

Enhancing Quality and Capability in the Public Sector Advisory System¹

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Introduction

High quality policy analysis and advising and a capable public service advisory system are essential underpinnings to good governance and sound public decisionmaking. It is a pleasure to contribute to this series on Future Makers and Future Takers in honour of the 25th anniversary of the Institute of Policy Studies, an organisation which has made substantial contributions to research, discussion and dissemination of ideas on a wide range of important public policy issues. I was associated with the IPS from its beginning and have seen first-hand the valuable contribution it has made over many years. I am passionate about quality in policy analysis and advising, having spent a career designing education and training programs to improve quality and capability in the public-sector advisory system.

Professor Aaron Wildavsky, a well-known teacher of policy studies, described the job of policy advisers as 'speaking truth to power', though what constitutes truth and the public interest will often be contested. Our democratic Westminster tradition requires government advisers to balance out the dual roles of implementing the decisions of politicians while also providing analytically sound and professional policy advice which is frank and fearless.

I will address the topic of enhancing quality and capability in the public sector advisory system by looking briefly at policy analysis and advising as activities and the changing context in which they take place – drawing from my experiences in both New Zealand and Australia. Next, I will reflect on the current debate about 'quality' and 'capability' issues in the public sector and then offer some strategies for improving the quality, capability and performance of the public sector advisory system.

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Policy Analysis and Advising

The term Policy Analysis derives from polis (meaning city/state) and analysis meaning breaking something up into its component parts. Policy analysis is client-centred advice regarding public decisions and informed by social values. Its quality is determined to some extent by the soundness of the analysis on which it is based –and the accuracy with which its constituent elements are distinguished and described. In the study of policy issues a distinction is often made between positive and normative approaches. Policy analysis and advising is normative and recommendatory; however, good-quality policy analysis is that which draws extensively on information and evidence about the policy system in which a specific issue is embedded. Policy analysis is based on the fruits of positive inquiry.

Designing public policies and providing advice have long been recognised as more like art and craft than science. Advisers try to bring evidence-based analytical perspectives to public issues of the day; they must have regard for the authorising environment, ideological and political preferences and perspectives, existing policy commitments and international best practice. Policy analysis is therefore an immensely practical endeavour.

Many (sometimes competing) disciplines and topics areas lurk around policy work – including political science, economics, law, social sciences methods and many others. Policy analysis by its nature is multi-disciplinary and interdisciplinary – and good policy draws together elements of design and the arts, craft, and science. It is interesting to note that in many languages the words policy and politics are the same, and practices reflect this convergence in the countries that speak them. The distinction between them, however, has been embedded in our political culture and institutions.

The skill of policy analysts and advisers is their ability to dissect and interrogate problems (and opportunities) and then to apply appropriate frameworks, methods and approaches to design options for decisionmakers. Policy space is always contested by different values, views and frameworks for analysis. Different disciplines and perspectives compete for attention; and policy debate provides a forum for diverse views on public issues, including the role of government and the merits (or otherwise) of adopting particular courses of action.

Experienced policy practitioners can design and craft approaches to policy development and advising so that they are ‘fit for purpose’ and rest on a solid foundation of information, evidence and research. They can explore different approaches to framing issues and designing policy options – drawing on various tools, methods and practices. They are aware of how various actors and institutions engage with the policy system, and the influences of state and society, and increasingly also international influences on policy settings and policy outcomes.

Policy work by its nature is value-based. It must confront competing views about the nature of problems and the likely consequences of different courses of action, and also of the relative value of those probable outcomes. The contribution of a policy analyst is to design options and to link them to alternative values and impacts –and to produce projected outcomes of the consequences of different policy choices. Advisers and analysts in a Westminster advisory system must be able to craft policies which meet

the goals and objectives of the government of the day, and create ‘public value’ for governments and citizens.

Quality and Capability Issues

Quality policy analysis and advice requires an understanding ‘of’ the policy system in order to craft sound advice ‘for’ clients and citizens. Quality policy offers analysis and recommendations based on information and evidence, a good understanding of the system and context in which policy problems and solutions reside, and hypotheses about cause and effect which have been subject to some testing. Increasingly options are influenced by evaluations of existing policy outcomes, and of other countries’ experiences.

Good policies are deemed ‘good’ because they address perceived issues, promote desired outcomes, and support desired policy goals and objectives. The concept of quality in policy advising is fraught with difficulty; and there is limited agreement about the attributes of policy that embodies the concept. It is not clear whether professional standards exist which can be prescribed, embodied in rules or processes, and enforced, or whether quality can only be assessed *ad hoc* as qualities of the resulting analysis and advice, including whether it is considered to be value-adding by the Minister or the government of the day.

Analysis underpins advice – but so too does responsiveness to the priorities and values of the government of the day and the particular Ministers who are the clients for that advice. And then some policy development involves citizens and stakeholders, meaning that there are other clients and customers for policy advisers. This multiplies the considerations that must be taken into any analysis, and reduces the odds of responding to the priorities and values of the client.

In a Westminster system public servants survive changes of government because they are professionals who bring expertise to bear on the policy priorities of any government. Policy advisers also need to keep an eye on the effect of policies on future generations and on future governments. The views of advisers will often differ from those of their ministers, but advisers have privileged rights of access to these views. In return they are heavily constrained in their freedom to engage in party politics.

The Changing Policy Environment

State sector agencies in many Westminster-type governments, including those of New Zealand and Australia and the UK have expressed concern about declining policy capacity and capability in the public sector; but there has been limited hard evidence as to the nature of these capability gaps or deficits.

In New Zealand, historically, policy work was undertaken in clearly defined sectors, and required the specific expertise of particular professions. Governments needed economic and financial advice, advice on education and health policy, trade, and law and order. A key question is whether any perceived decline in policy skills is a reflection of more complex policy issues and rising expectations of what the public

sector can contribute to resolving them. The hypothesis of declining policy capability needs to be interrogated more thoroughly, and any new requirements in knowledge, skills and competencies need to be analysed to determine the character of any deficit.

Public management reform has shifted the focus of governments in many countries away from service delivery toward governance. The result has been more contracting out of services, and a reduction in the role, and some would argue the capacity, of the government to deliver. Some people view any loss of capability and capacity as a lack of control; consequently there are new pressures to pursue efficiency in and accountability for service delivery.

New Zealand's Westminster-based advisory system has gradually morphed into a new variant, sometimes called Washminster in recognition of the influence of the US system, bringing about significant changes. Westminster tradition requires an apolitical public service which gives 'free and frank' advice. In Westminster-style systems, at least traditionally, public servant advisers have played a powerful role in influencing and shaping policy choices and decisions by successive governments.

The public sector policy environment has undergone many changes in recent years. There are issues to be examined as part of any discussion about the quality and capability of the public sector advisory system including: the changing context and nature of the policy analysis and advising system; the implications of changes for the knowledge, skills and competencies needed by the public sector advisory system; the extent of the migration from Westminster to 'Washminster' and its implications for public sector advisers and the advisory system; the quality of the information and evidence base that supports policy development; the need to improving policy debate and deliberation, especially on medium-to longer-term issues.

Some examples are:

- greater contestability of policy advice
- a bigger role for the private and community sectors in service delivery
- more consultation and engagement around policy changes
- more international influences
- more complex and intractable policy issues to address
- more emphasis on 'networked', or 'whole of government' approaches to policy development and a strengthening of the role of central agencies
- pressures on the policy advisory system relating to the Official Information Act
- a hungry media looking for instant answers to complex issues

Governments tend to be over-optimistic about the degree to which they can influence outcomes; they (and their public servants) can over-promise and under-deliver. This is despite the fact that policy challenges have become more complex, as the nature of problems and opportunities has shifted; once analysts were typically dealing with policies which are sectorally-defined, whereas current policy challenges are often ill-defined and complex, crossing multiple sectoral boundaries. Pursuing economic, social, environmental and cultural outcomes, along with sustainability, involves complex analysis and hard choices and trade-offs between competing objectives.

The phrase 'wicked issues' was initially coined by Rittel and Webber in 1973 to distinguish complex issues from 'tame' issues that were readily analysed and could be

solved. It is now used to describe the central issues in today's multi-faceted, complex policy agenda, which requires a whole-systems view rather than a sectoral or state-centred perspective. Wicked issues are often down to human behaviour. They are not amenable to problem-solving by governments on their own, in isolation from the people whose behavior is at the heart of issues such as obesity, family violence, crime, climate change, and national security.

Professor Nancy Roberts in an article called 'Wicked Issues and Network Approaches to Resolution' has isolated two factors that make for "wickedness". The first is the lack of agreement between government and its citizens about the definition of the problem; the second, the lack of a government mandate to act in the particular area. The less agreement and mandate available, the more wicked the issue is deemed to be and the more difficult it is for government to address these issues on its own.

When behavioural change is the desired policy outcome, there is little chance of success unless policies engage with the individuals and groups whose behaviour is at issue. For good or bad, however, governments feel pressure from the public to 'do something,' and this typically leads to a search for a quick-fix policy solution which at best treats symptoms rather than underlying causes of wicked issues.

There are inherent tensions in policy development between the pursuit of efficiency and the pursuit of effectiveness; and this is considered to be a possible contributor to capability issues. While the terms are often treated as though they were inseparable, they refer to issues that require different skills and responses. The search for effectiveness involves the discovering 'what works', and it calls for innovation, experimentation, logic and risk-taking. Efficiency, on the other hand, is often about delivering services and programs with fewer resources. When pressures come on resources, it is not surprising that the public sector response inclines toward 'doing existing things right' (meaning with fewer resources) rather than 'doing the right things' (meaning searching for the interventions most likely to achieve the desired outcomes).

Over the past six years through my involvement with the Australia and New Zealand School of Government (ANZSOG), I've watched the substantial differences in policy development practices between the states of Australia, and between federal and state levels. These changes in the environment for policy advising create both opportunities for and threats to the traditional public sector advisory system. Among the threats that have emerged is politicisation of the public service.

Both countries have, to some degree, migrated toward a Washington-style model, in which public sector advisers several layers down the system are politically appointed, and change with each change of government. The public servants I teach from Australia often raise issues that arise when they are working for a Minister in the presence of a substantial cadre of ministerial advisers. The famous "children overboard" episode in Australia showed how ministerial advisers can seek to misrepresent events that might confer short-term political advantage to their Minister.

In Australia, the impact of ministerial advisers on policy development is enormous and can impede the ability of public servant advisers to offer 'frank and fearless'

advice. At both state and federal levels, there are now changes in senior government positions when there is a change of government. Some senior officials are following their Ministers between portfolios, even bringing along senior staff to the next agency. The number of Ministerial staffers is substantial in Australia, and many of them have political ambitions and a focus on what is good for their Minister, rather than on what might procure good policy outcomes.

There is a growing preoccupation in the public sector with controlling and minimizing rather than managing risk, and a corresponding neglect of the value-adding potential of policy advice. Under Prime Minister John Howard climate change was not officially acknowledged, then it was suddenly unleashed with the election of a Labour Government. Similarly, very longstanding indigenous issues suddenly took on crisis proportions.

An MMP political system often requires that agreement on policy development be negotiated issue by issue, –which involves a great deal of brokering across party lines. While an independent and apolitical public service is maintained, ministerial advisers and politicians become increasingly involved in brokering deals across parties. While developing cross-party support is essential for a government to function in the MMP environment, it is inappropriate for a public servant to assume this role within a Westminster-style advisory system.

It is clear that the tradition of ministers protecting their ministries has weakened – an issue considered in depth in Colin James' IPS monograph suitably called 'the Tie that Binds'. Public servants feel less appreciated than they once did. Ministers now openly express concern at the quality of policy advice in the public sector, supporting the hypothesis of declining policy capability. But the same Ministers who blame public servants for a lack of bright new ideas sometimes sheet home blame for 'failures' in policy or service delivery to public-sector officials, making innovation a high-risk proposition. Scrutiny by Parliamentary select committees has also led public-sector organizations to be more cautious and risk-averse. Chief executives need to work hard to keep up the energy and enthusiasm of the public service in this more politicized advisory environment.

The forces of globalization have removed some of the discretion governments once had to adopt policy settings at odds with those in other countries. On the plus side, this means that a substantial international evidence base is becoming available to guide policy analysis. Open economies mean that the world is getting smaller, however, and this can have the effect of constraining the policy choices open to any government.

The whole-of-government trend raises coordination issues, which are more pronounced in Australia because their federal system means there is more to coordinate – federal government, and the governments of states and territories. Perhaps because of the traditional size and reach of the state and public sector in New Zealand and Australia, it has not always responded positively to the shifting environment for policy development. Sometimes contestability in the policy environment has led to internal competition between government agencies for a leadership role in a policy area, resulting in high transactions costs as efforts and resources are spread thinly across several agencies.

In the NZ context the changed policy environment has brought about more focus in recent years on softer skills, lesson gathering information and evidence, research and analytical skills, more on process and project management; there is more working in a 'whole of government' way, and developing networking and consultation skills, relationship management, political savvy and mediation skills.

Collaborative advantage has become something of a buzz word, with the rise of the popular notion that governments are shifting away from hierarchies and markets towards networked collaboration across the public, private and community sectors. An emphasis on the creation of public value has invested state action with a more positive image, and there is some risk that the term is becoming embraced as part of strategy to argue for the merits of large governments and a more embracing public service.

Assessing Quality and Capability in the Advisory System

Who and how to assess and measure the quality of policy advice are contested issues. One view is that advice is produced for a Minister so Ministerial satisfaction dominates other considerations. Another is that policy advising is a profession, with standards which can be assessed and measured independently through external review and benchmarking. There is a growing literature on assessing policy advice, though also some useful former work on these issues in New Zealand over a decade ago (Hawke 1993; SSC 1999a; SSC 1999b) It is perhaps time to revisit these questions in New Zealand – either on our own or perhaps through ANZSOG, in collaboration with Australia.

Discussions of policy capability often entail attempts to define the bodies or kinds of knowledge, skills, competencies and behaviors required by policy analysis and advisory work. The resulting definitions of policy capability and the requisite competencies reflect changes in of the policy system and the role of public sector advisers in it and in the business of government.

Insights into which capabilities and competencies are valued in the public sector can be gleaned from job advertisements for policy positions; also from various explicit competency frameworks, such as the State Services Commission Lominger competencies for policy advisory work. They specify knowledge, competencies, and both hard and soft skills. While such attributes and behaviours are often specified with respect to individuals, competency and capability issues can equally be analysed in terms of groups, agencies and departments, the whole of government, and even the nation.

There is a lively debate in Australia as to whether changes in the policy environment have occurred in response to perceived limitations and lack of capability in the public sector advisory system. The public servants I associate with through ANZSOG suggest that the converse may be the case – that the current policy environment provides too little encouragement and support for strategic thinking, because medium-term policy settings and innovative policy approaches can challenge conventional wisdom and so fail to find favour with interest groups and ministers. Others are more optimistic, suggesting that public servants advisers should work in partnership with

universities, research institutes and other sources of analysis and advice, rather than trying to ‘go it alone’, in their efforts to proffer effective advice.

The Australian public sector has a stronger tradition than New Zealand’s of evaluating public policy for effectiveness and value for money. There is also a strong tradition of research and analysis, outside the public sector, which sometimes makes it easier to explore policy directions that are not popular with the current government. A more informed and engaged polity creates a favourable climate for designing and piloting new approaches, and encourages public sector innovation.

An article published in 2000 by Dr Allan Behm and his colleagues (Behm et al 2000) explored value-adding policy analysis and advice, using intensive interviews with current and former ministers and senior officials. They found that public servants had good core transactional policy skills – and delivered factually correct, well informed policy products. But they also found a lack of ‘transformational’ policy skills, which would look beyond immediate facts and obvious conclusions. The interviews suggested that some public servants lacked vision, creativity, political awareness, risk sensitivity and a holistic understanding of government’s aspirations.

The Australian Public Service Commission has responded by fostering a more strategic approach to policy development – using programs to promote strategic thinking and develop technical skills, such as environmental scanning, modeling, scenarios and futures research. There is also an emphasis on cultural change to foster more collaborative ways of working with citizens and stakeholders, and to develop options involving partnerships across the public, private and community sectors.

Policy work can be seen as a production function with associated inputs, processes outputs and outcomes. Without losing sight of inputs and processes we need to pay more attention to whether analysis is fit for purpose; that is, whether the outputs contribute to the desired outcomes.

Providing advice which adds value to outcomes will need more cross-agency and inter-disciplinary understanding and collaboration between ministers and agencies. Many issues have ramifications beyond a single jurisdiction. This means that better performance should result from closer links between policy design, implementation and research and evaluation roles.

Adopting a more strategic approach to policy development may be useful. There is a case for cultivating strategic thinking and conversation. Strategic conversation can be a mere buzz word, but can also be understood to mean fostering opportunities to make connections between events, issues and ideas, to explore patterns and trends and consider the systems structures and world views that shape issues and events. The result, ideally, is a richer, deeper understanding of the implications of possible policy responses to complex issues.

The Australian Public Service Commission (2008) report on wicked issues suggests that tackling wicked them requires holistic rather than partial or linear thinking to avoid defining problems so narrowly that the complexity of interrelationships between causal factors and stakeholders is neglected. Such issues require innovative, flexible

approaches, cooperation and collaboration between agencies, active engagement with stakeholders, a long-term focus, and a tolerance of inherent uncertainty.

Generating creative options for tackling wicked issues requires analysts and advisers to work in an open systems environment and draw on expert and lay knowledge, international research and evidence, and apply concepts and frameworks drawn from multiple disciplines. The APSC report also suggests a need for accountability frameworks that take a long-term (rather than quick-fix) view of issues and encourage innovation and collaboration. Analysis must engage in big-picture and systems thinking, take a longer-term strategic view, and make use of a wide range of policy tools, combining qualitative and quantitative techniques such as intervention logic, environmental scanning, modeling, and scenarios and other future techniques.

While lip service is paid to evidence-based policy, a lot of policy work in practice lacks a strong evidence base. In its absence, analysts are likely to look at international solutions rather than developing home-grown tailored approaches. This has been interpreted as evidence of diminishing state capacity and capability; and monolithic national approaches to state sector policy responses are falling out of favour.

There is also a simple HR aspect to the capability issue. The limited career structures open to senior policy specialists contributes to on-going shortages of analysts. This needs to be considered not just from a retention point of view, but also with a view to recruiting and rewarding the right kind of skill, by prioritising policy expertise as well as management and leadership capabilities. .

The discussion of declining policy capability needs to become more specific, defining the specific areas of knowledge, and the specific skills and competencies that are needed for analysts and advisers – at the individual, organizational and sector levels.

The relevance of an open systems approach to policy design and development is well-established. More effort is needed to foster skills in the design and crafting aspects of the production of analysis and advice. This means less reliance on stylized models of good policy process and more attention to the tailoring of policy outputs to underpin desired policy outcomes. Too much focus on processes runs the risk of neglecting other crucial aspects of the task: defining the problem or opportunity accurately, and determining whether the government (independently or working with others) can develop policies to bring about the desired outcomes.

Unrealistic expectations of what governments can achieve are resulting in undue emphasis on personalities and policy processes, and often short-term thinking. Scott Prasser (2006) in an article on *Providing Advice to Government in Australia* describes some of the difficulties that beset a bureaucracy providing ‘cold’ (rational) advice in a climate where ‘hot’ (political, emotive) advice is a more pleasing to politicians. He also analyses the influence that can make policy go astray, such as dominant ideologies which are hard to shift even when the evidence doesn’t support them; party and organizational tensions and politics; ‘group think’; a lack of facts, or illogical or irrational interpretation of the facts; and simple underfunding of policy development.

The need to produce policy advice across party and agency lines means that there can be a dilution of ownership, with a corresponding lowering of expectations about the

quality and coherence of policy solutions. With more attention to the rigour of analysis and to facilitating policy understanding and leadership, the public sector could lift its performance and at the same time foster a more engaged polity. Of course, it can only take on such a role with the blessing of the government of the day, given the constraints of our Westminster tradition.

Policy leadership by the public sector involves a specific set of issues and challenges. A more open policy environment and a world beset with wicked issues calls for new skills and a new style of leadership. Governments are far less able to design and successfully implement policies on their own than they once were. I would argue the focus should be less on what the public sector can do in a policy area, and more on what is likely to prove effective and efficient in addressing its problems. Governments need to weigh up the benefits and costs of becoming involved (or refraining from involvement) in each specific issue. Sometimes the public sector must lead from the front and the public wants and expects it to do so. At other times, the public sector must recognize that it is less well placed to do so, and facilitate leadership by others – or form partnerships and collaborations to form and move a policy agenda forward.

Public-sector agencies should develop and harness knowledge of the information and evidence base behind the policy issues that concern them. I also support the public sector actively facilitating policy analysis and debate – particularly in ways that encourage a longer-term perspective on issues. This should help to open up new ways of thinking about issues, but with a sound underpinning of information and evidence.

The public sector also needs to try to foster more productive engagement on policy issues, –developing common ground in which a common understanding of issues and options can emerge. The aim should be to get past the false dichotomies that dominate popular policy debate, which pose stark policy choices such as public or private, state or market, encouraging unexamined assumptions and inflexible ideological prescriptions.

Peter Shergold, the former head of the Department of Prime Minister and Cabinet under the Howard Government, has suggested that public servants promote new forms of horizontal governance by facilitating the joining up of government across the public, private and community sectors. He reminds public servants that nothing is more destructive to partnerships than the belief that government knows best (Shergold, 2005, p. 1). Shortly after taking office, Australian Prime Minister Kevin Rudd informed the public service of his intention to draw more heavily on the private and community sectors in policy development and to broaden the experience base of public servants. Australia is ahead of New Zealand in establishing working relationships and collaborations between government agencies and the private and public sectors. This is an area where ideological rhetoric needs to be replaced by solid analysis and debate about the benefits and costs of working with partners from the private and community sectors. This is not a call for partnership and collaborations to become new buzz words in the public service. It is about taking a practical view and doing the hard yards to determine what is effective and what is not, what works and what doesn't.

People are seeking tailored service delivery in the marketplace, and governments need to apply this principle to policy development, fostering co-production and system approaches in preference to cyclical, state-centric approaches. When they are confronted by wicked issues, governments often lack the public mandate to address them; so they have little to lose and perhaps much to gain by considering fresh approaches to policy development, involving more engagement and co-production in defining, choosing and implementing policy options.

The distinctions between policy, strategy, service delivery and leadership are becoming more and more difficult to make. The UK Strategy Survival Guide (UK Strategy Unit 2000) has raised awareness of the overlap between strategy, policy and service delivery, and their joint focus on outcomes is refreshing. Their conceptualisation also makes connections with government and citizens, and clarifies the iterative nature of strategy and policy formulation, of which rigid cyclical or process models fail to take account.

The fields of policy, management, and leadership are converging, making it difficult to separate out policy capability from other kinds of capabilities –service delivery capability, strategic capability, and leadership. In the UK a capability ‘wheel’ has been developed for assessing the capability and performance of government departments. It applies a performance management approach, assessing organizational performance in terms of management, strategy and leadership skills.

Conclusions

The debate about lifting policy capacity and capability will continue to get little traction without more clarity about what constitutes value and quality in policy analysis, and the nature of capability issues. The capability demands on advisers and analysts have risen, as have skill requirements: therefore attempts to measure capability and capacity must take into account these rising expectations relative to the available capability and resources. Assumptions about declining capacity have to be tested against this shift in the nature of the tasks and context in which the services are provided.

Policy is a tailored client-centered activity – and no one-size-fits-all approach can be deemed to be ‘best practice’. Lifting quality and capability cannot be guaranteed by good policy processes, nor is there a range of manuals starting with ‘Policy for Dummies’ and ending with a ‘state of the art’ policy-advising manual for advanced practitioners.

Discussions about quality must look at whether and to what extent policy is fit for purpose. If we regard the role of advisers as serving Ministers, governments and citizens, it is essential to determine how these distinct requirements can all be served. The quality of the advice given and taken must obviously relate to the clients: Minister(s), current governments, and future governments and to citizens. The attraction of an apolitical policy advisory system is its potential to maintain institutional and tacit knowledge and undertake research and development to serve both current and subsequent governments.

Some problems are simple and others complex; some but not all problems are wicked and contested, and the approach must be flexible enough to accommodate both, and to tailor solutions to specific conditions. Policy must be informed by a knowledge of ‘what works’ – but without assuming that if policy works in one context, it will necessarily work as well in another. A strong international evidence base is needed, as well as home-grown solutions; a practical and pragmatic approach to determining ‘what works’ would see more experimentation, piloting and evaluation to expand the evidence base.

Last, but by no means least, we need to consider whether there are capability gaps and issues at the governance level. There are leadership programs for elected members in other countries, but they have yet to arrive in New Zealand. Are Ministers, like mushrooms, best left in the dark? Or might clarification of their roles and responsibilities and accountabilities in a Westminster advisory system reduce friction in our system arising from unrealistic expectations? A Parliament that exhibited more interest in collaborating in pursuit of ‘what works’ would also help to create more space for dialogue and debate on issues.

A key dimension of quality policy work is the skill of analysts to select and apply appropriate approaches, methods, tools and techniques. The knowledge, skills and competencies required by policy advisers have become long shopping lists, which no one person can possibly embody; and they need not, because increasingly, policy work is being done in teams, working across agencies and departments and the private and voluntary sectors.

We need to reduce our current pre-occupation with individual and organizational competencies – giving more attention to cultural and whole system effects; this means more attention to the craft aspect of policy development, and the integration of hard and soft skills. It is sometimes said that if the only tool you have is a hammer, all your problems seem like nails. The public sector needs to rebuild policy design and link policy development to implementation and evaluation. Policy needs to foster co-production and systemic approaches to policy development over process-driven, cyclical approaches.

Governments need to abandon a state-centric perspective for a systems perspective, and political short-termism for a medium to long-term perspective. They should refrain from ‘managing symptoms’ and seek to address ‘underlying causes’, even though this is unlikely to result in instant political gains.

The traditional Westminster advisory system is based on the idea that governments will be served well when there is a permanent cadre of advisers – with expertise, institutional memories and wisdom about good policy which is developed over years. The provision of policy advice is an industry which, like any other, requires investment, innovation and risk-taking to improve its performance. Like other industries, the public sector needs ongoing significant investment in building the capability and performance of policy advisers, and in research and development – without which the sector’s comparative advantage as a provider of policy advice and analysis will suffer.

Making an advisory system more innovative and transformational requires effort and commitment. While maintaining the clear benefits of a Westminster tradition, it is my view that the public sector can do more to encourage deliberation and decisionmaking on medium-term issues. Public sector policy leadership can be extended by building capacity in anticipation of future policy challenges and opportunities. Investment in futures research and environmental scanning may help maintain an appropriate balance between short and medium- to long-term policy perspectives.

Lifting the capability of the policy advisory system will also depend on the market for free, frank and fearless advice. The days when advising was about the relationship between a single adviser and a Minister are over. Departments work to many ministers, and policies are often about getting a balance between competing goals, with many Ministers and departments in the decision frame. Risk aversion and a loss of appetite for free and frank advice have grown in both Australia and New Zealand. A more competitive and contestable environment for policy advice is needed, and this must be fostered from within the public service, and more importantly by Ministers, the government, the opposition parties and the media if the public sector is to have the opportunity to design and deliver well-considered policies to underpin good government and governance.

Let me offer a quote from Robert Reich which reflects my vision of how policy advising can shape the future of New Zealand:

The core responsibility of those who deal in public policy – elected officials, administrators, policy analysts– is not simply to discover as objectively as possible what people want for themselves and then determine and implement the best means of satisfying their wants. It is also to provide the public with alternative visions of what is desirable and possible, to stimulate deliberation about them, provoke a re-examination of premises and values, and thus broaden the range of potential responses and deepen society's understanding of itself
Robert Reich 1988: 5-6.

The quality and capability of the public sector advisory depends not only on the skills and capabilities of those in the advisory system, but on the rewards and incentives offered them, and the priority given to enhancing the capacity and capability of the public sector advisory system. Ministers and governments, as well as public sector advisers and managers, must work to ensure that the policy advice presented is well-argued, robust and informed by reliable and comprehensive information and evidence. New Zealand should seek to maintain and enhance its Westminster advisory system. If it is operating at full stretch, this system has the potential to help the New Zealand government and the country as a whole to become a future shaper and maker, and not a future taker.

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