

Submission on Advancing Public Sector Innovation

**Queensland Public Service Commission on
behalf of the Queensland Government**

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1. Introduction

The Queensland Public Service (QPS) is the largest single employer in Queensland, employing over 225,000 people with almost two-thirds working in the area of education and health. Importantly, the QPS is a service oriented organisation with almost 80 per cent of staff working in frontline services, and a further 15 per cent in roles that directly support frontline services.

The Queensland Government is responsible for the delivery of the majority of public services in Queensland – though the Australian Government and local governments all have key roles to play. The state, however, has responsibility for the most significant services including healthcare, education and training, child safety, policing and many forms of public transport. Its ability to deliver public services and implement new programs therefore has a major influence on community perceptions of the quality and reliability of those services.

Increasingly governments are expected to play a greater role in shaping our economy and society. This ranges from managing the economy and protecting the environment to ensuring that communities are fair, safe and sustainable. However, citizens want a say in how this happens and the challenge for governments is how to involve citizens and provide flexible and innovative services that meet the broad range of needs.

2. Improving Innovation in the Queensland Public Sector

The Queensland Government is currently amongst the leaders of public service reform in Australia, having set out a broad program of reform to modernise the public service, deliver better services and meet rising community expectations. This program of reforms increases accountability and efficiency and supports innovation to deliver better outcomes for the people of Queensland.

The first phase of reforms announced by the Queensland Premier, the Hon. Anna Bligh MP in March 2008 included:

- establishing the Public Service Commission
- a review of all government boards and statutory bodies
- establishing the Expenditure Review Committee, and
- establishing the Queensland Civil and Administrative Tribunal.

Further reform commenced in June 2008 with a report on the review of the Freedom of Information legislation of Queensland. This report recommended significant reform, proposing the introduction of Right to Information legislation. Further direction for reform was then provided through the government's vision for Queensland articulated in *Toward Q2: Tomorrow's Queensland* in September 2008.

Additional reforms for the public service in 2009 include the Machinery of Government reforms, and an examination of the integrity and accountability framework. Further detail on all of the reforms is outlined below.

2.1 Public Service Commission

The Public Service Commission (PSC) was created in July 2008, providing both performance management and human resource management knowledge and expertise in one organisation. The primary aim of the PSC is to drive the modernisation of the QPS, ensuring that Queenslanders have a public service which is up to date and relevant to the demands of the 21st century. It does this through working in partnership with public service agencies and other stakeholders to build the human resource and organisational capacity to drive efficiencies and improve service delivery.

A particular feature of the PSC has been the establishment of an Advisory Board of ten commissioners, which is chaired by Ann Sherry, CEO, Carnival Australia and includes experts from government, business and academia. The diverse mix of knowledge and expertise of the board

provides unique vision and guidance to deliver innovative solutions to public service workforce and performance issues, and to keep Queensland at the forefront of public service administration.

2.2 Brokering Balance – The Weller-Webb Review

A review of government boards and statutory bodies was announced in March 2008 to examine options in reducing unnecessary red tape and improving overall efficiency. The final report *Brokering Balance: A Public Interest Map for Queensland Government Bodies*, was presented to government in March 2009. The report provided 210 recommendations which proposed major reform of the existing 459 government boards.

The government announced that it would abolish more than 100 boards and committees, accepting 177 of the 210 recommendations. A further 81 bodies will be subject to change. Importantly, the report provides an immediate opportunity to reduce waste and unnecessary red tape, with potential savings of \$18 million. In order to further reduce excess bureaucracy and red tape a Public Interest Map was created, providing a governance decision-making model designed to guide transparent, principled and objective decision making on the bodies under review and any creation of new boards and bodies. Consistent with government's commitment to ensure citizens have input into decision-making communities needs will also be considered when deciding the future of public bodies.

2.3 Expenditure Review Committee of Cabinet

The Queensland Government identified a productivity dividend of \$60 million in 2008-09 and \$80 million ongoing (\$300 million over four years), targeting waste and duplication in departments. While the dividend was not applied to front line service delivery areas, departments have been required to examine their business practices, looking for efficiencies and more innovative ways of doing business.

In the 2008-09 *Major Economic Statement*, the Government announced a further public service efficiency target of \$100 million per annum for 2009-10 rising to \$200 million per annum from 2010-11. Specifically, these savings are to be achieved through business improvement processes which reduce corporate overheads, publication and marketing costs.

The Premier also announced the formation of the Expenditure Review Committee of Cabinet (ERCC) to oversight departments' implementation of the productivity dividend in March 2008. The ERCC has delivered an \$80 million productivity dividend and continues to work with departments to identify savings and efficiencies, particularly where resources can be released for reinvestment in frontline services.

2.4 Queensland Civil and Administrative Tribunal (QCAT)

On the 12 March 2008 the Premier also announced the establishment of a Queensland Civil and Administrative Tribunal. An independent panel of experts was established to provide advice on how best to implement the amalgamated civil and administrative tribunal, including determining the scope of the jurisdiction of the new tribunal and the legislative requirements.

The *Queensland Civil and Administrative Tribunal Act 2009*, passed on 17 June 2009, establishes the tribunal, provides for the appointment of the president and members, and sets out the generic functions and powers.

From 1 December 2009 a number of tribunals will amalgamate into the QCAT, providing a single gateway to increase the community's access to justice across Queensland. QCAT will hear a variety of matters including tenancy and building disputes, guardianship and discrimination matters as well as professional and vocational disciplinary matters.

2.5 Right to Information – The Solomon Review

In June 2008, an independent panel chaired by Dr David Solomon reported to the Queensland Government on their review of the *Freedom of Information Act 1992* and ways to improve and

modernise it. The report, *The Right to Information: Reviewing Queensland's Freedom of Information Act* proposed a radical shift in the Queensland legislation, recommending that legislation should 'push' information out into the public domain rather than waiting for individuals or organisations to try to 'pull' information from government and other organisations.

The Queensland Government supported 139 of the report's 141 recommendations either in full or in part, and the government's response formed the basis of new right to information legislation. An important shift has been the reduction of the waiting time for the release of cabinet documents from 30 years to 20 years – the lowest in Australia. The Queensland Government has also pledged to release cabinet documents after only ten years, if they satisfy a public interest test, and to release cabinet information proactively on a regular basis.

The right to information reforms directly contribute to the government's overall program of modernisation of the QPS. These reforms establish the Queensland Government as a leader in open and accountable government and importantly ensures a better informed community which will result in enhanced participation and improvement in the design and delivery of more innovative public services.

2.6 Toward Q2: Tomorrow's Queensland

In September 2008 the government articulated a vision for the future in Queensland through *Toward Q2: Tomorrow's Queensland*. This blueprint sets out 10 specific targets under five broad ambitions – strong, green, smart, healthy and fair – to tackle challenges such as climate change, population growth, preventable diseases and entrenched disadvantage.

Toward Q2 provides a framework for collaboration between government, industry and communities to ensure that Queensland is well positioned to meet the challenges and opportunities the state will face between now and 2020. The targets are aspirational, and it will take hard work, innovation and sustained investment to make a difference. Achievement of the targets will focus government activity and be driven through the development of cross-agency agreements which detail the actions required over the next 11 years, and more specifically on an annual basis. These agreements are reflected in agency strategic plans, service delivery statements and annual reports, chief executive officer performance agreements and ministerial charter letters.

Toward Q2 sets a major challenge for the QPS – meeting the challenges under each of the ambitions will require the public service to work in new ways, to challenge the status quo and identify opportunities for innovation and creativity.

Toward Q2 has also engaged with the public through regional forums, ensuring that community ideas are heard. Importantly, this has opened the debate and ensured that the advice to cabinet on meeting the *Toward Q2* ambitions and targets uses a more open and consultative approach.

2.7 Performance Management Framework

A Queensland Government Performance Management Framework (PMF) has been developed which will oversee departments' delivery against the *Toward Q2* targets. This framework has been established to drive the use of targets to improve performance in public services, and while it supports the *Toward Q2* targets, it is designed to be enduring, regardless of potential changes in government priorities.

The new PMF provides clear expectations of performance, ensures that departmental planning and reporting are consistent with those directions, and improves central visibility of, and accountability for, departments' performance objectives and outcomes. Further, the PMF will drive significant service improvement and efficiency across the QPS.

2.8 Machinery of Government Reforms

In March 2009 the Queensland Premier announced one of the most significant reforms in almost two decades for the delivery of public services, by reducing the number of government

departments from 23 to 13. These machinery of government reforms aim to deliver efficiencies and advantages in a number of ways.

The reduction in departments provides for simpler, more client-focussed services. For example, the new Department of Communities combines six previously separate agencies¹ which supports citizens direct access to information and a broader range and level of services to address their needs. It also ensures more integrated policy development, planning and service delivery and will deliver financial benefits. Merging departments provides an opportunity to reduce duplication and rationalise support services, diverting funds into front-line services.

Not only has there been a streamlining of departments, but there has also been a grouping of departments into 'clusters' of compatible business. The six clusters reflect the government's priorities of: policy and fiscal coordination; employment and economic development; environment and sustainable resource management; social development; law, justice and safety; and government services. An example is the social development cluster which includes the Departments of Communities, Education and Training, and Health in recognition of the connection between social welfare, health and educational issues. It is expected that this structure will support more collaboration between departments.

The machinery of government reforms also provide for more durable structures and with a reduced number of chief executives creates a tighter leadership team, providing cohesive, whole-of-government strategic direction and collectively tackling public policy challenges. This results in better policy coordination and reduces the likelihood of silo behaviour.

A longer term benefit of the reforms will be a more agile, flexible and responsive public service, better equipped to deliver complex services and meet the changing demands of modern communities.

2.9 Integrity & Accountability

The latest piece of the reform jigsaw is the *Integrity and Accountability in Queensland* green paper which was tabled in Parliament on 6 August 2009 by the Queensland Premier. As accountability and transparency in public administration is central to a robust democracy it is recognised that it is important to see what this regime looks like, how relevant it is to today and how it can be improved.

The green paper provides an overview of the state's current integrity and accountability system and how it compares with other jurisdictions. It aims to ensure that Queensland has in place the appropriate mechanisms to meet any new challenges and explores what more could be done to improve and strengthen the current framework. The paper allows for all Queenslanders to help identify and shape potential reforms and all public submissions will be considered as part of the review process.

The outcomes of the consultations and considerations through round table discussions will set the agenda for the future in this area. This will include how the public service will continue to play a role in delivering integrity and accountability in public administration.

2.10 Summary

These innovative reforms have positioned the QPS to achieve:

- improved delivery and quality of public services that meet community expectations, including better and more effective implementation of priorities and programs

¹ The Department of Communities includes services provided previously by the Department of Communities; Department of Child Safety; Disability Services Queensland; Department of Housing; the Indigenous Government Coordination Office; Sport and Recreation Queensland.

- increased efficiencies and reduction of expenditure, with a focus on delivering more support for frontline services, and
- greater transparency and accountability with clear and more transparent targets to drive performance.

The reforms also aim to improve the quality of human resource and organisational management, and develop a motivated and skilled workforce ready for the modern challenges of public service, who collaborate and partner with the community and the private and non-government sectors to achieve outcomes. Importantly, the Queensland Government will continue to develop the public service to invest in innovation and creativity and learn from 'what works', particularly through engaging with the public to ensure the community's needs are met.

3. Response to Discussion Paper Questions

There are many ways to enhance innovation within the public sector and this section outlines some ideas in response to the questions within the Australian Public Service's Management Advisory Committee discussion paper *Advancing Public Sector Innovation*. While these ideas are not exhaustive, the intent is to present some diverse information that may be useful in informing the Management Advisory Committee project.

3.1 Barriers to innovation

Some potential barriers to innovation in the public sector are identified in the discussion paper and on the web site but there are many others. Can you name any barriers to innovation in the public sector and what can be done to address them?

There is a substantial body of research and literature that identifies barriers to innovation within the public and private sectors. Often these barriers are identified as internal, external, economic or structural, or any combination of these elements and can be present within both public and private sectors. However, there appear to be some barriers that are consistently identified when examining this issue in the public service, a few of these are broadly discussed below, with some ideas on how they may be addressed.

3.1.1 Structures

One of the major barriers to innovation in the public sector is structural arrangements. This can include the composition of departments, structures that prevent effective alignment between departments, or other internal structural factors such as budgeting practices or other business processes.

Generally, departments are structured and funded according to functions. While this can lead to successful service delivery approaches around a similar functional area, it can also lead to a lack of collaboration or shared vision and thinking across departments. As already identified the Queensland Government has recently initiated structural changes to the QPS, streamlining the number of departments and organising around service delivery clusters. This change provides a strong basis for greater collaboration and flexibility between departments and decreases silo behaviour, broadening responsibilities within a department. Governments need to be aware of these barriers and develop structures which reduce or prevent barriers from impacting upon innovation, particularly where it affects service delivery.

Governments and agencies may also benefit from looking at different ways to manage the allocation of funding to ensure this does not set up silo behaviour. At an across government level, greater opportunities to access funding for departments that collaborate to address issues in an innovative way could be an option. This shared funding approach also shares the responsibility of achieving the outcomes.

Within agencies a constant assessment of the annual budgeting approach is useful to ensure that this does not just achieve predictability at the expense of innovative efficient service delivery. Business processes need to be reviewed and restructured to address processes that have become

increasingly bureaucratic. This is often difficult within organisations, as meeting budget and reporting processes can be a significant driver, rather than looking for innovative business practices which deliver better outcomes for citizens.

Shared responsibility for achieving results can also be implemented through shared targets, or specific targets being applied to a group of agencies, or a cluster of like agencies. As already identified *Toward Q2* establishes a framework for collaboration, including cross-agency targets. This is supported by the Queensland Government's new Performance Management Framework which requires agencies to report on compliance against a high level strategic list of services and service standards. This goes some way towards decreasing agencies spending resources and focusing on particular projects, without having undertaken a scan of the policy horizon to develop more strategic solutions for the future. *Toward Q2* and the Performance Management Framework drive the achievement of targets and resulting outcomes, and more broadly encourages greater sharing of information, ideas and a more collaborative approach to policy development.

Toward Q2 establishes a shared vision for all departments and assists in breaking down barriers and increasing collaboration between agencies to achieve innovative responses to meet the vision. In addition, collaboration can be improved by establishing a set of clear principles or guidelines that provide more flexible approaches on emerging opportunities and technology. A shared set of service delivery principles which provides guidance to departments is currently being developed in Queensland. These principles will provide agencies with guidance in developing and delivering services and promote innovation in this area.

Finally, the complexity of across jurisdictional responsibilities can create barriers and disincentives for innovation. Shared responsibility for outcomes which promote flexible practice could be developed, and processes which ensure citizens can meaningfully engage with this policy development and improved service delivery could be supported.

3.1.2 Workforce

The report on the Review of the National Innovation System, *Venturous Australia - building strength in innovation* identified some of the barriers to innovation within the public sector. That public sector innovation still often has a top down approach means that gaining the ideas of personnel across the public sector and consumers continues to be a barrier. The report proposes ways to address this through recommendations around advocates, and funding to progress innovation in policy and/or service delivery².

In addition to these options there needs to be mechanisms in place that reward innovative approaches. Within established boundaries where expectations are clearly articulated, employees need to feel safe to experiment, take risks and develop better ways of working. As such, agencies will benefit from finding a balance between appropriate risk management practices and flexibility in decision making to maximise efficiencies.

The public sector can learn from broader experience in the private sector around the effective use of staff engagement to innovate. There are some excellent examples on ways to develop staff engagement processes, many of which have effectively established a culture where staff know their good ideas are heard, and where appropriate or possible, ideas are implemented. This should also extend to using external input such as citizens' ideas for innovation to improve government.

The public sector must also address the barriers to innovation by actively creating a culture of workforce capability through:

- focussing on the recruitment of staff with the capacity to learn, create and grow

² *Venturous Australia - building strength in innovation*, August 2008
accessed at - <http://www.innovation.gov.au/innovationreview/Pages/home.aspx>

- actively developing the capability of staff through a broad range of mechanisms such as mentoring, performance development and active management, and establishing information sharing processes, including collaborative forums to discuss ideas, and
- supporting at the unit, branch and organisational level the presentation of ideas from anywhere.

3.1.3 Use of technology

To remain progressive government may need to examine how new technologies can continually be accessed within the workplace. The delay or prohibition in use of new technologies within the public service may limit innovation and it may be useful to examine ways to support use and manage risk. This could be done through policies rather than prohibition. For example, IT usage policies that manage access to Web 2.0 applications (such as Twitter, Facebook and YouTube) will increase the public service's capacity to consider these tools in policy and service delivery innovation.

The provision of IT platforms with different technological capacities can also be inhibited by the availability of technical support for such programs and by the tendency to provide programs that can only be easily operated by the average user (e.g. Vista over older window applications, Microsoft programs over alternatives such as Mozilla Firefox). The Australian Government Web 2.0 Taskforce is a positive step in utilising Web 2.0 technologies – however a shift in culture and reforms to agency communications/engagement policies may be required if it is to be embraced and put into practice.

3.2 Innovative culture in the public service

How can the Australian Public Service build a culture that takes a responsible but bold approach to risk, and a culture that accepts that there will be failures?

Many of the possible options identified to address the barriers in the previous section may assist to build an innovative culture within the public service. However, in addition to these options an organisation may need to ensure that senior leaders and managers promote open thinking and encourage identification and discussion of current issues and innovative approaches. Without significant leadership and support for innovation it may be difficult to instil any cultural change.

Organisations could also examine ways to build strong staff engagement processes to ensure that staff have a genuine sense that they can contribute to change within an organisation. This relies on messages from senior levels that innovation is supported, and action that demonstrates this. Such actions may include the public service:

- adopting a greater focus on building staff capability
- extending the focus of staff recruitment, including at the senior level, to creativity
- providing greater training/emphasis on risk management, rather than risk avoidance, and
- recognizing staff successes, even in project failures.

There are some easy ways to demonstrate support for staff innovation which can simply include rewarding through mechanisms such as temporary higher duties or a policy and/or service delivery innovation reward. Currently in Queensland the annual Premier's Awards showcase innovative policy and practice and recognise staff and organisational achievement.

Further, public servants could be encouraged to undertake a broad range of training and development (not just traditional courses) which puts them in touch with new ideas and concepts that may be out of the traditional public sector box (for example, technology or creative courses).

Other mechanisms that may be useful to develop an innovation culture include establishing a:

- system for receiving, analysing and implementing innovative ideas
- repository for 'lessons learned' to reduce the rate of implementation failure associated with innovative ideas

- framework that supports information sharing across agencies and levels of government, and
- change-agent/ideas consultant with specific areas of expertise to help filter out the good ideas from the bad.

There are a number of mechanisms to ensure this occurs. One way of enhancing the exchange of innovative ideas and practices within the work environment may be the use of innovation spaces. With the advent of the individualised computer and phasing out of lunchrooms in the public sector, informal meetings, ideas, and the exchange of information is not occurring as a natural course. Innovative spaces could be used to capture suggestions for improvements in the workplace (this can stimulate creativity and innovative thinking) and alleviate the possible isolation in the workplace due to the increasing use of technology.

Examining different ideas and considering business cases on improving the use of systems could enhance the innovative culture and appropriate safeguards can be established to manage the risks with these new systems. Importantly, the support for this would need to be throughout the organization with management supporting the use of things like Twitter for public consultation processes, a wiki to improve access to corporate knowledge within government, or making datasets available for application development by professional amateurs.

This approach could also be supported by a website and discussion board/blog that is dedicated to outlining areas of best practice. Public servants could submit case studies to be moderated and placed on the website (an example of a good practice database is the Australian Universities Quality Agency <http://www.auqa.edu.au/gp/>). Examples of international ideas could also be posted. Public servants could then discuss and debate the case studies and other new ideas on a discussion board or blog.

Finally, the public sector may need to develop in risk management. This would include establishing risk management as a mature strategic business function focussed on continuous improvement through formally and systemically capturing, embedding and rewarding innovations of process and quality, rather than on assuring a minimum predictable quality of product through compliance with standards.

3.3 Mechanisms to assist innovation

There are a range of possible mechanisms that could be used to assist innovation in the public sector, some of which are identified in the discussion paper. Do you have any comment on the suitability or priority of these or other mechanisms?

Appendix 2 of the *Advancing Public Sector Innovation* discussion paper includes good examples of mechanisms and practical tools that are each useful in promoting and securing the type of changed thinking and new behaviours required for innovation. The tools themselves are universally applicable to a range of challenges and they provide an appropriate toolbox of methods and approaches for public servants to draw upon as required, to improve processes or outcomes.

More specific comments are provided below on some of the mechanisms identified in the discussion paper.

- The incorporation of innovation in business plans and models is particularly supported, if done correctly. Business plans provide direction to an agency and should reflect the culture the agency wishes to create. It should be recognized that in some instances, traditional approaches, though not innovative, will provide the best solution to problems. The point of innovation is not creating the new and different for its own sake, but creating the best and most efficient solutions to problems. In developing potential solutions to a problem, time should be taken to develop innovation options alongside other options to come to the best solution.
- The case study approach is strongly supported. Sharing ideas and experiences is a key part of the creative process. To support this type of approach a 'bulletin or discussion portal' type of web based accessible chat room could be used where ideas can be placed on the virtual board

and open for discussion and comment before progressing to the testing stage. The web based portal could be accessible from anywhere in the country.

- The idea of 'bottom up innovation' is particularly encouraging. The greater the volume of ideas that are considered, the greater the chance of finding innovative solutions to problems. To this end, the work in the United States by President Obama to develop a system that allows any government worker to submit ideas for how their agency can save money and perform better is a positive approach.
- Pilots and experiments are a useful approach where the models are particularly new or innovative.
- The idea of safe havens/skunk works and innovation champions within agencies is also supported, although membership of the group would need to rotate to ensure fresh ideas are injected into the group.

Examining other approaches and gathering learnings to be applied to achieve innovation may also be a useful mechanism. For example, in the event of a disaster, employees are expected to cut through the red-tape to get the job done, and collaboration occurs as a natural course as time is of the essence. People will do a job if no one else is doing it, rather than say 'this is not my responsibility'. There are many learnings from disaster management models which could be applied to innovation in the public sector.

Within Queensland an excellent tool is the *BIIG Toolkit* developed and provided by the Queensland *Business Improvement in Government* (BIIG) network. BIIG is an interagency network in the Queensland Government that fosters sustainable business improvement practices across the public sector. BIIG supports capacity and capability building, business improvement, innovation and creativity through an innovative work program.

The *BIIG Toolkit* is a comprehensive online repository of tools, resources and information for best practice in improvement and innovation related activities. Developed by government for government, this practical and informative resource is a true innovation for the network. It is designed to support teams initiate improvement strategies across government and is one of a range of facilitative and developmental approaches adopted by BIIG, which could be used as a model for sharing knowledge.

3.4 Measuring innovation

Innovations in the public sector can bring significant consequences, both positive and negative. The public sector must be able to know, as early as possible, whether innovation will impact positively on productivity, the client experience, and intended outcomes. How can we measure, and how soon after implementation, the indications of success or failure?

An effective outcomes focus that includes evaluating performance in delivering outputs and how those outputs have impacted on desired outcomes is an important element in securing improvement. There is a significant amount of literature and numerous frameworks which provide guidance to evaluation of outcomes, and this information can be used for policy, program and service delivery approaches, including innovative approaches.

Literature generally identifies the need to develop a clear evaluation framework prior to implementing any project. This should include the collection of baseline data prior to commencing. This may be particularly important with innovative projects to ensure all outcomes and unintended consequences are identifiable and measurable. Importantly, in evaluating outcomes for innovative projects, this needs to be commensurate with the size and/or cost of the project. At times new projects within government, particularly those that may be considered innovative can attract extensive and costly evaluation beyond the scope of identified project outcomes.

Importantly, planning and identification of expectations at various points of a project must be established. Projects need to have short timeframes for delivery of components, with it clear how these are contributing to the long term outcome. These can be evaluated at various stages within the project to ensure it is on track or issues are rectified, and to support ongoing funding.

A useful resource is *The Public Innovator's Playbook: Nurturing bold ideas in government* (Harvard Kennedy School, ASH Institute for Democratic Governance and Innovation, www.innovations.harvard.edu) which outlines a system and establishes strategies for measuring and monitoring innovative ideas.

3.5 Examples of innovation

Can you identify exceptional or innovative approaches in the areas of policy development, program development or service where you work or interact with the public sector? Should they be applied more broadly? Please explain your view.

A number of Queensland public sector innovative case studies have been outlined in Attachment 1 of this submission. These are not exhaustive, representing input from a small number of Queensland Government departments. Further, the approaches within the case studies have been developed within the Queensland context and any broader application would need to consider the differing context. Nevertheless, it is anticipated that the small selection of case studies may provide learnings or ideas which can contribute to the outcomes of the project.

3.6 Working with citizens and across governments

We are particularly interested in how the public sector can work better with, and respond to the needs of citizens and how it can work across different tiers of government and across boundaries between different departments. Can you provide suggestions for how this could be achieved?

The Queensland Government is aware of the need to deliver effective policy and services which meet the needs of its citizens, and has been active in engaging with citizens to ensure they have a voice in innovative reforms. These have been broadly outlined in the section on QPS innovation, where government has used on-line and other feedback mechanisms to engage effectively with its citizens. The use of experts has also been a significant process, with strong links developed by government and departments with other governments, the private sector and academics. This is evident through the establishment of diverse advisory boards and significant reviews being undertaken by experts external to government to ensure rigorous and transparent assessment and innovative ideas.

It is expected that governments are likely to face an increasing number and complexity of policy and service demands and will need relatively inexpensive access to a range of expertise. While governments have long recognised the benefits of working with external expertise, rather than having all expertise in house, options such as web applications and open innovation concepts provide an opportunity to enable professionals throughout the community to contribute to policy development and deliver services. This could involve virtual policy communities, through to more technical concepts such as posting datasets publicly and inviting professional amateurs to develop useful applications from these data.

A useful approach to encourage innovative policy debate could be the establishment of online policy forums at departmental, state and inter-governmental levels. These forums could be used as appropriate to outline new ideas, debate existing policy issues and pose policy problems. Large private businesses, such as IBM, have used these facilities to foster virtual communities on areas of common interest across organisational structures, hierarchies and geographical areas. Users are able to sign up to the various communities and are alerted when new posts are made. It can become a tool for integrated blue sky thinking as well as practical and specific problem solving. This kind of tool might prove particularly useful in agencies, allowing workgroups from different parts of a department to connect around common policy topics.

As already identified, creating improved opportunities for public sector officers across different jurisdictions to share knowledge and particularly, successful ways of doing business would be valuable. At present, information sharing often only occurs through existing networks, or via publicly available material which misses many opportunities for different jurisdictions to learn from successes (and failures) in other areas of the public service.

While technology and information sharing is certainly a significant mechanism in leading engagement, governments may also need to make improvements in engaging the customer directly in redesigning services. The mature form of this approach is 'experience-based co-design' methodology where service redesign is directed almost entirely to improving customer experience using actual customers to inform the process throughout. The customer voice also serves as a powerful way to break down artificial barriers put up by different agencies or areas. It is recognised that this level of engagement with citizens will bring greater innovation and productivity in service delivery.

Other ways to work with citizens and other sectors can include mechanisms such as:

- formal mechanisms which regularly obtain feedback and advice directly from service recipients
- engaging customer advocates on agencies' boards of management
- regular consultation between agency executives and customer representative groups, including through broader improvements in stakeholder engagement
- establishing service charters with transparent public reporting of performance against indicators expressed in the charters, and
- constantly seeking opportunities to partner with other agencies providing services to the same recipients, to improve recipients' ease of access to those services.

3.7 Priorities for innovation in the Australian Public Service

There are many ways innovation can be fostered or embedded in the public sector. Resources, however, are always limited. Attention must be given to those that will achieve the most and with as little cost as possible. What are your three top priorities for making the Australian Public Service more innovative?

Many of the ideas presented in this submission may assist the Australian Government in fostering and embedding innovation. While the Queensland Government considers that the Australian Government is best placed to consider innovation options and prioritise according to their own key drivers, there are some critical factors that may need consideration. Cultural change which reframes the public sector to constantly search for better, more effective ways to identify and satisfy public needs (as defined by the public) is essential to innovation. This requires increased capability within the public sector, support for staff to use innovation or suggest improvements, and engaging with citizens in any redesign.

3.8 Cost and productivity

Successful innovations can decrease cost and increase the productivity of government services, but this is not automatic. Some innovations will lead to better services without reducing government expenditure (they may even increase costs). This may even act as a disincentive for agencies to innovate. How can this tension be managed?

A key to managing the tensions between innovation and cost is the use of planning and evaluating. The key driver for any reform must be clear at the outset and an organisation must determine what costs it may support for what benefits and outcomes. Importantly, where innovation appears more costly than an organisation is prepared to support, alternative innovative approaches, which are low cost, may be considered.

Queensland Public Sector - Case Studies

1. Innovation in Service Delivery

1.1 Queensland Primary Industries and Fisheries Innovative Service Delivery

Queensland Primary Industries and Fisheries (QPIF), as part of the Department of Employment, Economic Development and Innovation, is continuing to focus on innovative solutions to enhance service delivery. During recent consultation clients have made it clear that they want better access to QPIF services and that they have different expectations of what those services will entail.

To meet these expectations QPIF must achieve the right mix of traditional service delivery methods and more targeted modern approaches, with strong industry relationships and personal contact remaining priorities. QPIF is redesigning its service delivery operations based around market segmentation, better client needs analysis and harnessing the wave of telecommunications advances and market innovation now available. This will see a shift from a service-only approach to a client-centric approach, with an emphasis on meeting the needs of individual clients in ways more relevant to their business growth and use of technology.

Resources will be directed into upgrading the capacity of QPIF's service delivery teams to research, analyse and design new services for key market segments. The use of agri-economic zones based on climate and enterprise type is fundamental to the delivery of this new integrated service delivery framework. Priorities will be developed for each zone focusing on market opportunities, pest and disease risk, infrastructure development, sustainable use of available natural resources, the impact of climate change and areas of greatest growth potential. Services will be delivered in partnership with other providers and tailored to meet the needs of different client segments.

Service delivery teams will provide a range of services, but will have the knowledge and expertise required to meet client needs in that particular zone. These teams will utilise needs analysis, targeted information, on-line business analysis tools, streaming of on-line discussion groups and other technological advances supported by traditional service delivery channels.

Technology is opening up a new vista of opportunity for service delivery. A new Centre for Agribusiness Service Innovation will be established by QPIF to harness these technological developments to underpin the delivery of services in these zones and provide leadership to industry and QPIF to maximise take-up. The department will be delivering on the 2009 election commitment to have 50 per cent of services online by 2012.

Advancements in IT and communication tools will enable QPIF to 'deliver' the service to where it is required. The 'travelling office' is a key component of the new framework, where staff will be provided with enhanced communication and IT tools to enable them to continue to move around large areas of the state as part of a 'mobile service unit'. Since June 2008, QPIF's mobile office has been touring Queensland providing primary producers with access to products and services that might not be available in their area. During these visits, producers can talk face to face with QPIF officers about relevant issues and access services.

1.2 Logan Beenleigh Young Person's Project

The Logan Beenleigh Young Person's Project is a five year social inclusion project aimed at young parents and pregnant teenagers, and young people with mental illnesses – particularly those with multiple issues and complex support needs. This project was recently highlighted as a best practice case study in a report by the Cabinet Office Strategy Unit of the United Kingdom (UK) Government³.

³ Cabinet Office, Strategy Unit, United Kingdom Government, Power in People's Hands: Learnings from the World's Best Public Services

The aim of the project is to improve the quality of life of these young people through improving parenting and self-care skills, employability as well as their support networks. In order to do this, a new coordination service, The Next Step, was created to join up government and non-government service provision, with lead professionals drawn from existing agencies to provide intensive support to clients to an agreed plan. Local Solutions Forums were also established to discuss emerging issues and strengthen collaboration around preventative activity.

The project commenced in July 2008 and will run for five years to July 2013. An evaluation team has been part of the project from the start. Adopting a continuous improvement approach, part of the evaluation brief is to identify and support resolution of barriers to project success. It will also report on the extent to which client outcomes improve, service system changes are achieved as well as cost effectiveness of the project.

The Queensland Government has recently funded a trial project aiming to replicate the successful core elements of this project in supporting improved response to domestic and family violence issues in Central Queensland.

1.3 Child Safety Awareness Project

The 'Being Safety Smart' educative resource, part of the Child Safety Awareness Project, is a multi-stage computer game targeting preschool and lower primary school children on the theme of child safety. The game focuses on how children may live and play safely within an urban community environment where they might encounter adults or others who may abduct and/or sexually victimise them. It involves children negotiating through situations which might impact on their physical and emotional well being. The program then offers the child player colourfully reinforcing safety and protective themes. The resource 'Being Safety Smart' was launched in schools in October 2008.

The Child Safety Awareness Project was developed by the Queensland Police Service, with the Crime and Misconduct Commission, Education Queensland, the Department of Child Safety and the local regional University of the Sunshine Coast (USC). As the project evolved the Daniel Morcombe Foundation was also engaged to contribute to the marketing of this anti child abduction resource.

To embed the Child Safety Awareness programme in schools a strong involvement was sought from Education Queensland to maximise access for those children isolated both socially and geographically from sexual abuse prevention education and support.

The Child Safety Awareness Project is multi-disciplinary, including psychologists, social workers, educationalists, and developers and including staff from USC, QPS, and Education Queensland. Crucial to the Queensland Police Service's success in this project was a partnership with researchers at USC.

1.4 Barambah Community Support Project

The Barambah Community Support Project is an initiative of the Queensland Police Service and the South Burnett Community Training Centre (SBCTC). The project is managed through a committee with representation from these organisations and the local Indigenous community of Cherbourg.

The project's goal is to reduce the number of Aboriginal people coming into contact with the criminal justice system by providing support through negotiated fine repayments, increased access to information about the effects of drug and alcohol misuse, and increased supervision of drug and alcohol free activities for Cherbourg's young people.

The project employs Indigenous community members to assist Murgon Police to observe and support 'at risk' prisoners, held in custody at the Murgon Watchhouse, in line with the recommendations of the Royal Commission on Aboriginal Deaths in Custody. Community Support Officers assist by:

- observation of and conversation with watchhouse detainees

- support with contacting relatives, partners or friends of their whereabouts
- support with collecting meals or clothing if they are being held for a period of time until court appearances and/or are being transferred to prison
- providing educational, awareness and recreational programs
- supporting people with Centrelink fine repayments
- information, support and referral for medical assistance including filling prescriptions, and
- information and support with drug and alcohol harm minimisation.

1.5 Mount Isa Police District Liquor Accord

The Queensland Police Service in Mt Isa identified that a holistic approach was needed with regard to liquor enforcement within the district. It was identified that broader stakeholders had limited knowledge of liquor licensing legislation and issues, and that licensees had limited understanding of responsible service of alcohol policies, resulting in an increased number of liquor related offences and assaults. Numerous complaints were being received from the local council and businesses in relation to the increase in offences.

A project was established to address liquor related crime prevention and increase the awareness of liquor related legislation amongst all stakeholders within the community. A variety of government departments including the Queensland Police Service, the Office of Gaming, Liquor and Racing and the local council were involved.

A divisional guide to liquor enforcement was established and aimed at educating all stakeholders on liquor related issues. As a result of this project, a District Liquor Accord was established providing a forum for all relevant stakeholders to participate and address liquor related issues. The creation of the accord was accompanied by a media campaign.

This project provides an example of the different sectors working in partnership with each other and using innovation to address community problems. It has successfully decreased liquor related offences within the district and provided education across the sector and in the community on liquor issues. In the future the initiative will be implemented across the state.

2. Innovation in External Stakeholder Engagement

2.1 The Roads Alliance

The Roads Alliance is an alliance between the Local Government Association of Queensland, the Department of Transport and Main Roads and local governments to deliver a coordinated government approach to planning and management of the roads across the state.

The Roads Alliance was established in August 2002 and is based on 19 council groups representatives, Regional Road Groups (RRGs), deciding road priorities and funding priorities at a regional level. Each group is supported by a Technical Committee which makes recommendations.

This approach shifts emphasis from a 'road ownership' to a network-function approach to achieve best network outcomes through improved planning, better purchasing, resource sharing and investing to improve delivery-capacity, all of which serve to make the best use of available dollars. It also sets longer term road investment strategies, takes a flexible approach, recognising that no one size fits all, and has a network approach to sustainable employment in rural and remote areas.

Some of the critical learnings of the program include:

- the need for high-level commitment to an agreed governance structure, a clear vision outlined in a *Memorandum of Agreement* and a set of guiding principles
- a relational approach requires commitment to invest time and resources in establishing and embedding arrangements over a period of time

- collective planning, open and integrated decision-making and aggregation of resources significantly improves network investment outcomes, and
- piloting initiatives with appropriate support has helped to test implementation approaches, generate reference sites and credible champions among the stakeholders themselves.

The Roads Alliance has gained national recognition as leading the way through extensive collaboration, capability building and engagement to develop an innovative model for smarter delivery and management of Queensland's road network. Importantly it has resulted in:

- a robust mechanism that enables communities themselves build better cases for road funding and strengthening of local governments' role in regional decision-making and economic development
- a coordinated asset-management system and uniform arrangements for collecting, analysing and reporting data on the state's road assets supporting better investment decisions
- increased efficiency in delivery through cessation of capability and capacity duplications and gaps, and resource sharing and group purchasing, producing better value in planning, design, construction and maintenance
- funding certainty and longer-term commitment through a rolling four-year works program
- capacity building in the department's districts and local governments through knowledge sharing and experience, and
- improved skill-base and capability contributing to the sustainability of rural and regional communities.

2.2 Development of the Australian Institute of Commercialisation

The Australian Institute of Commercialisation (AIC) was established by the Queensland Government to work with Australian industry, research organisations and governments to create high-value jobs, exports, and wealth by taking innovative ideas to market. The AIC provides innovation and collaboration services that help organisations grow and help public sector agencies access, diffuse and manage their intellectual property.

2.3 Dialogue for Action

During 2007–08, QPIF conducted 13 'Dialogue for Action' forums with its external stakeholders to proactively seek valuable independent observations and perspectives on emerging critical and sensitive issues. These forums are used to engage with industry groups, producers, government representatives, academia and the community to identify and address key issues impacting on performance, profitability and sustainability of primary industries in Queensland.

A range of issues were discussed during 2007–08 including areas such as: responses to the equine influenza crisis and Central Queensland floods; the Australian Government's Emissions Trading Scheme; the development of the organic agriculture industry; drought relief; rural skills, training and labour shortages; and supply chain analysis for the seafood industry.

At each forum, action plans were developed and form the basis for driving future performance. In 2008–09, follow-up forums were held as required to discuss progress against action plans, with the Minister and Director-General personally participating in as many forums as possible. Major stakeholders have expressed great satisfaction with the processes used and the opportunity to participate in the 'Dialogue for Action' forums.

3. Innovation in Staff Engagement

3.1 Transformational Leadership Pilot Projects

The PSC has commenced two pilot projects with two government departments, the Department of Communities and Queensland Health, to improve service delivery using a staff engagement methodology. A change agent leads the process and seeks to capture the creativity and innovation

of staff to improve the efficiency and effectiveness of government business practices and service delivery. The PSC undertakes a critical observer and advisor role, looking at the intervention as a potential example of good practice through the use of people orientated leadership.

The pilot project with the Department of Communities has focused on the Accommodation Support and Respite Services, which provide services to people with a disability, in the region of Maryborough. The project was established to address specific issues regarding management and functioning of the service centre. In this project there was a clear vision articulated at the outset and strong, clear and regular communication to keep stakeholders informed and involved. The change agent provided strong, clear leadership and rectified the business, people and governance issues and processes which were identified through staff forums and desktop audits. Overall, there has been significant change and improvement of the cultural within the service, and increased staff engagement.

The project with Queensland Health has focused on Patient Food Services, within the Royal Brisbane & Women's Hospital. There was no immediate catalyst for change, but rather scope identified for service enhancements and greater involvement of staff in decision-making and innovation within the inpatient food services function. A number of consultations have been undertaken with staff to identify key areas for potential improvement. A change agent is working with staff on how ways to implement ideas identified during the consultations.

The PSC intends to promote the knowledge and learnings gained from the engagement pilot projects for potential use across the Queensland Public Service to achieve innovation, organisational reform and business improvements.

To support agencies in developing innovation the PSC has developed ten principles. The principles, provided as Appendix 2 of this submission, identify elements that are required in agencies in order to achieve innovation in the work environment.

3.2 Public Sector Rewards for Creating Commercially Valuable Intellectual Property

The Queensland Government has endorsed a directive that Queensland Government agencies can pay an agreed amount to public sector employees who create Intellectual Property that is successfully commercialised. The amount is up to a maximum of \$100,000 per employee over five years or \$500,000 per team of employees over five years once a number of criteria are met. The Queensland Government is currently undertaking a review of this directive which will include consulting across Queensland agencies.

3.3 Queensland Primary Industries and Fisheries Chatline and Blog

Queensland Primary Industries and Fisheries has fostered direct discussion and debate on hot and key issues through an Assistant Director-General chatline and blog. Using the blog, thought-provoking issues can be posted and any staff member from throughout the state can post their reactions and ideas to the issues and concepts outlined. Staff are able to interact with senior management and put forward their thoughts and strategies from their perspective. The chatline enables staff to anonymously ask the Associate Director-General about internal or external issues, with responses posted on the intranet so other staff can access the collection of responses.

4. Innovation in Business Processes

4.1 Innovation Measurement Framework

The Innovation Measurement Framework was developed due to an identified need for more detailed and meaningful performance data. It will assist as a policy development tool as well as provide activity measures for Queensland Government budgets and reports. The Innovation Measurement Framework provides a matrix to indicate innovative activity in the Queensland economy, common performance indicators to be used to measure outputs and outcomes from Queensland Government funding agreements and sectoral level growth and activity measures.

4.2 Queensland Government Intellectual Property Register

The Queensland Government has established the Queensland Government Intellectual Property (IP) Register, a searchable database which can be accessed by both the government and community to seek out intellectual property which the Queensland Government owns or has developed. This initiative is believed to be the only Government IP Register in the world. The Queensland Government IP Register is currently being populated by each of the departments of the Queensland Government (and other relevant stakeholders) and is updated on a regular basis.

Principles for Developing Innovation in a Work Environment

1. Ideas come from anywhere - staff input, ideas and suggestions are highly valued and respected
2. Leaders set clear vision - staff know what is going on, what are the priorities and the future directions of the organisation
3. Effective innovation may start small, it can be simple and focussed and while it may not be instant perfection, creativity, experimenting, risk taking and continuous improvement are fundamental features of the workplace
4. Innovation comes from challenging the status quo and actively seeking out new ideas and information
5. Staff have faith and trust in the organisation, the leaders, managers and supervisors to be receptive to their suggestions and to action and take forward ideas that add value to the organisation
6. Decision making is open and transparent – it is not necessarily consensus decision making. Honest feedback is actively and constructively provided.
7. Innovation is rewarded – staff feel valued with achievements recognised, celebrated and valued
8. Organisational culture is inclusive, solutions focussed and not blame oriented with results owned by staff
9. Working in partnership and collaboration with stakeholders are fundamental modes of operating
10. Staff at all levels strive for individual and collective excellence in everything they do