate to the policy agenda by:

- having widespread public attention or awareness of the issue;
- having a shared concern by the public that action is required; and
- having a shared perception that the matter required government intervention.

Policy analysis

Analysing policy problems rarely leads to identification of one option as the only possible solution. Policy analysis involves designing, determining and considering choices and alternatives and the consequences (both intended and unintended), implications or impacts of taking policy actions. In reaching potential policy solutions, policy practitioners need to:

- research information and literature on the policy issues (eg through books, publications, research data, the press);
- develop feasible options and solutions to the policy issue;
- consider and assess the consequences and the advantages and disadvantages of potential policy solutions;
- provide sound and thorough advice based on detailed analysis of the issues; and
- put forward a well-reasoned recommendation to address the issue.

Policy instruments

Policy instruments are the ways and means of the policy process. They may be laws, such as Acts of parliament or regulations, programs administered by public servants or others, informative materials like brochures, or infrastructure, like hospitals, schools, roads, dams or buildings. Usually there will be a combination of policy instruments.

Policy instrument choice is a major concern in the policy process, and recommendations about policy choice must canvass the options for policy instrument. Cost and benefits, community and political acceptability and legality can all be fundamentally affected by the choice of policy instrument. The policy instrument choice may have major implications for the timing of policy implementation.

Consultation

Consultation provides for participation in policy making by identifying and liaising with individuals or groups with an interest or stake in an issue. Fundamental to consultation is identification of these people, committees or organisations. The question policy practitioners must answer is, 'Who is affected by the issue and in what way? Consultation can occur both within government and with individuals or groups outside government. For more information see the Cabinet Guide No. 3: Consultation in this series.

Coordination

Coordinating policy is important to ensuring consistency with government's overall strategy, priorities and objectives. It's also about maximising efficiency, so that two separate parts of government aren't taking parallel approaches to addressing an issue. Gaining a whole-of-government view can be invaluable, and this is where the Cabinet Office (now called Cabinet and Policy Coordination), for example, can play a useful role. If you are working on a particular initiative, you may need some advice about how or whether it fits into a broader government agenda and Cabinet Office is well-placed to assist. If there are resource implications associated with any policy proposal you are working on, it is crucial to consult with the Department of Treasury and Finance as well.   Similarly, if there is a major infrastructure development involved, or an ICT component, then the Department of Transport, Energy and Infrastructure will have an interest.

Decision

Having evaluated alternatives, policy decisions involve choosing the policy option most likely to attain the desired goals. For policy officers undertaking intra-departmental procedural policy development, individual agency

requirements will dictate the approval process. Intra-departmental policy may also, of course, involve the Minister and Cabinet. Other government decision-making forums are bound by the rules of Cabinet, Executive Council and Parliament.

Implementation

Implementation involves introducing the policy into practice after the decision to adopt a course of action is taken. It is important at all stages of the policy development cycle to consider practical, achievable implementation strategies. For more information see the Cabinet Guide No. 8: Implementation in this series

In February 2008 Cabinet gave the Cabinet Implementation Unit, established in Cabinet Office (now Cabinet and Policy Coordination), the mandate to monitor and report on the implementation of Cabinet decisions. Cabinet approved the following role and scope for the Unit:

Advice and Support

To assist agencies in thinking through implementation when developing a submission for Cabinet approval, providing guidance on the development of implementation statements and plans.

Monitoring and Reporting

To monitor the implementation of Cabinet's decisions and report on progress.

Review and Evaluation

To annually review the implementation of Cabinet decisions to highlight best practice and identify barriers, proposing steps Government can take to address them.

Evaluation

Evaluation involves monitoring the effectiveness and consequences of the policy to consider how it is operating and whether it is achieving the desired results. Evaluation of policy seeks to relate and assess the connections between actual policies and changes in the areas they are supposed to be influencing. Resources are assembled to produce the intended policy outcome and suggested changes and adjustments are made where necessary.

Assembling proper evidence to assess Key Performance Indicators is essential to the effective evaluation of policies and programs.

Conclusion: what does a good policy process look like?

An effective policy development process:

- fits the circumstances and issues;
- provides the opportunity for analysis from all important perspectives;
- involves appropriate consultation and transparency;
- is publicly defensible in terms of how the process proceeded and who was involved;
- leads to informed decision making; and
- builds in the best opportunities in the circumstances to ensure commitment and implementation. (Stewart: 1999)

Public policy must support the agenda of the Government of the day. This does not mean trying to second-guess the politics of an issue, but rather being sensitive to what it is that the Government is trying to achieve and how it likes to operate.

The job of public servants is to deliver up policy options which are well-reasoned, timely and relevant. If you have gone through the processes outlined above, you will have increased the likelihood that the quality of your advice is of a high order. Moreover, if your recommendations are accepted, they are more likely to be implemented without any major unforseen risks or problems, thereby improving the prospects for success.

Policy development resources

The South Australian Policy Online website: an interactive website linking researchers and public policy makers in South Australia.

South Australian Policy Online is a collaborative initiative of the State Government and the:

- Australian Institute for Social Research (AISR), University of Adelaide

- Hawke Research Institute of Sustainable Societies at University of South Australia

- www.flinders.edu.au/sabs/ssps/research/fippm/ at the Flinders University of South Australia

- Don Dunstan Foundation

South Australian Policy Online aims to increase the accessibility of research resources including publications, events and project information and news and opinion pieces amongst policy makers as well as researchers within the university, community and industry sectors.

The SA Central website also brings together a number of resources relevant to local policy practitioners and provides an easy access point to all government agencies.

The South Australian Strategic Plan web site has extensive links to reports and other resources grouped under each of the major objectives of the plan.

Australian Policy Online offers access to a range of online Australian social, economic, cultural and political research materials.

1. The web site is maintained by the Institute for Social Research at Swinburne University of Technology, with support from the Centre for Cultural Research at the University of Western Sydney, the Gilbert + Tobin Centre of Public Law, at the University of New South Wales, the Discipline of Government and International Relations,at the University of Sydney and the School of Political and Social Inquiry at Monash University.

The **UK Policy Hub** is a web-site, developed by the UK Government's Social Research Unit, which aims to improve the way public policy is shaped and delivered. It provides:

- tailored access to initiatives, projects and tools that support better policy making and delivery
- extensive guidance on the use of research and evidence in the evaluation of policy
- links to a wide range of research resources and tools from the UK and around the world.

Policy.ca, is a non-partisan resource for public discussion of issues in Canadian public policy. The web-site contains a database of online public policy research publications, as well as information on Canadian policy organizations, institutes and researchers.

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