

# Evidence Based Policy Research Project

## Media Statement

5 October 2018

**new**DEMOCRACY

**Media Release:**

Embargoed until 6pm, Friday 5<sup>th</sup> October 2018

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## **New research shows Right and Left can agree on good policy making**

Independent research funded by a former Secretary of the NSW Treasury (Percy Allan), EY and the Susan McKinnon Foundation, and undertaken by two normally 'opposed' think tanks has found common ground on what is good policy making in Australia.

After reviewing the findings, the research project's Steering Committee - which includes ASX company chairman Glenn Barnes and social services advocates - called on major political parties to publicly commit to applying evidence-based and inclusive engagement processes when making major policy decisions in government.

The newDemocracy Foundation (nDF) researches how we can 'do democracy better'. In commissioning the project, its Executive Director, Iain Walker, commented:

*"Evidence-based policy making is a phrase everyone likes to use with no agreed standard of what it actually is. If we can have parties agree some basic standards in the policy process, then we are one step closer to being able to make more widely trusted decisions at all levels of government."*

The research was conducted by the Institute of Public Affairs (IPA), a self-described 'free-market' think tank identified with the Right of politics, and Per Capita Australia, a self-labelled 'progressive' think tank identified with the Left.

Each organisation separately benchmarked the same 20 federal and state government policies against ten steps that good decision making should follow according to Professor Kenneth Wiltshire AO, the J. D. Story Professor of Public Administration at the University of Queensland Business School.

The Wiltshire criteria focus on good process, not results, because the net fiscal, social, economic and environmental impact of a policy may not be known for a long time. The think tank reports' findings involve judgements only about process, not policy.

In six cases the think tanks ratings suggest a solid process had been followed by the governments involved, rather than being reactive and ad hoc as often perceived by the public.

In four cases the ratings were well below par. In the balance of cases the process quality was mixed.

There was joint agreement that the policies that came closest to best-practice decision making processes were legalising Uber in Queensland, voluntary assisted dying legislation in Victoria, criminal justice reforms in NSW and access to medical cannabis legislation in Victoria.

The projects funders offered common reasons for wanting to pursue the project:

*"The Susan McKinnon Foundation believes that by improving the process of decision making on Australia's most critical issues we can improve long-term outcomes for our country. This project is a step towards quantifying and benchmarking good policy process. It shines a light on how often our governments are failing to undertake critical steps in a rigorous evidence-based and consultative*

*decision-making process. We need greater accountability and transparency in our policy system to deliver better outcomes for Australians and restore trust in our democracy.”*

*Professor Percy Allan AM: “Governments lose support because of half-baked policies foisted onto an unwitting public which provokes a backlash. A more productive and popular path is to target real community needs through fact-gathering and citizen-input when crafting a policy. That removes the element of surprise and wins consensus. Good policy process is also good politics.”*

The research project’s Steering Committee<sup>1</sup> noted the main findings of the two think tanks were:

**Excellent Process:**

- Vic Voluntary Assisted Dying Law 2017 (Average rating 9/10)
- Qld Legalising Ride-sharing Apps (Average rating 9/10)

**Sound Process**

- NSW Criminal Justice Reforms (Average rating 8.5/10)
- Vic Access to Medical Cannabis Law 2016 (Average rating 8/10)

**Acceptable Process**

- Fed Electoral Amendment Act 2016 (Average rating 7.5/10)
- NSW Greyhound Racing Laws 2016 & 2017 (Average rating 7.0/10)

**Unacceptable Process**

- Fed Creation of ‘Home Affairs’ Dept. (Average rating 2.0/10)
- Fed Marriage Law Postal Survey (Average rating 2.5/10)
- NSW Local Council Mergers (Average rating 2.5/10)
- Queensland Vegetation Management Laws 2018 (Average rating 2.5/10)

The think tanks’ yes/no scores on the ten Wiltshire criteria were remarkably similar in 18 of the 20 case studies. This suggests that Australians might agree on the process they want governments to follow in making policies especially where they are costly or contentious.

The two case studies with less than 80% identical scoring were the Federal National Energy Guarantee and the Federal Marriage Law Postal Vote. However, each think tank’s total rating for each of these case studies was similar, even though their reasoning differed.

There was clear agreement that there was most scope for improvement in government decision-making by using cost/benefit analysis, designing a rollout plan in conjunction with a policy statement and issuing a Green Paper to elicit public feedback before announcing a policy decision in a White paper.

Professor Wiltshire from the University of Queensland, the author of the project’s benchmarking methodology which was originally created in 2012 in conjunction with the Institute of Public Administration Australia (IPAA), added:

*“My 35 years of research suggest that good policy processes result in better outcomes than decisions made without a strong evidence base and close consultation with stakeholders.”*

Simon Breheny, Director of Policy at The Institute of Public Affairs (IPA) noted:

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<sup>1</sup> Disclaimer: Professor Percy Allan exempted himself from consideration of the NSW local council mergers and the greyhound racing legislation case studies because of a professional conflict of interest.

*“The Institute of Public Affairs was proud to participate in this project alongside Per Capita. In an era of declining public trust in politicians, democracy and institutions, it is essential now more than ever that policymaking is undertaken in a thorough and consultative manner. Good policy process – from actually undertaking cost-benefit analysis to having a detailed plan for how a policy will be rolled out – is not a left-right issue; it is an issue of basic competency.”*

*“While values and principles are paramount to decide what direction policymaking should take, if not combined with careful analysis of the problem and gathering of diverse knowledge, outcomes can be dire. We have found that far too often decisions are being made on the fly without proper process, and the Australian people are suffering the consequences.”*

Emma Dawson, Executive Director of Per Capita Australia stated:

*“Per Capita was pleased to participate in the project, alongside the Institute of Public Affairs. Our assessment of the selected policies against the agreed criteria revealed the importance of taking a rigorous and consultative approach to policy development and implementation at all levels of government.*

*“While no policy analysis can be completely free of ideological perspective, this project demonstrates that there are several elements that should be common to all well-conceived and implemented policies if they are to efficiently and effectively serve the public interest.”*

**After the end of the embargo period, a copy of this media statement together with both the IPA and Per Capita reports can be downloaded from the newDemocracy Foundation website:**

**<https://www.newdemocracy.com.au/our-work/477-evidence-based-policy>**

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**Media enquiries:**

Professor Percy Allan AM, Chair, EBP Research Project Steering Committee - Telephone: 02 9810 6346 or Mobile: 0411 727 331 or Email: [p.allan@bigpond.net.au](mailto:p.allan@bigpond.net.au)

Simon Breheny, Director of Policy, Institute of Public Affairs (IPA) - Telephone: 03 96004744 or Mobile: 0400 967 382 or Email: [SBreheny@ipa.org.au](mailto:SBreheny@ipa.org.au)

Emma Dawson, Executive Director, Per Capita Australia - Telephone: 03 83190192 or Mobile: 0400 372 738 or Email: [e.dawson@percapita.org.au](mailto:e.dawson@percapita.org.au)

Iain Walker, Executive Director, The newDemocracy Foundation, Tel: 0412 544 116 or Mobile: 0412 544 116 or Email: [iain.walker@newdemocracy.com.au](mailto:iain.walker@newdemocracy.com.au)

## Appendix 1: FAQ

- *How can I see the full report?*

The common research methodology used and the separate findings of each think tank are summarised in Appendix 1-3 of this media release.

The two think tank research reports can be downloaded at <https://www.newdemocracy.com.au/our-work/477-evidence-based-policy>

- *What are the Wiltshire criteria?*

The Wiltshire criteria can be found in Appendix 3.

Using these criteria the think tanks each asked the following questions of each public policy to score the number of Yes answers out a possible 10:

- 1. Need**  
Is there a statement of why the policy was needed based on factual evidence and stakeholder input?
- 2. Objectives**  
Is there a statement of the policy's objectives couched in terms of the public interest?
- 3. Options**  
Is there a description of the alternative policy options considered before the preferred one was adopted?
- 4. Mechanisms**  
Is there a disclosure of the alternative ways considered for implementing the chosen policy?
- 5. Analysis**  
Is there a published analysis of the pros/cons and benefits/costs of the alternative options/mechanisms considered in 3 and 4?
- 6. Pathway**  
Is there evidence that a comprehensive project management plan was designed for the policy's rollout?
- 7. Consultation**  
Was there further consultation with affected stakeholders after the preferred policy was announced?
- 8. Papers**  
Was there (a) a green paper seeking public input on possible policy options and (b) a white paper explaining the final policy decision?
- 9. Legislation**  
Was there legislation and adequate Parliamentary debate on the proposed policy initiative?

## 10. Communication

Is there an online official media release that explains the final policy in simple, clear and factual terms?

Source: Questions derived from the Wiltshire ten-point criteria and approved by Professor Kenneth Wiltshire AO.

- *Where did this project originate?*

The research project's Steering Committee was self-selected from a newDemocracy forum of over 100 opinion leaders held in Melbourne and Sydney in the last year. Participants were asked to work together to answer what could be tried to restore trust in public decision making.

A similar benchmarking study (confined to the federal government) was done in 2012 by the Institute of Public Administration Australia (IPAA) when Professor Allan was its National President. Professor Allan proposed to this forum that the exercise should be revived on an annual basis and extended to state governments.

## Appendix 2 - Summary of Project Findings

### Think Tanks' Draft Report Rating Scores on 20 Case Studies

Good Practices	Clearly show public need		State public interest goals		Review policy options		Review ways & means		Do cost-benefit analysis		Design policy rollout plan		Further consult stakeholders		Issue green/white papers		Table bill & debate		Clearly relay final policy		Total Yeses	
	Think Tanks	IPA	PC	IPA	PC	IPA	P C	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	
FED: Electoral Amendment Act 2016	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y			Y	Y	Y	Y	7	8
FED: Marriage Law Postal Survey			Y					Y					Y						Y	Y	3	2
FED: National Energy Guarantee	Y	Y	Y	Y	Y		Y	Y			Y	Y	Y		Y				Y	Y	7	6
FED: Enterprise Tax Plan (Companytax cuts)	Y	Y	Y	Y					Y	Y							Y	Y	Y	Y	5	5
FED: Future Submarine Program	Y	Y	Y	Y	Y	Y	Y	Y							Y	Y			Y	Y	6	6
FED: Abolition & and Replacement of the 457 Visa	Y	Y	Y	Y							Y	Y	Y	Y					Y	Y	5	5

Good Practices	Clearly show public need		State public interest goals		Review policy options		Review ways & means		Do cost-benefit analysis		Design policy rollout plan		Further consult stakeholders		Issue green/white papers		Table bill & debate		Clearly relay final policy		Total Yeses	
	IPA	PC	IPA	PC	IPA	P C	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC
FED: Broadcasting Reform Law 2017	Y	Y			Y	Y	Y										Y	Y	Y	Y	5	4
FED: Creation of 'Home Affairs' Dept.			Y	Y															Y	Y	2	2
NSW: Fire & Emergency Services Levy	Y	Y	Y		Y	Y	Y	Y									Y	Y			5	4
NSW: Criminal Justice Reforms	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y		Y	Y	Y	Y	9	8
NSW: Greyhound Racing Laws 2016 & 2017	Y	Y			Y				Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	7	7
NSW: Local Council Mergers	Y	Y											Y						Y	Y	3	2
VIC: Voluntary Assisted Dying Law 2017	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	9	9
VIC: Aboriginal Victorians' Treaty Process		Y	Y	Y		Y	Y	Y	Y				Y	Y			Y	Y	Y	Y	5	7



Good Practices	Clearly show public need		State public interest goals		Review policy options		Review ways & means		Do cost-benefit analysis		Design policy rollout plan		Further consult stakeholders		Issue green/white papers		Table bill & debate		Clearly relay final policy		Total Yeses	
	IPA	PC	IPA	PC	IPA	P C	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC
Law 2018																						
VIC: Access to Medicinal Cannabis Law 2016	Y	Y	Y	Y		Y	Y	Y	Y		Y	Y	Y	Y		Y	Y	Y	Y	7	9	
VIC: Climate Change Law 2017	Y	Y	Y	Y	Y	Y				Y						Y	Y	Y	Y	5	6	
QLD: Legalising Ride-Sharing Apps (e.g. Uber)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	9	9	
QLD: North Queensland Stadium		Y		Y	Y	Y	Y	Y	Y									Y	Y	3	5	
QLD: Tackling Alcohol-Fuelled Violence Law		Y	Y	Y			Y	Y					Y			Y	Y	Y	Y	4	6	
QLD: Vegetation Management Laws 2018		Y														Y	Y	Y	Y	2	3	

**Legend: Y = Yes, otherwise No.**

**IPA = Institute of Public Affairs**

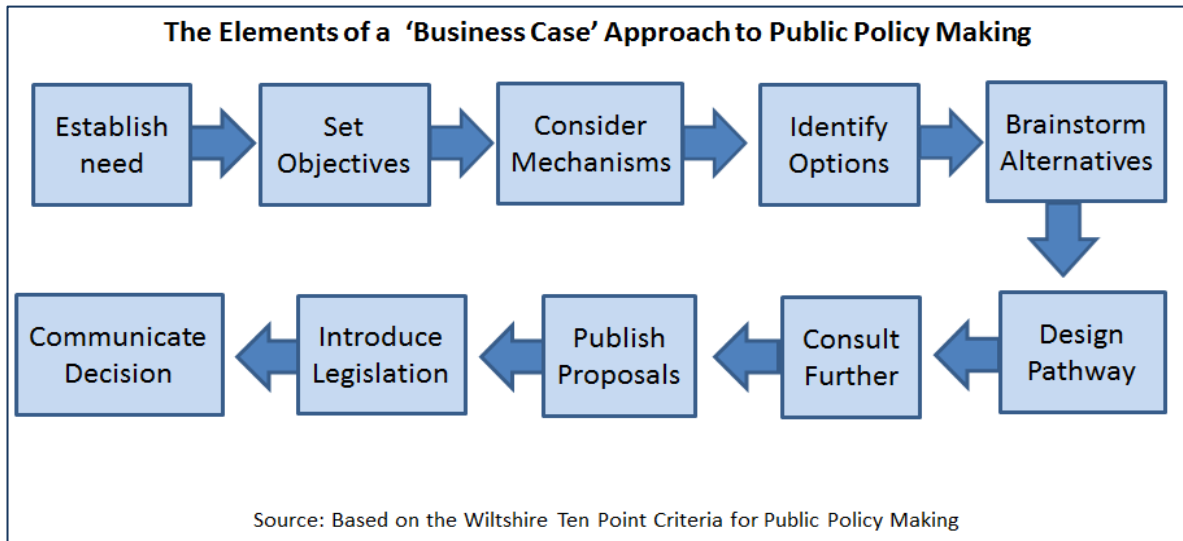
**PC = Per Capita**

Sources:

- IPA, *Evidence Based Policy Research Project - 20 Case Studies*, A Report Commissioned by the Evidence-Based Policy Research Project facilitated by the newDemocracy Foundation, September 2018 (Principal author: Matthew Lesh, Research Fellow).
- Per Capita, *Evidence Based Policy Analysis - 20 case Studies*, A Report Commissioned by the Evidence-Based Policy Research Project facilitated by the newDemocracy Foundation, September 2018 (Principal author, Abigail Lewis, Research Associate).

## Appendix 3 – The Wiltshire Criteria

Based on an article for the Committee for the Economic Development of Australia (CEDA) by Professor Kenneth Wiltshire AO of the University of Queensland Business School, the essential elements involved in developing a business case in a public policy context can be stated as follows:



### Ten Criteria for a Public Policy Business Case

1. **Establish Need:** Identify a demonstrable need for the policy, based on hard evidence and consultation with all the stakeholders involved, particularly interest groups who will be affected. ('Hard evidence' in this context means both quantifying tangible and intangible knowledge, for instance the actual condition of a road as well as people's view of that condition so as to identify any perception gaps).
2. **Set Objectives:** Outline the public interest parameters of the proposed policy and clearly establish its objectives. For example interpreting public interest as 'the greatest good for the greatest number' or 'helping those who can't help themselves'.
3. **Identify Options:** Identify alternative approaches to the design of the policy, preferably with international comparisons where feasible. Engage in realistic costings of key alternative approaches.
4. **Consider Mechanisms:** Consider implementation choices along a full spectrum from incentives to coercion.
5. **Brainstorm Alternatives:** Consider the pros and cons of each option and mechanism. Subject all key alternatives to a rigorous cost-benefit analysis. For major policy initiatives (over \$100 million), require a Productivity Commission analysis.
6. **Design Pathway:** Develop a complete policy design framework including principles, goals, delivery mechanisms, program or project management, implementation process and phases, performance measures, ongoing evaluation mechanisms and reporting requirements, oversight and audit arrangements, and a review process ideally with a sunset clause.
7. **Consult Further:** Undertake further consultation with key affected stakeholders of the policy initiative.
8. **Publish Proposals:** Produce a Green and then a White paper for public feedback and final consultation purposes and to explain complex issues and processes.
9. **Introduce Legislation:** Develop legislation and allow for comprehensive parliamentary debate especially in committee, and also intergovernmental discussion where necessary.
10. **Communicate Decision:** Design and implement a clear, simple, and inexpensive communication strategy based on information not propaganda, regarding the new policy initiative.

Source: Institute of Public Administration Australia (IPAA), *Public Policy Drift - Why governments must replace 'policy on the run' and 'policy by fiat' with a 'business case' approach to gain public confidence*, April 2012, page viii.

## **Appendix 4 – Project Acknowledgements**

### **Project Sponsor:**

Iain Walker, Executive Director, newDemocracy Foundation.

### **Project Steering Committee:**

Professor Percy Allan AM, Chair of the Steering Committee.<sup>i</sup>

Glenn Barnes, Chairman of Ansell Limited and Non-Executive Director of the Sydney Children’s Hospital Foundation.

Peter Doukas, Chair of the Ethnic Communities’ Council of NSW and Managing Director of law firm Denison Toyer.

Verity Firth, Executive Director of Social Justice for the Centre for Social Justice and Inclusion, University of Technology Sydney (UTS).

Janice Lee, Director, Infrastructure Advisory, EY who replaced Peter Crone, Chief Economist, EY after he became Principal Adviser to the Australian Treasurer.

Sam Mellett, Director of the Susan McKinnon Foundation which sponsors research into bold new solutions to entrenched problems.

Kirsty Nowlan, Executive Director of Strategic Engagement, Research, and Advocacy at the Benevolent Society.

### **Project Editorial Panel:**

Dr Kenneth Wiltshire AO, J.D. Story Professor of Public Administration at the University of Queensland and author of several books on public administration.

Percy Allan AM, Principal, Percy Allan & Associates Pty Ltd, a public policy consultancy, and Visiting Professor, Macquarie Graduate School of Management.<sup>ii</sup>

Martin Stewart-Weeks, Principal, Public Purpose, an independent advisory practice working at the intersection of government, policy, technology and innovation.

### **Financial Sponsors**

EY: <https://www.ey.com/au/en/services/advisory>

Susan McKinnon Foundation: <http://www.susanmckinnon.org.au/>

Percy Allan AM: <http://www.percyallan.com.au/>

### **Independent Think Tanks**

Emma Dawson, Executive Director and Abigail Lewis, Research Associate, Per Capita Australia, a progressive think tank.

Simon Breheny, Director of Policy and Matthew Lesh, Research Fellow, Institute of Public Affairs Australia (IPA), a free-market think tank.

### **Other Thanks**

Professor Peter Shergold AC, National President, Institute of Public Administration Australia for permitting reproduction of charts from the IPAA publication *Public Policy Drift*, 2012.

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<sup>i</sup> Disclaimer: Professor Percy Allan exempted himself from consideration of the NSW local council mergers and the greyhound racing ban case studies due to a professional conflict of interest.

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