Foreword by the Secretary of the Department of the Prime Minister and Cabinet and the Auditor-General

All Governments expect their policies to be implemented on time, on budget and to expectations. For that to occur, implementation considerations must be a fundamental part of all stages of policy development.

This Better Practice Guide was first released in 2006. It has now been reviewed and updated to incorporate key developments since that time.

We believe that there is real value in drawing together lessons from experience about how to successfully implement government policies, and in using those insights to strengthen performance in the future.

There are always lessons to be learnt from the implementation of most policies, not least the importance of good planning. This guide offers advice to public sector senior leaders on the successful implementation of policies so that unintended consequences, which deny the community the full benefits of a new policy or waste public resources, can be avoided.

The messages contained in the guide apply not only to new initiatives but also to adjustments or changes to existing measures or areas of regulation. The advice is equally relevant to senior leaders advising on policy proposals and those responsible for implementing policy initiatives. All have to collaborate to ensure success.

Our current environment involves government actively considering the extent and limitations of its service delivery and regulatory roles, at a time of significant pressures on public finances. Stakeholder and community engagement and interaction with government is becoming broader and more intense, enabled by the advent of the internet, social media and other transactional and communication methods. These developments all have implications for the successful implementation of policies.

While some policies can be developed and implemented with long lead-times, others must be developed and implemented quickly, even rapidly, on occasion. The advice presented in this guide has been developed in recognition of the pressures on the modern public sector, and taking into account experience gained in recent years.

The guide contains some clear messages, including:

- strong and ongoing leadership is critical, regardless of whether the policy and its implementation sits with one entity or involves several;
- there are essential capabilities and preconditions for implementation to succeed that involve an inclusive approach, sound processes, the effective use of resources and the consideration of implementation at every stage of policy development;
- the identification and management of risk is not a ‘one-off’ exercise, but a key element that is required at all stages of policy development and implementation; and
- policies and programs, when implemented, require active management to be successful, and this involves: measurement, analysis, consideration of feedback and complaints, evaluation and review, calibration and adjustment.
The checklists included in this guide are a tool to be used by senior leaders. They reflect the collective experience and wisdom of senior executives and managers across the Australian public sector. The guide quotes from interviews with many public sector chief executives, and we acknowledge that the apparent simplicity of those quotes sometimes belies the often challenging way in which the experience behind them was gained. We sincerely thank all those who contributed their ideas and advice.

We encourage the use of this guide to assist public sector leaders in their stewardship of public resources invested in policies and programs that significantly affect the interests and wellbeing of the Australian community.

I J Watt
Secretary
Department of the Prime Minister and Cabinet
October 2014

Ian McPhee
Auditor-General
October 2014
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Better Practice Guide

Focus and Structure of the Guide
Focus of the guide

Successful implementation of policy initiatives requires early, informed and systematic consideration of implementation.

The implementation of Australian Government policy initiatives is one of the key responsibilities of government entities. In recent years there has been an increasing focus on, and a community expectation of, sound policy implementation and the seamless delivery of government policies—on time, within budget and to an acceptable level of quality.

The challenges involved in successful policy implementation have been highlighted in several Australian National Audit Office (ANAO) audit reports in recent years. The importance of a systematic focus on implementation has also been highlighted by the work of the Cabinet Implementation Unit (CIU) within the Department of the Prime Minister and Cabinet, Gateway Reviews and the ICT Two-Pass Review process, both sponsored by the Department of Finance (Finance), as well as the Capability Reviews sponsored by the Australian Public Service Commission (APSC).

This guide identifies better practice considerations when implementing a policy initiative—the act of translating policy into reality—so that intended benefits are realised. Consequently, there is a particular focus on the planning and development phases, which precede the delivery phase. The guide does not address ongoing management and delivery of a program, other than to emphasise the need for ‘active’ management to fully realise program objectives. Active management relies on: data measurement and analysis; stakeholder engagement and feedback; and evaluation and review; all of which inform whether calibration and adjustment is required.

The guide is intended primarily for public sector senior leaders—chief executives (CEOs) and senior executives—advising on policy proposals and responsible for implementing policy initiatives. That said, implementation is a shared responsibility and the information contained in the guide is also relevant for those supporting senior leaders.

A number of additional tools, methodologies and reports are available to help inform public sector senior leaders and staff involved in aspects of implementation. These take the form of guidance from the CIU and Finance, Gateway Review Lessons Learned reports and the suite of ‘gate’ specific lessons learned.

1 Relevant audit reports include: ANAO Audit Report No.22 2013–14 Air Warfare Destroyer; ANAO Audit Report No.12 2010–11 Home Insulation Program; ANAO Audit Report No.9 2010–11 Green Loans Program; and ANAO Audit Report No.41 2008–09 The Super Seasprite. In particular, the reports on the Air Warfare Destroyer (pp. 33–34); the Home Insulation Program (Chapter 9); and the Super Seasprite (Appendix 1) each contain a discussion of the lessons learned identified by the ANAO.

2 For guidance provided by the CIU, see <http://www.dpmc.gov.au/implementation/> [Date accessed: 17 March 2014].

3 See the Finance website at <http://www.finance.gov.au/gateway/> [Date accessed: 17 March 2014]. Complementing this information, the Finance website also offers further advice and guidance on ICT investment and procurement.
documents—both published by Finance⁴, reports of Capability Reviews undertaken by the APSC⁵, ANAO Better Practice Guides⁶, and various reports from the ANAO.

The focus of this guide is on the overarching principles for effective and successful implementation, drawing on the experience of entities to date, as well as lessons learned from overseas. The aim is to assist senior leaders to oversight the implementation of policy initiatives and to obtain assurance that appropriate approaches and methodologies are being followed.

Entities may wish to expand on the guide by providing guidance for those at the ‘coal face’. For many entities this may simply involve some realignment to existing documentation and guidance.

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⁵ For the Capability Reviews conducted by the Australian Public Service Commission, see <http://www.apsc.gov.au/aps-reform/current-projects/capability-reviews> [Date accessed: 17 March 2014].

⁶ Relevant ANAO Better Practice Guides include: Public Sector Governance: Strengthening performance through good governance, June 2014; Administering Regulation: Achieving the right balance, June 2014; Implementing Better Practice Grants Administration, December 2013; Developing and Managing Contracts: Getting the right outcome, achieving value for money, February 2012; Fraud Control in Australian Government Entities, March 2011; Strategic and Operational Management of Assets by Public Sector Entities: Delivering agreed outcomes through an efficient and optimal asset base, September 2010; and Planning and Approving Projects – an Executive Perspective: Setting the foundation for results, June 2010. These Better Practice Guides are available from the ANAO website <http://www.anao.gov.au/Publications/Better-Practice-Guides>.
Part 1 of the guide focuses on key areas to guide planning and obtain assurance for senior leaders. It begins by considering the essential preconditions and capabilities for successful implementation, including the key role played by an entity’s leadership. Part 1 of the guide also highlights the importance of giving adequate attention during policy development to implementation risks and other practicalities associated with the implementation phase. This aspect of the guide is not intended to provide advice on policy development, but on matters that may influence effective delivery on the ground.

Part 2 of the guide then addresses six key building blocks for successful implementation. These are: governance (page 21); managing risk (page 29); engaging stakeholders (page 35); planning (page 43); resources (page 51); and monitoring, review and evaluation: a basis for active management (page 57).

The six building blocks described in this guide align to the focus areas for effective implementation planning highlighted by the CIU⁷—albeit they are presented in a different sequence. Key aspects of the seventh focus area identified by the CIU—management strategy—are addressed in this guide in the discussion on Essential preconditions and capabilities in Part 1. These differences reflect the differing purposes of this guide, which focuses on implementation challenges through the life-cycle of a policy initiative, and the CIU’s Guide to Implementation Planning, which is primarily intended to assist entities prepare a succinct implementation plan for Cabinet consideration.

The nature of the policy being implemented may involve developing and managing contracts, establishing and administering grants programs, planning and approving projects, managing assets or developing and administering regulatory schemes. All such initiatives require consideration of resource management requirements and government-wide policies such as those relating to fraud control and government advertising. As previously mentioned, the ANAO has published a range of Better Practice Guides to provide entities with additional guidance on a range of such matters.

A diagrammatic representation of better practice considerations for successfully implementing policy initiatives is presented in Figure 1 on page 6.

Figure 1: Better practice considerations for successfully implementing policy initiatives

Essential preconditions and capabilities

Considering implementation during policy design, leadership, inclusive approach, sound processes and effective use of resources

Source: ANAO.
Part 1
Introduction to Successful Implementation
Chapter 1: Essential Preconditions and Capabilities for Successful Implementation

The essential preconditions and capabilities for successful implementation include:

- considering implementation at every stage of policy development; and
- strong and ongoing leadership, an inclusive approach, sound processes and the effective use of resources.

This part of the guide outlines a number of key preconditions and capabilities for the successful implementation of policy initiatives. These include the fundamental requirement that implementation be considered at every stage of policy development. Addressing implementation issues as an afterthought or partly through the process introduces substantial risk and can compromise successful policy implementation.

The implementing entity also requires clear capabilities and sufficient capacity to successfully implement policy initiatives. This includes strong and ongoing leadership, an inclusive approach, sound processes and the effective use of resources. An inclusive approach will involve the use of consultative governance and coordination arrangements designed to harness relevant skills and expertise from within the entity, the wider public sector, and externally, as necessary.

A checklist of key implementation considerations relating to essential preconditions and capabilities is presented on the next page.

Key considerations for senior leaders

**Considering implementation at every stage of policy development**

Fully considering implementation issues at every stage of policy development is a shared responsibility—in particular, it is essential that there is a clear and shared understanding of the policy objectives and intended outcomes. All entities—‘central agencies’, policy entities and implementing entities—should be ever-mindful of the need to identify and involve relevant parties at the earliest possible stage of developing new policy and do everything possible to ensure that this, in fact, occurs. Establishing sound relationships, and the capability to engage effectively with other entities, requires personal leadership by an entity’s senior leaders. The senior leaders can also promote a collegiate approach by setting a clear example for their staff.

*Get the implementation agencies in right at the beginning of the policy process. Failure to do so drives up risk.*

*Source: Chief Executive interviews*
# Checklist of key implementation considerations—Essential preconditions and capabilities

The following checklist may help an entity’s senior leaders to assess whether the essential preconditions and capabilities for successful implementation are in place.

<table>
<thead>
<tr>
<th>Key questions: Essential preconditions and capabilities for successful implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ What process applies to ensure that implementation issues are considered and agreed when policy initiatives are being discussed?</td>
</tr>
<tr>
<td>✔ Have lessons from previous implementation initiatives been identified and taken into account in the design of this implementation?</td>
</tr>
<tr>
<td>✔ Does the top leadership group regularly discuss and review progress and performance of major initiatives?</td>
</tr>
<tr>
<td>✔ Where implementation involves several entities, are robust governance arrangements in place, with clear leadership and accountability? Are open and effective communication channels in place?</td>
</tr>
<tr>
<td>✔ Is the right person leading the project? Is implementation planning led by skilled and experienced personnel?</td>
</tr>
<tr>
<td>✔ Is there an entity-wide process to prompt action when things are likely to, or have, gone wrong and to avoid surprises for the Government?</td>
</tr>
<tr>
<td>✔ Are there regular and candid discussions with the responsible minister and the minister’s office about the progress of major initiatives?</td>
</tr>
<tr>
<td>✔ What advisory and quality assurance mechanisms are in place?</td>
</tr>
<tr>
<td>✔ Does the entity foster an environment where mistakes can be admitted? Are lessons of ‘what went wrong and why’ fed back into the entity’s processes for the benefit of future initiatives?</td>
</tr>
</tbody>
</table>
Some entities have both a policy formulation role and the responsibility for policy implementation. The requirement to involve implementation staff at the earliest possible time is just as important in these cases, and effective internal communication and coordination processes will facilitate successful policy development and implementation.\(^8\)

**Strong leadership, an inclusive approach, sound processes and the effective use of resources**

On occasion, implementation will involve several entities. In these situations it is essential to establish clear governance and accountability arrangements (everyone needs to be clear as to who is ‘in charge’) underpinned by a commitment to work cooperatively. In these circumstances, there is also a requirement on senior leaders to demonstrate leadership by example, so as to promote co-operation and avoid territoriality. An increasingly common feature of service delivery is ‘collaborative’ or ‘co-production’ arrangements between government and non-government entities. These potentially complex arrangements require a leadership focus on issues of stakeholder engagement, risk management and accountability.

Good governance is an essential precondition for successful implementation.\(^9\) It focuses on two key requirements for public sector entities:

- performance—governance arrangements and practices that are designed and operate to shape the entity’s overall results, including the successful delivery of government programs and services, and
- accountability—governance arrangements and practices that are designed and operate to provide accountability for results, decisions and actions to the entity’s leadership, the Government, Parliament and the community.

Management Boards or Executive Committees involving the CEO and other senior leaders, which have a stewardship role for the entity as a whole, have an important role to play in considering the progress of major initiatives. In particular, they can actively engage with and question those directly responsible for managing key initiatives and risks, and promote a collaborative approach to ensure that organisational silos or other impediments do not frustrate successful implementation. Views of front-line delivery staff are also often very useful. Feedback and advice from audit and risk committees, external stakeholders, and other quality assurance mechanisms are also important in this regard.

To be successfully implemented, many policies require a range of enabling services and resources. These can include:

- well-established stakeholder engagement and communication channels
- legal and financial services
- risk management services, internal audit, fraud and compliance mechanisms
- project management, information, communications and technology (ICT) and resource management services
- forms, system and process design services
- feedback and complaints-handling mechanisms, and
- review and evaluation teams.

---

\(^8\) Chapter 2 in Part 1, Implementation: a key part of policy design, discusses more fully the issues involved in considering implementation at every stage of policy development.

\(^9\) Australian Government entities operate within the Commonwealth resource management framework, which also forms the backdrop for the implementation and administration of government policies. The Public Governance, Performance and Accountability Act 2013 (PGPA Act) consolidates in one Act the overarching governance, performance, resource management, and accountability requirements for Commonwealth entities.
Involving relevant support services early in the initiative can assist entities avoid implementation design gaps that might not otherwise be apparent until later stages of the project.

The senior responsible officer\(^{10}\) must ensure that all relevant capabilities are applied appropriately, noting the existence of interdependencies and the need for sequencing effort. In some cases, both time and resources may have to be made available to enable the development of the capabilities necessary to properly support the implementation initiative. An important role for the entity’s senior leaders involves creating the environment in which those responsible for the resources assigned to implementing an initiative understand and accept their particular accountabilities.

On occasion, consideration will need to be given to diverting effort from other activities. These priority-setting decisions will often require consideration by the entity’s Management Board or Executive Committee, and for judgement to be exercised by the CEO or, on occasion, the responsible minister.

Entities should have mechanisms in place for transferring knowledge and learnings from previous initiatives to new implementation teams. This includes drawing on the experiences of appropriate external sources—such as other Australian Government entities, state and territory government entities and private sector bodies.\(^{11}\)

\[\text{While ministers may not be happy to receive bad news, they at least can then work with the CEO to devise strategies to fix the problem. Bad news does not get better with age. What is inexcusable is for the minister not to be told, or only be told part of the story.}\]

\[\text{Source: Chief Executive interviews}\]

Strong and professional working relationships between the entity, the responsible minister and ministerial advisers, are also an essential precondition to the successful implementation of policy. Senior leaders can help establish a productive relationship between the entity and minister which features open and regular communication, the provision of realistic and candid advice, and the ability to agree on adjustments to implementation arrangements if circumstances require.

It is also a management responsibility to promote a culture of providing timely advice to ministers on implementation pressures, as well as successes.\(^{12}\)

\[\text{10 The key role of the senior responsible officer is discussed further in Chapter 3 in Part 2—Governance.}\]
\[\text{11 Chapter 6 (Planning) and Chapter 8 (Monitoring, review and evaluation) in Part 2 discuss learning from past experiences in more detail.}\]
\[\text{12 Part 2 of the Guide—Building Blocks for Successful Implementation, discusses more fully the issues highlighted in this section.}\]
Part 1 Chapter 2

2 Implementation: a key part of policy design

A policy initiative is more likely to achieve its intended outcomes when the question of how the policy is to be implemented has been an integral part of policy design.

It is essential to inform the Government of any significant risks to implementation and proposed responses; particularly when rapid policy development and implementation is required.

Providing well-founded policy advice to the Government is a core function of the Australian Public Service. The Government’s expectation is that better policy outcomes will be achieved through a culture that emphasises adequate consideration of implementation challenges in the provision of policy advice.

Where implementation considerations do not receive sufficient and early attention, experience shows that problems will arise during subsequent delivery of the policy. These problems may include: sub-optimal delivery methods; over ambitious timeframes; resources not being available when required; inappropriate skills or capability for the initiative; and insufficient consultation and contingency planning.

A checklist of key considerations relating to addressing implementation issues during policy design is presented on the next page.

Key considerations for senior leaders

Making implementation an important consideration at every stage of policy design

How a policy is to be implemented should be an integral part of policy design. This requires, among other things, a systematic focus on implementation at the policy design stage, identifying any risks and barriers to implementing the policy, drawing on the practical experience of those who will have to implement the policy, ensuring that any obstacles to delivery are understood, and feeding the learning from implementation processes back into the policy process.

It really pays off to consider upfront how are we going to do it?

Source: Chief Executive interviews

As shown in Figure 2 on page 15, there are likely to be several options for the delivery of a policy initiative.

Consideration and comparison of the capability of the entity to successfully implement the policy, and of the costs, benefits, risks and opportunities of the options and barriers to implementation, increases the likelihood of the Government’s objectives being achieved.

Potential implementation methods can be tested in a variety of ways: through trials or pilots before roll-out of the initiative; preparing formal analyses of the risks, impacts and costs of different policy implementation options; consulting stakeholders and service suppliers; and where applicable, assessing experience in other settings or jurisdictions.
# Checklist of key implementation considerations—Implementation: a key part of policy design

The following checklist may help senior leaders when considering whether implementation issues and challenges have been adequately addressed during policy design. These questions are not about the policy development process as such, but they warrant attention at the policy design stage to increase the likelihood of good delivery.

<table>
<thead>
<tr>
<th>Key questions: Considering implementation issues at every stage of policy design</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Are the means of, and barriers to implementation considered when policy initiatives are discussed?</td>
</tr>
<tr>
<td>2. How is the priority of projects assessed against the other business priorities? Have resourcing adjustments been made if required?</td>
</tr>
<tr>
<td>3. Are the policy and implementing entities fully aware of the Government’s objectives and priorities, including the drivers for the policy initiative or policy change, the anticipated benefits of the change and how success is to be measured?</td>
</tr>
<tr>
<td>4. Have the views of key stakeholders been sought and considered?</td>
</tr>
<tr>
<td>5. Has the implementers’ knowledge, experience and capacity to respond been taken into account during policy development?</td>
</tr>
<tr>
<td>6. Is there a common understanding of the risk appetite for the initiative between the policy and implementing entities?</td>
</tr>
<tr>
<td>7. Is the Government sufficiently informed of the risks, challenges and practical aspects of the policy that may have an impact on implementation, and the proposed responses?</td>
</tr>
<tr>
<td>8. Are proposed commitments and announcements being checked for delivery implications before they are made?</td>
</tr>
<tr>
<td>9. Are the timeframe and results promised realistic and consistent with estimates of resources?</td>
</tr>
<tr>
<td>10. Where timeframe imperatives limit the opportunities to consider the breadth of implementation issues, how will implementation risks be dealt with?</td>
</tr>
<tr>
<td>11. What processes are in place for the review and monitoring of implementation activities?</td>
</tr>
<tr>
<td>12. What processes exist to ensure that appropriate contingency planning occurs for all significant projects?</td>
</tr>
<tr>
<td>13. Are there uncertainties in assumptions made in formulating the policy that may have consequences for the success of implementation?</td>
</tr>
<tr>
<td>14. Have appropriate record keeping and accountability mechanisms been established?</td>
</tr>
</tbody>
</table>
Figure 2: Options for the delivery of a policy initiative

The policy initiative is delivered by:

- Team in the responsible entity (in-house)
- Separate government entity
- Cross-entity (or whole-of-government) arrangement
- State and territory government entity
- Non-government provider under contract to the responsible entity
- New entity established especially to deliver the initiative
- Another type of outsourcing arrangement or partnership

or a combination of these options

Source: ANAO.

Engaging stakeholders at the policy design stage—including in some cases, consulting more broadly with the wider community—can not only help to get the policy right but also to gain a sense of implementation options and the barriers to implementation. Early stakeholder engagement also offers an opportunity to get their buy-in to the policy design. The key question is whether the means of implementing or delivering a policy is likely to work in practice—whether it ‘hits the mark’.

However, a number of practical considerations need to be addressed, particularly when involving outside stakeholders. One of many possible examples is the need to manage Budget-sensitive matters that could provide personal or corporate gain for the stakeholder involved. Suitable risk management strategies by entities, such as confidentiality agreements, are needed for stakeholder management.\(^\text{13}\)

It is essential to consider the implementation of an initiative in relation to other delivery and operational activities of the entity. One option for implementation may become higher risk, or indeed may need to be ruled out, simply because the necessary resources are absorbed by other activities. Alternatively, assigning resources to the new task may undermine delivery of an existing higher-priority function.

**Using the experience of the implementers during policy development**

Central to determining how a policy is to be implemented is to engage those with implementation skills, knowledge and experience during the policy development stage. This includes talking to staff responsible for information and communications technology (ICT) about likely ICT-related support and system development requirements.

---

\(^{13}\) Chapter 5 in Part 2—Engaging stakeholders, outlines more fully potential issues involved in stakeholder interaction.
Such early engagement is important for assessing the practicability of a policy, and might entail identifying the relevant skills and experiences within and outside of the entity—for instance, specialist entities and state and territory government entities. Drawing on such knowledge and experience may help identify:

- innovation at the delivery front that opens up opportunities for new policy options
- practical constraints that need to be overcome in order for the policy to deliver required results on the ground, or
- more reliable cost and uptake estimates.

You need to get implementers at the table early during policy development, in particular to consider timing and how the policy will be implemented.

Source: Chief Executive interviews

Where there are established service delivery arrangements, a source of practical advice on implementation considerations will be clear. In other cases, such as ‘greenfield’ initiatives, it is important to identify, at the earliest stage possible, sources of practical advice on implementation issues that are likely to affect policy design, outcomes and timeliness.

Of course, the degree to which those with specialist implementation knowledge and experience are engaged in the policy development process will vary, depending on the nature of the policy. However, those with implementation experience, including front-line staff, will always have some useful contribution to make. They generally will have better practical knowledge of what is likely to work and what is not.

Identifying, assessing and advising of risks

Sufficient consideration of major implementation risks—both within and external to the implementing entity—is essential during policy development. This includes agreeing on the risk appetite and identifying risk treatments.

… risk management … is one of those disciplines [that] if done well, will generally not be visible for all to see. Sadly, only risk management failures attract attention, and headlines. Thus an organisation’s leadership needs to compensate for this asymmetry by reinforcing the positive outcomes of risk management action.

Source: Auditor-General

It is imperative that risk assessments are sufficiently ‘hard-nosed’; that is, they do not present government and other entities with an over-optimistic view of what will happen. It is a matter of adequately informing

15 McPhee, Ian, Auditor-General for Australia, Effective Risk Management, paper presented to the Department of Parliamentary Services, Canberra, February 2011, p.3.
the Government of any significant risks to implementation. While this is always important, it is particularly so where rapid policy development and implementation is required. It is incumbent on the CEOs of public sector entities to provide well-informed, timely, accurate and candid advice to ministers.

It is equally important that commitments and announcements are not made without consideration of the delivery implications and risks, since the commitment or announcement stage is a key point at which risk to the Government may arise. This may require policy developers to advise governments about the delivery difficulties of a proposed policy, including risks relating to, or identified in the course of, consultation, planning or negotiation.

The other benefit of sufficient consideration of risks at this stage is that it provides a better basis for implementation when the initiative is rolled out. If risks to implementation are not identified early, then those involved in the implementation are likely to be in a process of catch-up as unforeseen problems arise.\(^\text{16}\)

**Adequate consideration of the timeframe for the policy to be implemented**

Overly ambitious timeframes are among the most common difficulties in implementation. Time pressures can leave too little time to address factors for success, such as different options for program delivery, consultation with implementers and stakeholders, or resource requirements and constraints. This can result in substantial variances between resource estimates for an initiative and the resources that actually have to be deployed to deliver the initiative successfully.

Of course, in some cases policy decisions may need to be implemented rapidly, with timeframes that are far from ideal. This may be difficult to avoid in some circumstances.

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**You need to be clear on what you can do...this may need the CEO to say that you may need extra time and money to deliver. Pressures at the front end will often lead to miscalculations, which are paid for at the back end.**

*Source: Chief Executive interviews*

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In situations where timeframe imperatives have curtailed the consideration of implementation issues during policy development, the risk to successful implementation ‘down the track’ increases markedly. One of the most pressing priorities for the senior responsible officer is to promptly reduce this risk by seeking expert implementation advice and experience as soon as possible in the delivery phase.

Tight timeframes place even greater importance on review and monitoring activities to ensure that practical problems do not reduce the anticipated outcomes.\(^\text{17}\)

It is not uncommon for timeframe difficulties to arise after the policy decision and during implementation simply because an overly optimistic view about practical implementation aspects was taken during policy development. The risk, in these cases, is that decisions are made on the run, possibly with reduced transparency and accountability. A disciplined approach to implementation issues is particularly important when time pressures exist.

\(^\text{16}\) The practical risks to implementation are touched on throughout this guide and discussed more fully in Chapter 4 in Part 2—*Managing risk*.

\(^\text{17}\) Review and monitoring are discussed more fully in Chapter 8 in Part 2—*Monitoring, review and evaluation*. 
Consideration of contingency measures and assumptions made

Uncertainty is a fact of life in the implementation of most initiatives. It can flow both from the nature of a policy and from the practical aspects of its implementation. Uncertainty means that appropriate consideration of contingency measures will often be required.

Another consideration is that most policy decisions are informed by data and research of various types. On occasions, the decisions may be based on less-than-perfect information or imprecise forecasts or predictions of future trends or behaviour. For this reason it is important to consider the degree to which, and in what ways, limits to data or other information may have a significant impact on implementation.

What will be the consequence of gaps in data or other information when the initiative is rolled out? For example, uptake that is much higher or lower than expected may have implications for the staff numbers needed to implement the program, the skills required of implementers, or the program’s funding levels.

If the assumptions made about an initiative are clearly identified, along with their sensitivity to change, then CEOs, ministers and those implementing the initiative can be better informed of the possible risks and their consequences. An awareness of uncertainties and assumptions increases the chance of successful implementation. This is particularly so in the implementation of initiatives that: involve safety-net provisions; are demand-driven; or are wholly new initiatives—in such cases, there are practical challenges to accurately estimating take-up rates.

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Accuracy of projections on expenditure and uptake is the hardest thing to get right [during policy design and implementation]. It becomes extremely difficult to implement these initiatives as expectations may be very high.

Source: Chief Executive interviews

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Record keeping and accountability

One challenge for entities is to balance the major focus on results with appropriate accountability for those results.

The greater the pressure on an entity to progress initiatives over a short time period, the greater the demand for discipline in record keeping and accountability as part of a sound control environment. Effective records management and accountability arrangements are integral to robust and successful corporate governance and public administration.

This is particularly so in the modern age, where a plethora of communication, storage and decision making avenues exist. When the implementation of a policy initiative involves partnering with other entities, there may be further issues to consider around privacy requirements and the ability to share information.

In short, keep records of important discussions and of key decisions made, as well as the basis for those decisions. This is also likely to improve the information available to the implementers, in particular on the practical considerations that went into policy design and what success looks like.
Better Practice Guide

Part 2

Building Blocks for Successful Implementation
Sound governance arrangements are critical to successful implementation.

A committed executive, supported by a senior responsible officer, provides the foundations for successful implementation.

Governance refers to the arrangements and practices which enable an entity to set its direction and manage its operations in order to discharge its accountability obligations and assist in the achievement of expected outcomes. Governance encompasses many facets, including leadership, policies, relationships and control and accountability measures.\(^{18}\)

**Good public sector governance is about getting the right things done in the best possible way, and delivering this standard of performance on a sustainable basis.**

*Source: ANAO\(^ {19}\)*

Good governance is important to support entities in fulfilling their responsibilities—including the efficient, effective, economical and ethical use of public resources to implement government policy. CEOs have a critical role in the establishment and maintenance of an entity’s governance arrangements. CEOs are responsible not only for providing advice to the Government but also for ensuring the delivery of the services and activities that result from that advice.

**Those charged with governance in public sector agencies have a responsibility to provide the leadership, strategies and oversight to deliver on the policies of the government of the day...**

*Source: Auditor-General\(^ {20}\)*

A critical prerequisite for successful implementation—especially that involving significant changes to an entity’s structures, processes or culture—is an executive that is committed to, supports and models best practice. Without strong and visible leadership, any underlying changes will be ineffective.

A checklist of key implementation considerations relating to governance is presented on the next page.

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19 Ibid.
### Checklist of key implementation considerations—Governance

The following checklist may help senior leaders when considering whether the governance arrangements for the implementation have been adequately addressed. In reflecting on these points, it is important to give weight to informal networks and organisational culture as well as to the formal arrangements.

<table>
<thead>
<tr>
<th>Key questions: Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Is a single senior responsible officer accountable for the delivery of the initiative and does the senior responsible officer have appropriate authority, skills, resources and support structures? Is he or she the 'right' person for the job?</td>
</tr>
<tr>
<td>☑ Is there clarity of purpose, powers and relationships between those involved in the implementation of the initiative?</td>
</tr>
<tr>
<td>☑ Are the governance arrangements between the various parties involved in the implementation appropriately formalised and documented? Does governance documentation identify the key plans and strategies necessary to help manage the initiative—such as a risk management plan, a stakeholder communication strategy, an implementation plan, and an evaluation plan?</td>
</tr>
<tr>
<td>☑ Are there whole-of-government dimensions to the delivery of the policy? If so:</td>
</tr>
<tr>
<td>☑ Have the appropriate entities been adequately engaged?</td>
</tr>
<tr>
<td>☑ Has a lead entity been identified and its role articulated and accepted by other entities?</td>
</tr>
<tr>
<td>☑ Are coordination and sharing arrangements of sufficient breadth and robustness?</td>
</tr>
<tr>
<td>☑ Do arrangements reflect strong executive-level support so that people in the organisation know that ‘this matters’?</td>
</tr>
<tr>
<td>☑ Do the governance arrangements provide for adequate reporting and review mechanisms, including regular updates of risk assessments? Are significant issues and ‘bad news’ escalated as necessary, including to the responsible minister?</td>
</tr>
<tr>
<td>☑ Has consideration been given to identifying any relevant legislatively-based reporting requirements?</td>
</tr>
<tr>
<td>☑ To guard against situations where staff may become inured to problems, or de-sensitised to risk, have independent assurance or quality reviews been considered?</td>
</tr>
<tr>
<td>☑ Are all major initiatives underway in the entity subject to regular consideration by the CEO and the top leadership group?</td>
</tr>
<tr>
<td>☑ Where policy development and implementation involve negotiation and consultation with stakeholders, has appropriate attention been given to matters of conflict of interest?</td>
</tr>
</tbody>
</table>
Key considerations for senior leaders

Sound governance arrangements are critical to the success of program and policy implementation. The nature and complexity of governance arrangements have to reflect the size and scope of the initiative. The size and nature of the initiative will also influence the degree to which senior leaders need to be involved in obtaining assurance around the governance arrangements, as well as the degree of their formality.

At the least, consideration needs to be given to: the roles, responsibilities and accountabilities of those involved; the rules and procedures for decision-making; and the integration of project governance arrangements within an entity’s broader corporate governance framework.

The important role of the senior responsible officer

To be effective, policy and program implementation requires there to be a senior responsible officer who is accountable for the success of a policy’s implementation. The senior responsible officer is the person to whom the relevant minister and the entity’s senior leaders turn for progress reports and information about delivery and emerging risks.

Senior responsible officers are also required to set up the most appropriate team to implement the initiative, including considering the adequacy of skills of the implementation team. An important part of establishing the implementation team is helping individuals understand their particular roles and responsibilities, as well as accepting their broader responsibilities for matters associated with the initiative—such as managing risks and being alert to issues needing to be addressed, including escalating issues and contributing ideas.

Figure 3 sets out aspects of the initiative in which the senior responsible officer can play a pivotal role.

Figure 3: Roles of the senior responsible officer

Source: ANAO.
Senior responsible officers should consider whether they have the right skills to oversee the implementation of the initiative. If not, how will the skills needed to oversee the implementation be obtained? This is not a matter to be left to chance, or to learning on-the-job.

**Absolutely need a senior responsible officer – someone who is clearly identified and accountable.**

*Source: Chief Executive interviews*

**Whole-of-government considerations**

Engaging and negotiating with the central agencies and delivery entities should be considered at the earliest possible stage. If the initiative requires service delivery by another entity, organisation or provider, then pertinent information should be shared at the earliest opportunity and roles and responsibilities need to be formalised. The risk in deferring or not considering the formalisation of cross-entity arrangements is that a lack of agreement and confusion about roles may emerge later in the implementation.  

When engaging other Australian Government entities or State Government bodies, an agreement outlining the objective, roles, responsibilities and reporting requirements of those involved is considered better practice. However, setting up formal arrangements requires an understanding about the limits of individual accountabilities, such as where there is shared ownership of policy and delivery and where policy owners cannot delegate responsibility and accountability for outcomes to deliverers.

In practice, there will often be differences of opinion and disputes during the implementation of an initiative. It is far better that any differences are dealt with informally and promptly; this can be facilitated by creating the right atmosphere in interactions. However, attention should also be given to more formal procedures before implementation begins—this can prevent blame-shifting when something goes wrong.

**Where there is multifaceted implementation you need to have a lead entity, otherwise things fall through the cracks.**

*Source: Chief Executive interviews*

Where a number of entities are contributing to the delivery of a program or taking action to achieve program goals, the costs and benefits of different whole-of-government approaches to implementation should be considered. However, as a minimum, identification of a lead entity is usually beneficial.

For the arrangement to be effective, the lead entity should have the authority and recognition to act in this capacity. It may be the case that the lead entity has primary policy responsibility (rather than an operational role), effectively becoming an actual or de facto purchaser of services from one or more other entities to facilitate implementation.

Consideration should be given to formalising such arrangements through cross-entity agreements.  

Figure 4 on page 25 outlines some of the details that such mechanisms might contain.

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21 Section 17 of the PGPA Act places a positive duty on the leadership of Commonwealth entities to encourage the entity’s officials to cooperate with others to achieve common objectives, where possible.

Memorandum of Understanding between government entities for the purpose of implementing a specified policy

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Objectives of the arrangement, including desired outcomes and timeframes ......................... 1
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Resources to be applied by the entities and related financial issues ........................................ 6
Approach to identifying and sharing the risks and opportunities involved............................... 7
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Source: ANAO.
The lead entity should have the role of ensuring that: program implementation is meeting the Government’s objective; a process has been established where information is shared and flows between the entities involved; performance is monitored; and the commitment by other entities (as well as their own) is being met.

**Steering committees and taskforces**

The size and complexity of many initiatives is such that it is difficult for one senior responsible officer to be sufficiently well informed about every aspect of the initiative’s implementation.

One approach in these circumstances is to establish a steering committee that is responsible for business issues associated with the initiative. Key business issues may include: budget strategies; monitoring risks, quality and timelines; and resourcing decisions. The steering committee might also have the role of approving the policies and business principles to be adopted for the initiative.

Steering committees can have members from inside the entity or more broadly involve stakeholders, specialist consultants or representatives from another entity. The chair of the steering committee then becomes the point of accountability for progress of the business issues associated with the project.

When setting up a steering committee consideration needs to be given to other aspects of good governance discussed in this guide, including the skills required, roles and responsibilities, and the use of subject matter experts and external review mechanisms.

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**Steering committees need to have clarity of roles/responsibilities, conflicts of interest declared, accountability and means to assess performance at the end.**

*Source: Chief Executive interviews*

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Where there are whole-of-government dimensions, inter departmental committees or taskforces may be considered. Representation at the senior responsible officer level from each entity is a useful means of communicating and monitoring progress on a whole-of-government initiative.

It is better practice to maintain and distribute minutes of meetings and agreed action items to all entities involved in implementation. This provides transparency to the decision-making process.

When establishing governance arrangements for implementation initiatives involving external parties, senior responsible officers should also consider the potential for conflicts of interest to arise and, if necessary, strategies to manage such conflicts. Managing conflicts of interest is covered more fully in Chapter 5 in Part 2—Stakeholder engagement.

**Effectiveness of arrangements for monitoring and review**

Senior responsible officers need to put in place monitoring and reporting arrangements sufficient to provide assurance to the entity’s senior leaders on progress in implementation. Reporting should minimise the risk of duplication and gaps in information.

Consideration should be given to conducting independent assurance at key points during the implementation process—to help overcome the potential for the staff directly working on the project becoming inured to risks. Such reviews should be undertaken by staff with relevant experience that are not directly involved in implementation activities or, in certain cases, by external parties.
In some cases, especially projects involving staff that are physically dispersed or projects involving input from other entities, senior leaders should consider the need to implement a quality framework. Such a framework should be designed to help promote adherence to established practices and standards, and the achievement of consistent work processes and outputs. In addition, where there are agreements with other entities in place, they should specify the reporting requirements of the other entities involved with the implementation.

Monitoring and review arrangements should be designed so as to bring about solution-focussed problem solving—it is important to avoid a ‘culture of blame’. Also, reporting and monitoring arrangements need to be robust enough so that ‘bad news’ is dealt with promptly and is not filtered out of reports to senior responsible officers, the entity’s senior leaders, and responsible ministers. Consideration should also be given to worst-case scenario and exit strategies if there is a risk that the initiative may not meet its objective.

Create an environment where people are prepared to ask for help early enough and not at a crisis point. The culture must be to encourage staff to identify problems and to ensure that they are addressed.

Source: Chief Executive interviews

Finally, as well as providing assurance on the progress of an initiative’s implementation, monitoring and review arrangements should support continuous improvement to, and refinement of, implementation arrangements.23

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23 Issues associated with monitoring and review arrangements are more fully described in Chapter 8 in Part 2—Monitoring, review and evaluation.
Successful implementation relies on the identification and management of risk. A robust risk management framework will promote accurate, well-informed judgements and mitigation strategies. The analysis of risks should commence as the policy is being developed and should continue through the implementation process.

There is well accepted recognition in public sector management of the importance of risk management; however, increasingly governments find that the environment they work in is becoming more complex. While the fundamentals of project management may not change significantly against this backdrop, the risks to successful implementation are higher, due to the more complex nature of the environment and the extent of uncertainty.24

Risk management should be part of day-to-day business and not a ‘one off’ activity. Indeed, entities need to encourage and grow a culture of risk management within an organisation.25 Adopting a risk management approach does not mean that entities should become more risk averse. Rather, it means that entities have greater awareness and understanding of risks, and the best ways to control, or deal with them.

…the management of risks must be embedded in an organisation’s modus operandi—in its corporate planning, reporting, decision making and management practices. [It is important to implement] risk management effectively, to avoid the failures in risk management that commonly flow from poor implementation approaches or a failure to monitor the changing environment, and respond accordingly…

Source: Auditor-General26

Specifically, the effective management of risk requires a robust, entity-wide risk management climate where decisions are based on accurate and well-informed judgements. There is a need to focus on both the likelihood and consequences of risks, and appropriate treatment strategies for identified risks.27

A checklist of key implementation considerations relating to the management of risk is presented on the next page.

24 McPhee, Ian, Auditor-General for Australia, Effective Risk Management, paper presented to the Department of Parliamentary Services, Canberra, February 2011, p. 2.
25 Section 16 of the PGPA Act requires the leadership of Commonwealth entities to establish and maintain appropriate systems of risk oversight and management.
26 McPhee, Ian, Auditor-General for Australia, Risk is all Around, paper presented to the Risk Management Institution of Australasia, Canberra, September 2010, pp. 2–3.
The following checklist may help senior leaders when considering whether arrangements for managing implementation risks have been adequately addressed.

### Checklist of key implementation considerations—Managing risk

<table>
<thead>
<tr>
<th>Key questions: Managing risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Have the benefits of applying systematic risk management practices to the initiative been communicated through the organisation?</td>
</tr>
<tr>
<td>✓ Has enough been done, early enough, to identify and appropriately treat implementation risks? In assessing risks, have both the likelihood and the consequences of risks been considered?</td>
</tr>
<tr>
<td>✓ Is there a shared understanding and acceptance of the risk appetite?</td>
</tr>
<tr>
<td>✓ Does the senior responsible officer have access to sufficient risk management capability to provide adequate assurance that risks to successful implementation will be managed proportionately and effectively?</td>
</tr>
<tr>
<td>✓ Was the Government appropriately briefed, at an early stage, about key implementation risks and proposed responses, including where there are uncertainties? Is this adequately documented? Is there adequate, ongoing and accurate reporting?</td>
</tr>
<tr>
<td>✓ Where other parties are involved in the implementation, are risks appropriately shared and is there clear recognition of the risk mitigation responsibilities of the various parties?</td>
</tr>
<tr>
<td>✓ Are risk treatments followed through in a systematic way and actively monitored during implementation for their effectiveness?</td>
</tr>
<tr>
<td>✓ For high-risk initiatives, does contingency planning include the analysis and assessment of options and exit strategies?</td>
</tr>
<tr>
<td>✓ What quality assurance mechanisms are in place?</td>
</tr>
<tr>
<td>✓ Will implementation difficulties be identified promptly and reported?</td>
</tr>
<tr>
<td>✓ When mistakes occur, will they be admitted, with explanations of what went wrong and why, and the course corrected?</td>
</tr>
</tbody>
</table>
A central implementation challenge for CEOs is to maintain alignment between expectations at ministerial level and entity-level progress with implementation. Meeting this challenge is assisted by a robust risk management approach and regular candid briefings and discussions between the chief executive and the minister. A further, and important, consideration for senior leaders is the availability of appropriately skilled senior personnel to manage key risks to successful implementation.

**Key considerations for senior leaders**

Systematic risk management practices enable entities to be confident that implementation has been designed to achieve government outcomes and objectives most effectively. Good risk management practices reduce the likelihood or consequence of unpleasant surprises that may result in an increase to implementation timeframes or costs and, in some cases, could jeopardise the achievement of objectives.

The successful management of risks is not simply a matter of avoiding risks altogether—this will stifle innovative practices, which are critical to the implementation of new initiatives—rather it is a preventative measure that entails identifying and assessing risks and deciding on the most appropriate treatment strategy to manage each risk.²⁸

The treatment of implementation risks should be realistic and achievable within available resourcing and timelines. Lessons from previous implementation experiences—both within the implementing entity or more broadly—may help identify appropriate risk treatments, as well as opportunities for more novel approaches to managing risks. Risk treatment activities should also be monitored and assessed for effectiveness throughout the implementation process.

**Identifying and assessing risks early**

Ideally, the identification and treatment of risks should be undertaken at the earliest opportunity, that is, during policy design. More is required than consideration of the potential for something to go wrong. Risk identification and treatment should focus on both the likelihood and the consequences of risk, and should be an element of the control framework put in place for effective program implementation. In other words, risk management is not a one-off process, but should be seen as a tool to be used regularly throughout the policy development and implementation process.

...the soft spots in public sector risk management relate to the understanding of the significance of identified risks, the appropriateness of the related risk management strategies, and the adequacy of ongoing monitoring arrangements. Executive management has an important role in ensuring a focus on these key issues.

*Source: Auditor-General²⁹*

An important precursor to assessing the identified risks is gaining a common understanding of the risk appetite to be adopted for the initiative. Agreement on the level of risk appetite is crucial to risk assessment processes, including decisions about what risks can be accepted, what risks need to be managed or treated, and the level of management activity that is required.

²⁸ Department of the Prime Minister and Cabinet, *Cabinet Implementation Unit Toolkit: Risk*, June 2013, p.3.
It is important that judgments and risk assessments that are critical to successful implementation receive immediate and focused scrutiny. Risk management is most effective when those with the direct responsibility for the delivery of project components contribute to the process and when senior managers are accountable for the quality of the risk management process.

Avoid any tendency to downplay the analysis of implementation risks or to portray an overly optimistic position. This is especially important where there are time constraints or complex negotiation processes. A key risk to avoid is that the necessary focus on the outcome may reduce attention on the capacity to deliver.

It may be necessary to brief the CEO on significant risks to implementation, and proposed treatments, for possible ministerial attention. At times it will be equally important to consider risks arising from areas of uncertainty. It is important that assessments are appropriately documented.

If significant risks are neglected until a later stage in the implementation process, they can become unwanted surprises. Mitigation will then be much more difficult. As well, the ability to maintain service delivery may be reduced by the need to deal quickly with something unexpected.

**Working with other parties**

Implementation initiatives that involve other Australian Government entities, state and territory bodies, or non-government entities, face increased risk management complexities.

It is important to ensure that there is a common understanding of the risks associated with shared implementation. This requires that the senior responsible officer is assured of both their own entity’s capability to assess and manage key risks and that of other parties. This includes understanding each entity’s relative risk priorities and risk appetite.

A clear and agreed identification of who carries which risks, including those risks that are shared or are interdependent, is also a necessary part of effective risk management. Having clear accountabilities for each risk assists to identify gaps in the capabilities and authorities necessary to manage risks.

Having clear accountabilities applies not only to identifying and assigning responsibility for risk, but also to the management, monitoring and reporting of risks throughout the implementation. Maintaining an open dialogue with partners about which risks are manageable, acceptable (or not) assists in this process. Consolidated reporting of the effectiveness of risk mitigation may also be necessary.

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It is also important to understand where the chickens will come home to roost if risks aren’t managed effectively by one of your ‘partners’.

*Source: Auditor-General*[^30]

The early identification and assessment of implementation risks is even more important when locking in decisions with outside parties. This is because the consequences of unmitigated implementation risks are much harder to address with back-end processes and controls if, for example, the entity is tied into contractual arrangements.

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Senior responsible officers need to be confident that they have access to adequate risk management expertise to provide assurance around three key matters:

- there is a shared understanding of the risks for which the implementation partners are jointly or separately responsible
- there is an appropriate balance in the transfer of those risks to outside parties, and
- that responsibility for risks is formally acknowledged.

Notwithstanding the formal considerations, there remains an underlying reality that Australian Government entities cannot transfer all risks. They have ultimate responsibility for delivering or maintaining government service delivery and initiatives and for contingency plans in the event of risks materialising.31

**Managing risks through implementation**

Risks should be reviewed or re-evaluated at the key stages of a project. For example, before the release of tender documentation; during the assessment phase; at formal approval to proceed to implementation; and at any later key decision points, such as refinement of policy details and significant discussions with key stakeholders.

Risks, and the approach being taken to treat each risk, also need to be actively managed to take account of changing circumstances through the various phases of implementation. This may mean re-evaluating earlier assessments and amending or refining treatment strategies.

Typically, managing risk treatments involves putting a series of review or monitoring points or activities in place. Such activities should be designed to assess whether risk treatments or related controls are still operating as intended, as well as flagging when the identified risks change, or new risks emerge. The implementation of structured monitoring arrangements can reduce the need for more frequent risk reviews.

Where an entity may be outside its traditional area of expertise or experience, an external health check of the effectiveness of risk identification, assessment and management strategies should be considered.

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**Risk management needs to be a continuing focus of attention.**

*Source: Chief Executive interviews*

The monitoring of risks is discussed more fully in Chapter 8 in Part 2—*Monitoring, review and evaluation.*

**Managing the consequences of risk—when to escalate.**

Notwithstanding the benefits of identifying and analysing key implementation risks, all risks or unintended consequences cannot be removed. Sound risk management includes a willingness to act on the unexpected, including deficiencies in mitigation strategies, when confronted by warning indicators. Senior responsible officers need to be open to the implications of new data and warning signs.

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Swift, and on occasion, significant action may be needed if important implementation risks begin to materialise. If consideration of emerging risks suggests the project is too large or ambitious for the agreed timelines and resourcing, this should be brought to the CEO’s and, where appropriate, the Government’s attention.

Appropriate responses to emerging problems will be more manageable and predictable where robust implementation contingency plans have been developed as part of the risk management strategy. Depending on the levels of assessed risk, contingency planning may usefully include additional risk treatments, and exit strategies that can be activated if the project becomes too problematic or unviable.
5 Engaging stakeholders

Effective stakeholder engagement starts with a clear objective for consultation, followed by the identification of people and organisations with a clear interest in the initiative.

The internet, social media and other communication methods now enable wider consultation than has occurred in the past, including beyond expert or interest groups.

In the 2006 edition of this Better Practice Guide, ‘stakeholder management’ and ‘communication’ were treated as separate steps. Here they have been combined, as the increasingly dynamic nature of stakeholders’ interaction with government, with each other and with the wider community, means that the two concepts have effectively fused.

The nature and quality of relationships between a public sector entity and its stakeholders strongly influence the impact of government activities on the community. A public sector entity should be outward looking and interactive. It should make the best use of the expertise of stakeholders to inform policy development and implementation approaches...

Source: ANAO32

The nature and means of consulting with stakeholders will, in part, reflect their involvement during the policy development phase. Stakeholders may not have been consulted during policy development for a number of reasons, including the sensitivity of the initiative or insufficient time. As with many aspects of planning for implementation, stakeholder engagement should happen as early as possible. It is important that stakeholders understand why they are being consulted and have a realistic expectation about their capacity to influence the implementation.

For some initiatives, the engagement of established key interest groups or those directly affected by the change should be complemented by broader engagement with the wider community. Such broader stakeholder engagement is useful to inform the community of ‘what is going on’, as well as helping secure a greater level of ‘buy-in’. Broader community engagement can also help overcome an overly narrow concentration on issues management, and potentially yield important information to help shape the policy and guide implementation.

A checklist of key implementation considerations relating to engaging stakeholders is presented on the next page.

Checklist of key implementation considerations—Engaging stakeholders

The following checklist may help senior leaders when considering whether arrangements for stakeholder engagement have been adequately addressed.

<table>
<thead>
<tr>
<th>Key questions: Engaging stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Is the purpose and benefit of stakeholder engagement during the implementation clear?</td>
</tr>
<tr>
<td>✅ Have the right stakeholders been identified?</td>
</tr>
<tr>
<td>✅ Has the cost-effectiveness of different communication channels been considered?</td>
</tr>
<tr>
<td>✅ Is a wide consultation process involving the use of social media beneficial?</td>
</tr>
<tr>
<td>✅ Has sufficient consideration been given to how stakeholder interactions will be managed during the implementation phase?</td>
</tr>
<tr>
<td>✅ Is there clear accountability for stakeholder engagement, including managing expectations?</td>
</tr>
<tr>
<td>✅ When is the best time for stakeholders to be engaged?</td>
</tr>
<tr>
<td>✅ How will the information obtained through stakeholder engagement be acted on?</td>
</tr>
<tr>
<td>✅ Is there a communication strategy for consulting with stakeholders?</td>
</tr>
<tr>
<td>✅ If government advertising is proposed, have relevant guidelines been considered and applied?</td>
</tr>
<tr>
<td>✅ Have staff been provided with guidance on identifying potential conflicts of interest? In particular, are there satisfactory arrangements to manage perceptions or instances of conflict of interest that may arise from consulting with stakeholders?</td>
</tr>
</tbody>
</table>
The internet and modern information and communications technology have enabled new mechanisms—such as web-casts and social media—which can be used to engage stakeholders. These mechanisms can facilitate consultation and communication with, and participation by, a far wider range of people than in the past, including with potential clients—the people who may be directly affected by the policy initiative.

...new digital tools are opening up new and often unexpected windows that offer much more direct visibility of the lived experience of people affected by the actions and decisions of public agencies...  

Source: ANAO Social Media Roundtable

Innovative engagement strategies like ‘crowd-sourcing’ can greatly assist in devising solutions to public policy problems. Senior leaders should carefully consider whether to, and how best to, utilise these methods. They should also remain alert to emerging developments in this rapidly evolving field, which may offer cost-effective strategies to engage with stakeholders.

**Key considerations for senior leaders**

Stakeholder engagement requires openness and consideration as to why people are being consulted, how and when they will be consulted, and how much influence they will have. Clear and timely communication is essential and those consulted need to be provided with comprehensive, balanced and accurate information.

Most entities have a wide range of stakeholders with an interest in their operations. The interests represented by these stakeholders can be disparate, sometimes to the point where they can be in conflict with one another. Making certain that stakeholder interests are fairly represented is therefore a key aspect of the implementation of policy initiatives.

Effective engagement needs to recognise that some stakeholder groups are regularly asked for comments and, although they are keen to provide advice, they may lack the capacity to respond quickly. Indeed, it is sometimes the case that they are being asked to comment on several different initiatives simultaneously. Consulting such groups about how they can be most effectively engaged is therefore an important consideration.

If stakeholders are not identified and consulted, they may object to elements of the approach during implementation. For this reason, governance structures should ensure that the legitimate interests of a range of stakeholders are properly and appropriately considered. The less stakeholders are involved, the higher the risk of failure during implementation.

**Setting the objective for consultations and the identification of stakeholders**

An important first step is to clearly define the objective of the engagement with stakeholders. Figure 5 on page 38 outlines some of the purposes for engaging with stakeholders during an implementation.

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Once the reasons for engaging stakeholders have been determined, consideration can be given to identifying the target group of stakeholders.

The target group may be some or all of those with the greatest knowledge or understanding of the issue; those likely to be most affected by the policy response; or those who have an interest in the workability of the solution.

Often stakeholder views and judgments will reflect their own interests and approaches. Nevertheless, consideration of stakeholder input, having regard to conflicting interests and different perspectives, is likely to improve practical knowledge of what may work on the ground. This will help inform thinking about the proposed way forward, including from the end-user’s perspective—that is, from a consumer-focused view.

**Leaders should encourage a culture of genuine engagement and collaboration and establish the right systems, procedures and guidance for stakeholder interaction...**

*Source: ANAO*35

Key stakeholders are likely to include: other Australian Government entities; state and territory governments; industry and professional representatives; private sector organisations; non-profit organisations; lobby groups; and the potential client or customer group.

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The list of prospective stakeholders may therefore be long. It is useful to weigh up and consider the risk and impact on implementation if particular stakeholders are not engaged.

The entity should also assess whether the initiative merits a broader, but complementary, community engagement program. Such engagement may be warranted to gain broader community understanding and acceptance of the proposed changes, and help overcome the risks—real or perceived—of too narrow a focus on issues raised by specific interest groups.

Equally, the entity needs some confidence that it will gain something from stakeholder engagement, as this can be a costly and time-consuming exercise, potentially raising probity issues and issues of control by the government of policy development.

*The hardest thing to get right with implementation is to see where the rubber hits the ground with roll-out. This is why you need genuine [stakeholder] engagement.*

*Source: Chief Executive interviews*

### Managing stakeholder interactions

No single approach to engaging stakeholders is suitable for all situations. Quite often a mix of approaches is necessary. Accordingly, it is important to tailor the interaction process by considering the unique characteristics of groups of stakeholders, and what approaches are best for particular groups. As shown in Figure 6 on page 40, there are a range of methods for interacting with stakeholders—these approaches may be a one-off or ongoing.

Sometimes, stakeholder engagement may mean going through stakeholder groups, such as peak industry associations. However, it is important to recognise that these groups may not reflect the totality of views of stakeholders.

Engaging with state and territory government stakeholders can often involve different considerations. For example, discussions of implementation may become confused with broader policy positions. The key is to be realistic about the time necessary to win joint engagement with the initiative.

*...managing expectations is one of the hardest things to get right. Engage with those affected by the initiative at an early time.*

*Source: Chief Executive interviews*

Engaging stakeholders is an important step in testing whether an initiative is likely to work in practice. As a rule of thumb, it should be undertaken as early as possible to allow for a greater range of solutions to emerge and to improve the chances of successful implementation. Planning should allow adequate

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36 Increasingly, government is engaging with the not-for-profit sector to assist in implementing its policy initiatives. In March 2010, the Department of the Prime Minister and Cabinet released the *Code of Best Practice for Engagement with the Not-for-Profit Sector*. For further information about engaging in collaborations outside of government, see the ANAO’s Better Practice Guide, *Public Sector Governance: Strengthening performance through good governance*, June 2014, pp.67–68.
time and resources for this to occur—including identifying the funds needed to undertake the preferred engagement strategies.

One thing to consider is whether there is likely to be stakeholder resistance to the proposed change. If this is assessed as likely, it will be an important factor in engaging with stakeholders. In particular, the entity will have to develop strategies to overcome any resistance to change and achieve stakeholder buy-in.

**Figure 6: Forms of stakeholder interaction**

![Diagram of forms of stakeholder interaction]

- More traditional methods
  - Town Hall meetings
  - Focus groups
  - Providing documentation for comment
  - Providing surveys or questionnaires
  - Setting-up consultative committees or working groups

- More contemporary methods
  - Video or audio broadcasts
  - Web-based seminars or workshops (Webinars)
  - Internet forums or blogs
  - Social media tools, such as Twitter, Facebook or YouTube
  - Crowd-sourcing techniques

Source: ANAO.

It is important for the senior responsible officer to establish who will be responsible and accountable for stakeholder engagement. The responsible person needs to be aware of how stakeholder engagement contributes to the ultimate success of the initiative in achieving the agreed policy objective. Managing interactions with stakeholders may require different skills to those of the rest of the implementation team.

Engaging stakeholders acknowledges their role and their views, but it is also important to manage the risk of unduly raising the expectations of stakeholders in the process of engagement. The risk of disappointed expectations arises when stakeholders believe they will have more power or influence than is intended or possible. This risk can be managed by making clear from the outset what the objectives of stakeholder engagement are and what this implies for the respective roles of the participating parties.

**Source: Chief Executive interviews**

Be prepared to use experts in the field if outside your area of expertise.

In technical areas, where government expertise may be limited, there is particular benefit in engaging with outside experts to provide insight and assurance.
**Using information from stakeholders**

There is no point in extensively engaging stakeholders if the consultations are not going to shape implementation. To improve the quality of the implementation, processes need to be in place to capture the information collected during stakeholder consultations, to identify the key themes from these consultations, to assess the value of those themes to the initiative, and to ensure that the information and insights obtained are acted on.

Entities also need to demonstrate to stakeholders how their input may be used and why it may not always be possible to do so. Likewise, the time given to stakeholder groups to respond to a request for input needs to be realistic, recognising that they will often have limited resources and may have multiple issues to cover. Unless stakeholder consultation is accepted as genuine, consultation mechanisms may foster cynicism amongst stakeholders, undermining the purpose of the initiative.

While the views of all stakeholders should be considered, it is not always possible to please everyone. A strategy on how to deal with potential sensitivities should be developed. Keeping stakeholders informed of a decision and explaining the reason for a decision can reduce this risk.

It should also be noted that some of the information from stakeholders may be of considerable significance for the initiative’s implementation plan or its risk management arrangements, or to the ultimate impact and success of the initiative. This information may need to be escalated to the CEO, or even to the minister.

One of the benefits of consulting with stakeholders is the information it provides to enable an entity to communicate to the target audience more effectively during implementation. This requires establishing a means by which stakeholder views can be tested to inform future communications, and making sure that the ensuing messages go back to those responsible for developing the communication strategy for the implementation.

**Communication and information strategies**

A variety of communication and information strategies are available and it is important for the senior responsible officer to ensure that the communication strategy developed for the implementation reflects, and is consistent with, the entity’s broader communication strategies and actions. In particular, senior leaders should give careful regard to the appropriate mix and cost-effectiveness of selected strategies.

Government advertising is considered an important and legitimate element of government communication and information strategies, providing a mechanism to connect directly with citizens. That said, there have also been concerns that advertising may be used for purposes other than meeting the genuine information needs of citizens. If government advertising is proposed, the CEO should consider whether the relevant guidelines have been considered and applied.\(^{37}\)

**Managing conflicts of interest**

Senior responsible officers should consider the risk of potential or perceived conflicts of interest arising, particularly when negotiation and consultation with stakeholders has occurred during policy development. In particular, significant risks can arise when managing Budget-sensitive matters, particularly where those involved may gain knowledge or insights into information that could benefit them materially.

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A suitable risk management strategy to preserve the integrity of sensitive information requires consideration of the degree, nature and extent of the potential for conflict of interest. The use of a confidentiality agreement during discussions with stakeholders is one option to consider in managing this risk.

It is also important that the implementation team understands the form that a real or perceived conflict of interest may take in the context of its particular initiative, and to create an environment where potential conflicts of interest can be discussed and disclosed in a transparent and accountable manner. It is often not possible to avoid all potential conflicts. Stakeholders with the most to offer are often those who have the greatest interest in the outcome. It is important, therefore, to consider the nature and extent of such potential conflicts of interest and to make these known to the parties involved, including protocols to minimise the likelihood of such conflicts. In practice, some of the things to consider include:

- good documentation of key events and interactions with stakeholders—the increasing use of social media to engage with stakeholders presents particular record keeping challenges for entities
- procedures on how to recognise conflicts of interest and how to deal with them, and
- procedures on what to do if the rules are not observed.

A useful practice for all implementation team members when engaging with stakeholders is to consult with senior team management when in doubt about matters of ethics, including any potential for conflicts of interest and strategies for the management of such conflicts. If necessary, specialist advice should be obtained.

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38 ANAO, Audit Report No.47 2013–14, Managing Conflicts of Interest in FMA Agencies examined whether a selection of Australian Government agencies had implemented appropriate policies and processes to identify and manage conflicts of interest.

Planning provides a ‘map’ of how an initiative will be implemented, addressing matters such as timeframe, dependencies with other policies or activities, program logic, phases of implementation, roles and responsibilities, resourcing, and compliance with legal and policy requirements.

A level of leadership, experience and skills commensurate with the sensitivity, significance and impact of initiatives should be applied to implementation planning.

Lessons from the work of the CIU and from ANAO audits underline the value of strategic, systematic and structured implementation planning. Experience shows that implementation planning reduces the risk of delay to, and dilution of, outcomes.

Effective implementation planning begins at the policy development stage. In recent years the Australian Government has required the preparation of implementation plans that clearly articulate how new policies, programs and services will be delivered on time, on budget and to expectations. The purpose of this implementation planning process, overseen by the CIU, is to enable the Cabinet to make an informed judgement about whether to proceed in the light of the risks and requirements involved.

Implementation planning should continue following the Government decision, to guide implementation at the entity-level and to provide assurance to the entity’s senior leaders that key issues relating to implementation have been addressed. Where more than one entity is involved in implementation, planning processes should factor in the respective responsibilities of the entities.

A checklist of key implementation considerations relating to planning is presented on the next page.

**Key considerations for senior leaders**

Effective implementation planning is a critical factor contributing to an entity’s ability to successfully prepare for the delivery of intended policy outcomes. Planning for successful implementation involves getting the implementation strategy, plan and design right before beginning time-critical and expensive implementation activities.

Planning for implementation is most effective when it is: led by appropriately skilled and experienced personnel; underpinned by a systematic and structured approach; and supported by a sound project management methodology that tailors corporate tools and reporting processes to the requirements of individual measures and programs.

**The importance of early planning**

Lessons from Australia and overseas reinforce the importance of thorough planning for implementation, and the Australian Government has introduced an implementation planning process to support Cabinet decision-making.40

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# Checklist of key implementation considerations—Planning

The following checklist may help senior leaders when considering whether arrangements for implementation planning have been adequately addressed.

<table>
<thead>
<tr>
<th>Key questions: Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Has sufficient and appropriate attention been given to structured implementation planning?</td>
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<tr>
<td>☑ Has implementation planning been given sufficient weight—it requires a strategic focus?</td>
</tr>
<tr>
<td>☑ Are staff with adequate planning skills and experience engaged to actively support the planning process?</td>
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<tr>
<td>☑ Has there been sufficient testing of proposed implementation arrangements?</td>
</tr>
<tr>
<td>☑ Have lessons from previous experience been considered in planning the implementation?</td>
</tr>
<tr>
<td>☑ Have critical implementation success factors been identified and given sufficient attention?</td>
</tr>
<tr>
<td>☑ Does planning involve program logic and cover critical dependencies and enablers?</td>
</tr>
<tr>
<td>☑ Has the role of any third parties been given sufficient attention in planning?</td>
</tr>
<tr>
<td>☑ Are timelines for critical steps, and the resources applied, realistic?</td>
</tr>
<tr>
<td>☑ Has sufficient attention been given to breaking implementation into manageable steps?</td>
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<tr>
<td>☑ Have adequate review points been put in place throughout the implementation cycle and what quality assurance measures are being applied?</td>
</tr>
<tr>
<td>☑ Has adequate attention been given to cultural and change management issues?</td>
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<tr>
<td>☑ Do planning arrangements adequately cater for managing change to the plan and requirements?</td>
</tr>
<tr>
<td>☑ Has consideration been given to contingency measures and their impact on the Government’s intended outcomes?</td>
</tr>
<tr>
<td>☑ Has consideration been given to how and when an evaluation of the initiative will be conducted? In particular, is it clear what ‘success’ will look like and how ‘success’ will be measured?</td>
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</tbody>
</table>
Senior responsible officers should avoid any tendency or pressure to unduly restrict the time spent on early planning for implementation. Inadequate preparation may lead to the emergence of unforeseen barriers and to delays, cost overruns, or a failure to deliver the intended benefits. Planning is not a matter to be devolved to the lowest level.

If an initiative is urgent then clearly planning will need to occur quickly or in stages, prioritising critical foundations, then building on those later. However, it is an essential precondition to success and cannot be overlooked or ignored.

**Not enough time goes into project planning.**

*Source: Chief Executive interviews*

Ensuring sufficient time has been given to planning requires senior-level attention and leadership, as well as application of the right skills. Development of effective plans will invariably involve negotiation within and across organisational boundaries, consultation with third parties, compromise on variables such as cost, timing, scope and quality, and decisions about interactions, roles and responsibilities. It is essential that critical dependencies are understood.

While an initiative may be ‘greenfields’, it is rare that an implementation challenge is entirely new to an entity. One of the practical contributions that a senior responsible officer can make is to draw on relevant lessons, including leveraging skills and knowledge from past implementation experience, both within the entity and from external experience. This may seem an obvious point, but can be easily overlooked in the rush to roll-out an initiative.41

Where time allows, it is also useful to consider the options for testing the implementation at an early stage. This may help avoid over-engineered implementation arrangements and also identify opportunities to lessen the effects or burdens on program beneficiaries—by streamlining methods of accessing new systems and reducing compliance costs.

**Implementation plan**

Better practice implementation plans are scalable and flexible. They reflect the degree of urgency, innovation, complexity or sensitivity associated with the particular policy measure, and provide sufficient detail to support and inform successful implementation.

At the least, implementation plans should: present a clear alignment between policy objectives and implementation activities; make clear the assumptions that have been made in policy development; spell out critical intermediate and final results; and identify areas of uncertainty, and how and when they will be clarified.

Implementation planning should reflect adequate consideration of key risks to implementation, throughout the entire implementation process—not just at the beginning. This is particularly important where policy or program implementation involves untested service delivery models or new technology, or where significant behaviour change is expected.

Implementation plans developed as part of policy development and Cabinet processes can provide an effective basis for ongoing planning by entities.

41 Chapter 8 in Part 2—Monitoring, review and evaluation contains further discussion on instilling a learning culture.
Plans should provide a logic map to how an initiative will be implemented. The plan should be designed to help the implementing entity identify the key steps necessary for the initiative to meet the intended policy outcomes. Figure 7 on page 47 outlines matters that might be included in the implementation plan.

Experience indicates that in the development of implementation plans, particular attention needs to be given to:

- the framework for evaluating the success of the implementation
- examining ways to achieve the desired outcome at the least financial and regulatory cost to both the implementing entity and participants in the program
- if legislation is required, the time needed for drafting
- any requirements for subsequent micro-policy development—this can significantly affect the implementation of the relevant systems, training or other requirements, and
- the role of third parties in delivery—insufficient planning and consultation can mean that different players have a different view of the priorities or optimal approaches.

Whole-of-government considerations

The likelihood of effective cross-entity implementation is greater when there is an overarching, high-level implementation plan that is coordinated by a nominated lead entity and contains clearly defined critical cross-entity dependencies and responsibilities.

It is vital that there is a clear and commonly understood identification of key elements of shared implementation planning. These elements may include: governance and decision-making arrangements; possible resource and scheduling constraints; risk management strategies; shared funding arrangements; the procurement and management of contracts; and monitoring, evaluation and reporting responsibilities.

Each entity can have their own project plan, but you need to have one master plan to make it work.

Source: Chief Executive interviews

Consideration of time, costs and resources required

Regardless of how structured the development of a plan is, getting the timing and resourcing right is likely to be difficult. Consultation within, and as necessary, outside the entity—drawing in all those who are best informed on the various issues relevant to implementation of the initiative—is a prerequisite to getting it right.

42 A program logic map helps facilitate effective planning, implementation and evaluation by: illustrating the relationships between the initiative’s resources, activities and planned outputs; guiding decision-making; and demonstrating how planned activities will contribute to the initiative’s objectives.


44 Evaluation is discussed further in Chapter 8 in Part 2—Monitoring, review and evaluation.

Figure 7: Example contents for an implementation plan46

Implementation Plan

Table of Contents

Objectives of the initiative ........................................................................................................................................ 1
Map of implementation inputs and activities against the Government’s policy outcomes ........................................... 2
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  Timeframes for each phase of the implementation .............................................................................................. 6
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Source: ANAO.

46 Agencies preparing implementation plans for Cabinet should check the CIU’s requirements at <http://www.dpmc.gov.au/implementation>.
A key issue is ensuring that adequate attention is given to the right balance and type of resources and skills. It is not just a matter of the quantum of resources, but whether the right people are there to make it happen. The plan is likely to need to address development of the right skills and training.

In some cases, both time and resources may have to be made available to enable the development of the capabilities necessary to properly support the implementation initiative, including time for people to absorb and put into practice new skills and knowledge.

It is important to avoid overly optimistic estimates about the pace of roll-out and the time needed to implement successfully. Systematic and structured risk management can make a significant contribution in planning timeframes better.

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**Unrealistic timeframes can increase the cost and risk of a project, or lead to its failure.**

*Source: Chief Executive interviews*

**Having manageable steps and milestones**

Projects are subject to less risk to outcomes if they are broken down into manageable steps. The more specific these steps, the more likely it is that barriers to successful implementation will be identified.

As far as possible, proposed approaches and plans should be tested to ensure that they are well considered and incremental. Senior responsible officers should be particularly aware of the risks for ICT-enabled projects.

Milestones should reflect meaningful and assessable deliverables at each stage. Where implementation involves a range of concurrent or parallel activities, it is important to communicate the separate and interim milestones and how they fit into the broader implementation structure.

More broadly, there should be enough review points built in so that the project can be amended, or even stopped, if changed circumstances mean that the anticipated benefits are unlikely to be achieved.

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**Too little attention is given to breaking development and implementation into manageable steps.**

*Source: Chief Executive interviews*

**Change management issues**

Major policy initiatives often involve significant organisational change. This is by nature complex, and requires senior-level attention and leadership as well as the right skills.

Successful change management strategies require strong leadership, structured planning, design, communication and administration, as well as early and continuous internal and external stakeholder involvement.
Where implementation involves significant service delivery or behavioural changes, it may be necessary for the senior responsible officer to escalate stakeholder feedback, particularly if this indicates that the change may be more difficult to implement than expected.

It is important not to underestimate the importance of change management. Insufficient attention to the change management process may lead to unexpected reactions and resistance to the change, reducing the likelihood of timely and successful policy outcomes.

Managing changes to plans

Part of successful planning is to recognise the likelihood that the implementation team will be presented with the need for changes to the planned implementation approach. This could arise due to changes in the scope or the outcomes required, or due to practical problems arising during the roll-out.

Part of a good plan, therefore, is to incorporate procedures for managing any change. It is important that changes are appropriately assessed by team management for impact and any possible need to advise the CEO or the minister. There also needs to be provision for escalation and high-level sign-off to any revised plans.

The thing that kills implementation is a late system change.

Source: Chief Executive interviews

Early planning for reviews and evaluation

There are genuine benefits, including potential efficiencies and savings, from considering, early in the planning phase, the best approach to reviewing implementation and evaluating policy outcomes. These benefits include: greater certainty of the key implementation activities’ contribution to achieving intended policy outcomes; the effective collection of key performance information to allow managers to monitor and assess the efficiency and effectiveness of the initiative; and more informed discussions with partner entities, stakeholders and contractors, where relevant.

Reviews and evaluations also require planning and resourcing, and should be scheduled to allow for timely implementation adjustments and to inform key decision points. This may include mid-term or interim reports.

Senior leaders have a responsibility to demonstrate to government that initiatives are implemented well and are on track to achieve intended outcomes. This is particularly important where a trial or pilot is being conducted or an initiative is a priority.

Typically, a review or evaluation will be required to produce this evidence. Reviews and evaluations need a clearly defined purpose and should be able to demonstrate whether or not the intended outcomes, including interim milestones, are being achieved.

Clearly defining at the planning phase the desired outcomes, key indicators and both intermediate and long-term outcome measures, will provide focus and maximise the benefit of review and evaluation activity. Key information and data could be lost if monitoring arrangements are not in place at commencement. Often data will need to be collected from (or by) others such as partner entities, contractors and other stakeholders, and these requirements may need to be embedded into any formal contracting arrangements.
Measuring achievements against policy objectives also needs a clearly defined starting point or ‘baseline’, and a target or ‘benchmark’ position. Establishing the baseline and target may involve collating key metrics and contextual information at the outset, to track progress from this point towards achievement of the policy goals.

Review and evaluation activities, including data collection and quality management, may require specialist expertise. If entities do not have this internal capability, skills may need to be sought from other sources. The capacity of the entity’s ICT systems to capture, store and report the pertinent data should also be considered as part of the planning phase.

It is also valuable at this time to engage with partners and other stakeholders on matters such as defining ‘success’, timing for periodic reviews and policy evaluations, and the ‘what’ and ‘how’ of conducting these exercises.47

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47 Review and evaluation activities are discussed more fully in Chapter 8 in Part 2—Monitoring, review and evaluation.
Misalignment between resources and needs at the roll-out stage creates a significant risk that the implementation team will be unable to deliver the required outcomes in the required time period.

Potential constraints, such as the capability of information and communications technology systems and staff expertise, should be identified and dealt with at the earliest possible opportunity.

Successful implementation will generally require entities to draw on the full range of human, physical and ICT resources available to them, and may well involve entities looking externally for relevant resources.

Notwithstanding factors such as the quality of planning and risk management, a crucial test is always that the right type and quantum of resources are available when required to prepare for and roll-out the initiative.

A checklist of key implementation considerations relating to resources is presented on the next page.

**Key considerations for senior leaders**

Implementation requires the right mix of skills and resources to achieve expected policy objectives. Positive results are more likely where adequate consideration of the various resources required for successful outcomes is incorporated into the implementation planning.

Implementation often requires specific capabilities and skill sets. Availability of the required mix of skills can be assisted by effective workforce planning and skills development—helping to deploy a workforce that is capable, agile, and well-trained.

**Consideration of staffing and skills required to implement the initiative**

An early assessment of the required and available resources and skills should be conducted during implementation planning. There needs to be clear identification of the different types of skills needed at the different stages and how they can be best integrated and utilised by the project.

One of the most common implementation problems is the unavailability of personnel with the skills and knowledge to implement initiatives. Even where skilled personnel are available, they may face conflicting priorities, with a consequential risk to implementation.

In addition to their particular skills, each member of the team also has a personal responsibility to make a broader contribution to the success of the implementation initiative. This might extend to such matters as: identifying changes in risks or risk treatments; being alert to issues arising that need to be addressed and escalating these as appropriate; and contributing ideas. The expectations of the senior responsible officer around these personal responsibilities should be clear.
Checklist of key implementation considerations—Resources

The following checklist may help senior leaders when considering whether arrangements for implementation resources have been adequately addressed.

<table>
<thead>
<tr>
<th>Key questions: Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Does the entity have the right resources, capabilities and skills to undertake the implementation? If not, can they be acquired in the timeframe required, or should consideration be given to full or partial implementation by another entity?</td>
</tr>
<tr>
<td>✓ Are there skilled and experienced people available to support the implementation team? If not, does the entity have access to appropriate external expertise?</td>
</tr>
<tr>
<td>✓ Does each member of the implementation team understand and accept their personal roles and responsibilities? Are appropriate accountability practices in place?</td>
</tr>
<tr>
<td>✓ Is there alignment between resources available and implementation imperatives?</td>
</tr>
<tr>
<td>✓ Depending on the relative priority of this initiative, do resources need to be adjusted in other areas of the entity in order to ensure that this initiative is adequately resourced?</td>
</tr>
<tr>
<td>✓ Has the issue of resource availability been adequately reflected in risk management plans, and, if necessary, drawn to the attention of the responsible minister?</td>
</tr>
<tr>
<td>✓ Are there adequate approaches for estimating, monitoring and controlling expenditure on the implementation?</td>
</tr>
<tr>
<td>✓ Are information and communications technology (ICT) systems and resources sufficient to support the implementation? Are they secure?</td>
</tr>
</tbody>
</table>
As outlined earlier in the guide, engaging people with implementation skills, knowledge and experience during the policy development stage is crucial. Equally, better solutions can be achieved when the key staff responsible for development of the policy are consulted during the implementation phase. Such consultation is important to help ensure there is sufficient understanding of details of the policy design and for assessing whether the implemented solution will meet the intent of the policy.

**Need to recognise there are different skills required for implementation.**

*Training needs are sometimes ‘shortcut’ during implementation. However, there are costs to the program on cutting back resources, communication and training.*

*Source: Chief Executive interviews*

Where implementation skills for an initiative are in short supply, or outside an entity’s traditional skills, consideration should be given to employing outside expertise. In these cases, a transfer of knowledge back to the entity is required to minimise the risk of skills being lost once the consultant or contractor completes the contract.

Training needs for successful implementation are an important consideration to ensure the required capabilities and skill sets are available at the time needed. This may require consideration of training methods beyond traditional face-to-face arrangements, such as virtual classrooms, e-learning or video conferencing. Use of such training methods has particular value where the workforce is large, not co-located or where implementation involves service delivery through contracted service providers.

Any residual misalignment between the quantum and skills of the resources available and the imperatives for the implementation should be assessed for their impact on the likelihood of success of the initiative and escalated accordingly.

**Financial resources**

As outlined earlier in this guide, realistic timeframes and systematic planning reduce the likelihood of significant variance between funding estimates and actual resource usage. Notwithstanding the robustness of planning, one of the major challenges for entities is applying adequate financial management to the initiative.

The early involvement of appropriately skilled and experienced financial management personnel is usually necessary for all but the smallest initiatives.

One of the key issues is sufficient skilled attention to identification of the appropriate funding requirements for implementation. Generally speaking, this includes an appropriately crafted budget and establishing the ground rules for managing that budget, including managing contingency funding and financial risk.

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48 The CIU runs ‘Implementation Planning Workouts’ to provide entities with practical information to help improve implementation planning practices. In addition, the Australian Public Service Commission offers a suite of learning and development programs and events to support the development of the capabilities of APS employees to deliver on government priorities, objectives and outcomes. This includes programs dealing with the challenges and methodologies of policy implementation. Refer to [http://www.apsc.gov.au/learn](http://www.apsc.gov.au/learn) [Date accessed: 19 May 2014].
Effective financial management includes monitoring and reporting actual expenditure amounts against budgets to support the capacity to optimise implementation resources. It also involves adherence to relevant Australian Government legislation and policy requirements, including the requirements of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

*If the task is important enough, get the right people, and enough of them, to get the job done.*

*Source: Auditor-General*

Detailed and accurate expenditure reports are an essential tool for tracking and controlling the expenditure that informs decision-making. In the absence of accurate scheduling against milestones, there may be raised expectations about the progress of implementation.

**Systems resources**

Information and communications technology (ICT) systems and databases support the delivery of almost all Australian Government programs and services. It is therefore likely that information technology capability is a critical success factor in implementing an initiative. Experience has shown, on numerous occasions, that the use of proven, robust existing technology is preferable to developing new, bespoke systems.

Experience also shows that this is an area where the risk of failure can be high. Where systems are inadequate and replacements are not identified early enough in the process, this could have serious consequences for the progress and cost of implementation.

Whilst there is a substantial body of guidance on processes for the development of ICT systems, there are some important practical considerations that can assist senior responsible officers in overseeing projects which have a substantial dependence on ICT system changes or developments.

As with all aspects of implementation, a key consideration is that ICT project development processes and methodologies are well established and applied consistently through the life of the project. The skills and experience of the project team, allied with well defined responsibilities, are key factors in achieving success.

A continuing challenge, especially in highly technical ICT-based initiatives, is that system development remains aligned with the policy objectives of the initiatives and promised ICT benefits are achievable. This means subjecting the promised system benefits to a ‘hard-nosed’ appraisal.

Such technical assessments require close review, and may benefit from independent advice. For instance, through the ICT Two-Pass Review process or the ICT investment advice initiative—both sponsored by the Department of Finance. It is also a reality that ICT systems may be the subject of denial-of-service or other attacks.

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Extensive guidance on ICT security\textsuperscript{50} is available to government entities, and requires consideration as part of any policy implementation activity. It is easier to make these ICT-based assessments when there is good communication between the senior responsible officer, IT team members and specialists, and the rest of the implementation team.

Implementation plans should include structured testing of ICT systems, including that they are secure.\textsuperscript{51} There should also be formal acceptance and sign-off prior to system implementation. As outlined earlier in this guide, some policy decisions may need to be implemented rapidly. In such cases, this may mean that there is not sufficient time to develop the necessary ICT functionality to support the implementation initiative—a situation requiring the careful assessment of risks and potential resource implications.

\textsuperscript{50} For instance, the Australian Signals Directorate produces the \textit{Australian Government Information Security Manual}, which is the standard that governs the security of government ICT systems. The Information Security Manual is available from \texttt{http://www.asd.gov.au/infosec/ism/index.htm} [Date accessed: 17 March 2014].

Monitoring, review and evaluation processes provide a basis for the active management of the implementation. Establishing effective feedback loops enables the timely adjustment of the other building blocks to facilitate successful implementation. If major issues emerge, which cannot be addressed by adjusting delivery arrangements, there may be a need to revisit the baseline policy settings.

The task of implementation should not be regarded as having been completed at the time of delivery. Quite the contrary. Invariably, what has been planned will not work exactly as intended. Implementation, to be successful, requires ongoing and active management.

It is essential to establish, as early as possible, appropriate arrangements for monitoring, review and evaluation activities to facilitate active management. Key considerations include: clarity of the roles and responsibilities; identifying the key users of the results of the monitoring, review and evaluation activities; and having processes in place to support timely and high-quality data collection, measurement, analysis and reporting.

Establishing robust accountability arrangements for performance and evaluation activities will also assist entities to meet relevant reporting requirements. Particular care is required to follow-up on specific reporting obligations established by legislation or ministers, including progress reports requested through Cabinet processes.

A checklist of key implementation considerations relating to monitoring, review and evaluation is presented on the next page.

**Key considerations for senior leaders**

Active management—inaugurated by well-designed monitoring, review and evaluation activity—enables entities to ensure that adequate resources continue to be available and commensurate with the scope, risk and sensitivity of the implementation. It also enables entity leadership and ministers to assess implementation progress, identify and address problems and review the ongoing relevance and priority of the initiative.

**Key performance indicators**

Many issues encountered during the implementation of programs can be alleviated through planning processes that include the careful design of performance information to measure program efficiency and effectiveness.

Outcome measurement provides information about the effectiveness of programs or services, and supports the longer-term evaluation of programs. In addition, performance information can inform decisions on the efficiency of delivery models adopted to achieve desired policy outcomes.

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52 For instance, under section 38 of the PGPA Act, entities are required to measure and assess their performance in achieving their purposes—including the delivery of policy initiatives. Under section 39 of the Act, entities are also required to prepare annual performance statements for inclusion in their annual report to Parliament.
Checklist of key implementation considerations—Monitoring, review and evaluation

The following checklist may help senior leaders when considering whether arrangements for monitoring, review and evaluation of the implementation have been adequately addressed—to enable active management.

### Key questions: Monitoring, review and evaluation

- Are processes for monitoring, review and evaluation activities in place? Do these activities address the initiative’s progress against key implementation deliverables?

- Are appropriately skilled resources available to support monitoring, review and evaluation activities? Have roles and responsibilities been clearly identified?

- Are there robust key performance indicators in place? The criteria set out in ANAO Report No.21 2013–14, *Pilot Project to Audit Key Performance Indicators* may assist in assessing the appropriateness of an entity’s key performance indicators.

- Has the design, collection and collation of data to support the measurement of performance been considered from an early stage? Is the approach adopted sufficient to meet any legislative or government reporting obligations?

- Is data supporting performance and progress reporting sufficient for their purpose?

- Is the implementation subject to the Gateway Review Process? If so, has adequate consideration been given to the documentation required?

- Is the initiative part of a New Policy Proposal that is subject to the ICT Two-Pass Review process? If so, has adequate consideration been given to the documentation and lead times required?

- Are risks to success reviewed at appropriate intervals, and are the results of these reviews provided to senior management and, as necessary, ministers?

- Are appropriate escalation strategies in place?

- Are concerns and lessons learned addressed before progressing to the next stage of multi-staged initiatives?

- Is there a willingness to intervene with corrective action or, if necessary, close down the implementation if benefits are not being achieved or are not on track?

- In the case of cross-entity initiatives, have reporting responsibilities and requirements been identified?

- Is the lead entity’s role supported by monitoring activities conducted by other entities? How is this integrated and assessed to provide a coherent picture?

- Are there appropriate feedback loops to learn the lessons from the implementation? Are the feedback loops commensurate to the scale, risk and cost of the initiative?
Recent ANAO audits have highlighted that active engagement by entity senior executives can provide positive results in the area of performance measurement and reporting. Stronger outcomes are also achieved when appropriate focus and expertise is devoted to performance measurement.\(^5\)

**Whole-of-government considerations**

Where a number of entities share implementation responsibilities, a coordinated approach for monitoring, review and evaluation is required. A key part of this is clear agreement over where overall responsibility rests, as well as the individual responsibilities for the different components.

One of the considerations in such arrangements is to give sufficient attention to the risks of incompatible data between entities and how this will be dealt with. A balance needs to be struck between the benefits of enhanced data compatibility between entities and the resources needed to collect any additional information required.

Underpinning all of this is agreement between entities on performance indicators and targets for the initiative. In some cases, the implementation parties may settle on a common set of performance indicators to measure the success of the initiative. Equally, however, the parties may agree to maintain separate, but complementary, performance indicators. In such cases, it is important that the lead entity understands how each of the party’s measures contribute to the overall success of the initiative.

*Implementation is a form of learning. One key element of that learning is to use the monitoring and review process to provide advice back to the government (including the public service) as implementation proceeds. This allows both decision makers and program deliverers to learn from the process and where necessary adapt their expectations, adjust their approaches and identify new opportunities.*

*Source: Former Secretary of the Department of the Prime Minister and Cabinet*\(^5^4\)

**Actively engaging stakeholders**

Stakeholders can include those who are involved in delivering the initiative, those who are affected by the initiative, and those who will use monitoring, review and evaluation findings to inform decision-making.

Involvement from the right stakeholders in planning monitoring, review and evaluation arrangements is important. Early and regular engagement with stakeholders will foster a strong culture of acceptance and learning from the outcomes of these processes, whether they are positive or otherwise. Ethical issues arising in monitoring, review and evaluation activities, such as the management of potential conflicts of interest, should be considered at an early stage.

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**Quality and reliability of information**

Quality control and quality assurance underpin sound data collection, analysis, reporting and presentation. Collecting large amounts of information can be counter-productive and costly, for the entity and stakeholders alike. Senior leaders should ensure that systems are set up for monitoring, review and evaluation that collect the right data to guide the implementation of policy, and that these systems have quality checks built in from the start to provide reliable and meaningful data.

Knowing the intended audience for information will also help shape how it is collected and presented. If the information is not presented in a meaningful way to the intended audience, it may not readily or effectively inform decision-making.

**Making good use of information**

The ultimate aim of monitoring, review and evaluation is to inform decision-making and support action, as needed. Actions may include altering the design and implementation of an initiative to enhance its effectiveness. Other potential outcomes may include expanding highly successful initiatives, or closing an ineffective program.

The best way to support decision-making and action is to align reporting with governance structures and decision-making cycles. This makes the audience and timing of monitoring, review and evaluation products important considerations in planning—ensuring that decision-makers receive findings in time to support analysis, decisions and necessary actions.

Publicly disseminating results will enhance transparency and accountability. However, when considering public release, it is important to clarify whether public disclosure is appropriate.

**Consider the costs of active management**

The time, money and expertise needed for monitoring, review and evaluation should be secured at the beginning of an initiative. Planning reduces the risk that scarce resources may be used inefficiently or ineffectively.

Data collection, monitoring and management processes may be well established; however this will not always be the case. A new initiative may require: the development of new management systems and data collection processes; ICT infrastructure; and the engagement of additional staff, or contracted experts. Senior leaders should consider the capabilities required and related costs.

**How will the initiative be monitored during implementation?**

Monitoring of implementation is most effective when there is early consideration of monitoring arrangements, and agreement on the level and frequency of information to be provided.

Monitoring and reporting requirements should reflect the importance of the initiative and its implementation risks and also have regard to the administrative burden that data collection and reporting places upon the implementation team and other entity resources. Reporting is most effective when it delivers the right level of detail for accountabilities at each entity level.

Early identification of appropriate data sources assists in establishing timely and effective monitoring activities. The timely reporting of key issues and trends may have a higher priority than ensuring the precise accuracy of underlying data, particularly for higher risk initiatives.

It is desirable to identify particular monitoring activities such as environmental scans and independent reviews or health checks, to enable an entity to learn what is and what is not working.
Monitoring should also cover the potential risks to implementation budgeting. For example, that the project might be prematurely committed, overspent, or conversely be unable to spend the full amount budgeted in the prescribed period. Particular attention to monitoring expenditure needs to be applied where implementation involves funding to third parties.

Monitoring is more effective when it is performed by personnel with skills and knowledge specific to the implementation being undertaken and who have adequate administrative resources to process routine monitoring data. Results will be optimised when governance arrangements are robust enough to ensure that monitoring teams will escalate issues as appropriate and that ‘bad news’ is not filtered out in progress reports.

Effective management, monitoring and reporting arrangements will keep senior management informed of the progress of key initiatives, and reduce the time and cost of addressing external reporting requirements, such as the provision of reports to the CIU. It is preferable that internal accountability arrangements are well aligned with external requirements to reduce rework and provide consistent standards and expectations.55

**Review of progress and initiating any corrective action**

Reviewing the progress of the initiative is not a compliance-driven overhead, but a fundamental element of sound governance and quality management.56 It supports ongoing assessment of progress and risks and informs decisions about whether an initiative, as planned, is still achievable, or whether its scope, timing or resourcing need to be adjusted. Reviewing the progress of an initiative will also enable senior management to maintain an appropriate balance between considerations of quality, time and costs.

The senior responsible officer is central to the review process through ensuring project teams provide timely and reliable status reports throughout the implementation and that there is prompt assessment of the reports and any risks to success.

A part of appropriate response arrangements is the willingness to escalate issues to senior management and, as necessary, ministers, in a way that allows them to focus on the key issues and possible solutions. In this context, ‘bad news’ may be more important for management attention than ‘good news’, and needs to be passed on and listened to.

Where the implementation of an initiative is multi-staged, it is particularly important that any concerns or lessons from each stage are assessed, escalated as necessary, and resolved. Issues arising should be appropriately addressed before implementation progresses to the next stage.

When unforeseen issues arise and solutions are identified, the implementation plan will need to be adjusted accordingly. Review arrangements should provide for agreed corrective actions to be communicated to project managers and followed through in a systematic manner, to ensure the issues are appropriately addressed.

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55 The Gateway Review Process provides a further tool to improve the delivery of major projects and programs. The purpose of these reviews is to provide independent assurance and advice to the implementing entity at key points across the implementation lifecycle. See Department of Finance website <http://www.finance.gov.au/gateway/review-process.html> [Date accessed: 19 March 2014].

56 Reviews tend to focus on operational issues—including the effectiveness of governance and project management structures—although they can help inform decision-makers about likely policy outcomes. Department of the Prime Minister and Cabinet, CIU Toolkit: Monitoring, review and evaluation, p.2.
Evaluating the quality of the implementation

There can be a tendency to leave consideration of arrangements for evaluation until after implementation. However, as discussed in Chapter 6 in Part 2—Planning, evaluating the performance and success of an initiative at key points during the implementation process can help entities assess the extent to which the implementation approach adopted contributed to achieving policy objectives.

An important consideration at this stage is discussion and agreement on establishing the ‘baseline’ for the initiative and what success against the baseline looks like. The baseline is the point of reference against which evaluations can assess the progress and measure the results of the initiative being implemented.

Timely evaluation activities will allow progress towards the Australian Government’s outcomes to be tracked more effectively, as well as enabling the early identification and measurement of whether intended benefits are being realised. Timely and robust tracking of the initiative’s progress towards the achievement of planned outcomes can better position entities to identify and, as appropriate, escalate potential issues, in turn, enabling implementation arrangements to be adjusted where necessary.

Evaluation activities can also contribute to continuous learning and improvement processes. Specifically, entities should have mechanisms in place for identifying pertinent lessons from the initiative’s implementation and for transferring the relevant knowledge and learnings into the refinement of implementation arrangements—including learnings that may contribute to the delivery of future policy initiatives.

Reporting the results of an evaluation is not an end in itself. The findings need to be applied so that the original purpose of the evaluation is achieved.

Source: Cabinet Implementation Unit

Figure 8 on page 63 sets out some of the potential advantages of capturing details of learnings and making them readily accessible throughout an entity.

The success of evaluations is underpinned by considerations such as: the type of questions being asked; the quality of the evidence collected; the soundness of the analysis undertaken; as well as the professionalism and independence of the evaluation team. Choosing an evaluator with inadequate expertise or resources, or who lacks familiarity with the initiative, can undermine the findings. So too can weak stakeholder engagement or poor communication of results.

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Figure 8: Benefits of capturing learnings

- Improved design of metrics used to assess performance, as well as the data collection methods.
- Enhanced accountability in terms of assessing what outcomes were achieved.
- Better resource allocation, including resources required for evaluation activities.
- Organisational learning and good practice.
- Improved decision-making around policy design and implementation.

Source: ANAO.

Evaluators and entity management need to consider issues of causality (how to assess the extent that evaluation results are influenced by, or attributable to the initiative), particularly when results are being used to inform resourcing decisions. A soundly-based and transparent methodology can contribute to the quality of an evaluation and its findings.

Evaluations can also inform decisions on whether to: escalate issues to senior leaders or responsible ministers; review implementation approaches and planning; and assess the ongoing relevance and priority of an initiative. In this respect it is a further enabler of active management within an entity.
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Further information

Cabinet Implementation Unit

The Cabinet Implementation Unit in the Department of the Prime Minister and Cabinet assists with the implementation and delivery of the Government’s agenda. This includes providing the Prime Minister and the Cabinet with regular progress reports and working collaboratively across Government to support implementation of key decisions on time, on budget and to the Government’s expectations.

Further details on the Unit, including guidance on the preparation of implementation plans, is at <http://www.dpmc.gov.au/implementation/index.cfm>.
Australian National Audit Office

The Australian National Audit Office (ANAO) is a specialist public sector practice providing a full range of audit services to the Parliament and Commonwealth public sector entities and statutory bodies. The ANAO assists the Auditor-General to provide an independent view of the performance and financial management of public sector entities and bodies. The ANAO has developed a range of Better Practice Guides which outline a series of better practice elements that, if adopted, will encourage more efficient and effective achievement of organisational goals and objectives.

Further information on the ANAO, including links to audit offices in other jurisdictions in Australia and internationally is at <http://www.anao.gov.au>.

The Department of Finance

The Department of Finance is a central entity responsible for advising on and implementing many key Government priorities. Among other things, Finance is responsible for the conduct of Implementation Readiness Assessment Reviews—to provide assurance to Government and entity CEOs on the implementation readiness of certain proposed programs—and Gateway Reviews—to provide assurance and advice to entities to improve the delivery and implementation of policies, projects, programs and services.

The Department of Finance is also responsible for: the ICT Two-Pass Review Process—which is designed to provide Cabinet with better information to support decision-making on major investments in ICT-enabled proposals; providing advice to entities on ICT investments; and the Agency Capability Initiative—which is designed to improve entities’ organisational capability to commission, manage and realise benefits from ICT-enabled investments.

Comcover, the Australian Government’s self-managed general insurance fund, is also part of the Department of Finance. Comcover provides insurance and risk management services to Australian Government entities. Comcover’s risk management program assists entities to obtain the knowledge, skills and expertise required to assist with the successful implementation and integration of risk management within their organisations.


Australian Public Service Commission

The Australian Public Service Commission’s (APSC) role is to promote, review and evaluate a values-based Australian Public Service and to foster its capability. The APSC provides a wide range of leadership events and training activities including program design, implementation and delivery, which have been developed to meet the needs of APS leaders and their entities. Further information may be found at <http://www.apsc.gov.au/learn>.

Australian Bureau of Statistics

The Australian Bureau of Statistics (ABS) is Australia’s official statistical entity; providing statistics on a wide range of economic, social, population and environmental matters, covering government, business and the community. The ABS provides leadership and coordination with respect to the statistical activities of other official bodies, both in Australia and overseas. The ABS also provides statistical advice, assistance and guidance to other government entities to assist decision making in policy development and policy implementation initiatives, including in relation to establishing baselines, data collection and measuring performance.

Further information about the ABS, including access to a broad range of statistics and services, is available at <http://www.abs.gov.au>.
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