

Evidence Based Policy Research Project

Media Statement

14 November 2021

Evidence-Based Policy Research Project

(A not-for-profit association incorporated in NSW)



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Embargoed until 6pm, Sunday 14 November 2021

Latest Findings on Quality of Federal and State Government Decision Making

For the fourth year running, independent research undertaken by two philosophically opposed Right and Left think tanks finds that basic standards of evidence and consultation-based policy making are only loosely followed by Australian federal and state governments. Unfortunately, there was a deterioration in 2021 on the 2020 results (which included bushfire and Covid-19 ‘emergency’ measures) bringing the findings more into line with those of 2019 and 2018.

Averaging the two think tanks total scores out of a possible 10.0 for each of twenty case studies this year shows that six cases received solid scores (between 7.0 and 8.5) while five got unacceptable scores (below 5.0). The remaining nine received mediocre scores (between 5.0 and 6.5). The case study that most approximated a good policy making process was the Federal Corporate Insolvency Bill (8.5/10.0) while the one that rated lowest was the Victorian Constitutional Fracking Ban Bill (2.5/10.0).

The Project’s research was done by the Institute of Public Affairs (IPA), a self-described ‘free-market’ think tank and Per Capita Australia, a self-labelled ‘progressive’ think tank. The two think tanks jointly selected the twenty case studies to examine, with each organisation preparing its own report before comparing results and reconciling any differences over public information (e.g., Were alternative policy options considered? Were stakeholders consulted?). In twelve of the case studies, the two think tanks gave the same or similar score. In five case studies the scoring difference between the think tanks was two points.

For purposes of rating and ranking the twenty case studies we took the average of the total scores of the two think tanks for each case study. See Research Project’s New Findings, 2021 on page 3.

Research Project’s Focus

The research was commissioned by the Evidence-Based Policy Research Project, which in early 2021 left the newDemocracy Foundation to incorporate as a standalone not-for-profit association. Like 2020 this year’s research work was fully funded by the Susan McKinnon Foundation, a not-for-profit association which underwrites better policy governance projects. For this we are most grateful.

The research project’s governance Committee - which includes people prominent in business, public and social affairs (see membership in Appendix 5) – said the research again demonstrated the need for all major

political parties to publicly commit to evidence-based and inclusive engagement processes for making major policy decisions of government so that the public interest was best served.

Each think tank separately benchmarked the same twenty federal and state government policies against ten attributes of good decision making identified by Professor Kenneth Wiltshire AO, the J. D. Story Professor of Public Administration at the University of Queensland Business School. The Committee's Editorial Panel reviewed the work of each think tank, but IPA and Per Capita each decided the final content of their respective reports.

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 the way a legislated policy was made, not whether it was good or bad policy per se.

Professor Wiltshire has previously said:

"My research over nearly four decades suggests that good policy processes result in better outcomes than decisions made without a strong evidence base and close consultation with stakeholders."

The think tanks relied on publicly available information for each case study's assessment criteria since a government's final policy decision should have transparent underpinnings.

There was joint agreement that the policies that came closest to an ideal decision-making process were the Federal Corporate Insolvency Bill (8.5/10.0) and the Queensland Forest Wind Farm Development (8.0/10.0).

Acceptable scores of between 7.0 and 7.5 were achieved by the Federal Freedom of Speech Bill (7.5/10.0), the NSW Domestic Violence Bill (7.0/10.0), the Queensland Child Sexual Assault Bill (7.0/10.0) and Wage Theft Bill (7.0/10.0).

The lowest scored case studies were the Federal Income Support Bill (4.5/10.0) and JobMaker Hiring Credit Bill (4.5/10.0), the Victorian Drug Court Bill (4.0/10.0), the NSW Bushfires Bill (3.0/10.0) and the Victorian Constitutional Fracking Ban Bill (2.5/10.0)

Professor Percy Allan AM. Chair of the project's Steering Committee said:

"The media is replete with faulty decision-making processes at all levels of government. If every major government decision stated why it was needed, who was consulted on it, what was its public purpose, what alternative options were considered, why it was the preferred policy, and how it would be administered, the scope for corruption, misallocation and waste of public money would be diminished."

"Having auditors general, integrity bodies and select committees of inquiry rake over failed policies and processes does not fix the underlying problem which is that no government in Australia consistently addresses the above questions when making policy. Adopting a Statement of Public Interest for each policy would do that." (See page 7 for what such a short Statement encompasses.)

"Policy development in Australia tends to be short-term, partisan, and reactionary and often lacks a public mandate for implementation. Our governments should deliver evidence-based policies by taking a 'business case approach' in dialogue with communities and affected stakeholders. By fostering a more rigorous, consistent, and transparent policy process Governments would both develop better policies for the long term and make gains in public trust and confidence."

Research Project's New Findings, 2021

The research project's Steering Committee ranked the main findings of the two think tanks as follows, after averaging their total scores for each case study out of a possible 10.0.

Excellent Process (0)

- No case studies

Sound Process (2)

- Fed Corporate Insolvency Bill (8.5/10.0)
- Qld Forest Wind Farm Development Bill (8.0/10.0)

Acceptable Process (4)

- Fed Freedom of Speech Bill (7.5/10.0)
- NSW Domestic Violence Bill (7.0/10.0)
- Qld Child Sexual Assault Bill (7.0/10.0)
- Qld Wage Theft Bill (7.0/10.0)

Mediocre Process (9)

- NSW Electricity Infrastructure Bill (6.5/10.0)
- Vic Conversion Practices Ban Bill (6.5/10.0)
- Vic Public Drunkenness Decriminalisation Bill (6.5/10.0)
- Fed Fair Work Amendment Bill (6.0/10.0)
- Fed Circuit and Family Court Bill (6.0/10.0)
- Fed Digital Platform Code Bill (6.0/10.0)
- Fed Drug Testing Trial Bill (5.5/10.0)
- NSW COVID-19 Recovery Bill (5.5/10.0)
- Qld Future Fund Bill (5.5/10.0)

Unacceptable Process (5)

- Fed Income Support Bill (4.5/10.0)
- Fed JobMaker Hiring Credit Bill (4.5/10.0)
- Vic Drug Court Bill (4.0/10.0)
- NSW Bushfires Legislation Bill (3.0/10.0)
- Vic Constitutional Fracking Ban Bill (2.5/10.0)

There were three case studies where the individual total scores by each think tank differed by more than two points. They were changes to the Federal Circuit and Family Court and the Victorian Public Drunkenness Decriminalisation laws as well as the Victorian Conversion Practices ban. For rating purposes, we took the average of their total scores on these three case studies, the same as we did for the other seventeen case studies where their total scores were closer.

Of the two hundred criteria marked in the twenty case studies the think tanks had identical scores on 155 and differed in judgement on forty-five. It was reassuring that experts from both a Right and Left think tank could broadly agree in over three quarters of the applications of the criteria on whether or not legislation had been well formulated even though they did not necessarily agree on the policy prescriptions.

This suggests that standardising public policy making to accord more closely to recognised best practice (such as meeting the Wiltshire ‘business case’ criteria) could remove much of the distrust and discord in Australian politics. Indeed, those policy case studies that followed good process appeared to fare better politically than those that only partially met it. Adhering to a good process can make a public policy more widely accepted.

The research found that most scope for improvement in policy making was in comparing the costs and benefits of alternative policy options. Others are identifying different options in the first place, considering their mechanism (e.g., using incentives or penalties), explaining how a decision will be rolled out and inviting public feedback before finalising a decision.

Research Project’s Consolidated Findings, 2018-2021

The results of the 80 case studies undertaken so far over the last four years suggest a solid process was followed in twenty-seven of them by the governments involved. In nineteen cases the ratings were well below par. In the balance of cases the process quality was mediocre. See table below.

Policy Decision-Making Process	Think Tanks’ Average Score out of 10 Test Criteria	2018 Case Studies Number	2019 Case Studies Number	2020 Case Studies Number	2021 Case Studies Number	2018-21 Total Case Studies No & % Share
Acceptable, Sound or Excellent	7 - 10 criteria satisfied	6	6	9	6	27 (33.8%)
Mediocre	5 - 6.5 criteria satisfied	10	6	9	9	34 (42.5%)
Unacceptable	Under 5 criteria satisfied	4	8	2	5	19 (23.7%)
Total	-	20	20	20	20	80 (100.0%)

The think tanks’ total scores on the ten Wiltshire criteria for the eighty case studies to date were remarkably similar in sixty cases (either identical or only one-point difference). Of the remaining twenty cases, seventeen had differences in scoring of two-points. See table below.

Total Score Differences	2018 Case Studies Number	2019 Case Studies Number	2020 Case Studies Number	2021 Case Studies Number	2018-21 Total Case Studies No & % Share
None	7	8	7	3	25 (31.3%)
1 point	10	7	9	9	35 (43.8%)
2 points	3	5	4	5	17 (21.2%)
3 or more points	0	0	0	3	3 (3.7%)
Total	20	20	20	20	80 (100%)

Comments on Research Project Findings, 2021

John Roskam, Executive Director of The Institute of Public Affairs (IPA) noted:

“Australia’s governments, both state and federal, are failing to undertake best practice policy making. This failure is undermining the quality of public policy and is having a detrimental impact on faith in public institutions.”

“Public policy in Australia is often made on the run, built on shabby foundations, motivated by short term political gain, and consequently has mediocre outcomes. Good process does not guarantee good policy – but bad process has a much higher chance of producing lower quality, uninformed, and harmful policy outcomes.”

Emma Dawson, Executive Director of Per Capita Australia stated:

“The Evidence-Based Policy Research project highlights how policy design frequently fails to incorporate the best available evidence, or policy development practices. Far too often the news cycle, or narrow party politics determines what policies are enacted by state and federal politicians.”

“Recent examples, from the ‘sports rorts’ scandal,ⁱ to federal bushfire recovery spendingⁱⁱ, to car park funding allocationsⁱⁱⁱ indicate a growing and worrying trend for policies to be developed with significant political bias, motivated by electoral party politics rather than optimal policy outcomes.”

Professor Peter Shergold AC FRSN, Chancellor of Western Sydney University, said:

“This valuable report proves once again that a shared commitment to the effective, consultative and ethical development of public policy transcends political differences.”

Professor Carol Mills, Director, Institute for Public Policy and Governance, University of Technology Sydney commented:

“The last two years have highlighted, once again, the major impacts government policy decisions have on communities. Whether policy is made during a crisis or to resolve long standing issues, this project highlights the importance of using sound processes and evidence as the basis for decisions.”

Glenn Barnes, a company director, and co-chair of the Citizens for Democratic Renewal remarked:

“The quality of the processes used for developing government policy continues to disappoint. If a company continued to fail in applying such simple disciplines of evidence-based practice, its stakeholders would rebuke them.

“Should politicians continue to ignore good policy development practices, public cynicism will eventually turn to disdain, and our governmental system will risk losing its efficacy. The erosion of support for candidates aligned to the major political parties in favour of independents and fringe parties is an early warning sign of community dissatisfaction with the status quo.”

Verity Firth, Executive Director Social Justice at UTS and former NSW Minister for Education said:

“2021 was a challenging year for Australian governments as they faced a second year responding to COVID and its new Delta variant. Evidence-based and engaged public policy making is even more critical during times when governments face their biggest challenges. The Evidence-Based Policy Research Project has kept the spotlight on government policy making for the fourth year in a row, providing much needed insight into the dos and don’ts of best practice policy making.”

Sarah Davies AM, CEO of Alannah & Madeline Foundation commented:

“The public policy choices and decisions made by those we elect to hold this power, affect all aspects of our lives (health, education, environment, employment, national security, our community and social infrastructure, etc). The community deserves to have the trust and confidence that these policy decisions are made with full consideration of the context, evidence base, consequences (intended and unintended), options, risks, cost effectiveness and of course desired outcomes. Good, transparent process is critical.

“The 2021 report card on the quality of this process illustrates a few positives: however, the overall result is a resounding “must do better”. That’s disappointing, doubly so from the perspective of the charitable sector, where our stakeholders tend to have even less access to power and influence.”

Emeritus Professor Janette Hartz-Karp, Curtin University Sustainability Policy (CUSP) Institute Western Australia, said:

“For governments to engender public trust in their decision-making, the public needs to be reassured that each legislative process is based on public participation which is meaningful, i.e: including those with varying viewpoints; providing comprehensive information and evidence that enables participants to carefully consider the pros and cons of potential options; and clarifying the influence such public participation will have.

“Trust is key to government establishing and sustaining the legitimacy of political systems. Not only is trust a key indicator of the public’s general feeling about its government, but also its support for specific policies, over and above partisanship or ideology alone. Legislative processes need not only to be democratically implemented but need to be seen to be democratically effected.”

Martin Stewart-Weeks, Principal, Public Purpose, stated:

“Living through and now with the pandemic, we’ve learned the value of good public work, that is, the work of thinking, researching, and making decisions about the big public issues that affect our lives in common. We’ve learned again, with breathtaking speed and intensity, the value of good government at the heart of good public work, including harnessing the skills and experience of citizens, businesses. and civil society.

“At the heart of that endeavour is good policy, well designed, well executed, digitally savvy and properly accountable. What this research has shown again is that, in Australia, we are not as consistently good at that as we should be. We can do it well, and sometimes very well. But too often we do it badly, sometimes very badly. The lesson this year is to make doing it exceptionally well nothing less than the new normal.”

Statement of Public Interest

The generally poor quality of public policy making in Australia at both federal and state levels needs to be addressed. All parliaments (especially upper houses that are not controlled by a sitting government) could make a start to rectifying this situation by requiring every policy bill tabled in parliament be accompanied by a **Statement of Public Interest (SPI)**

An SPI would answer six fundamental questions that every member of Parliament and interested citizen is entitled to know before a Bill is considered., viz:

1. Need

Why is the policy needed based on factual evidence and stakeholder input?

2. Objectives

What is the policy’s objective couched in terms of the public interest?

3. Options

What alternative policies and mechanisms were considered in advance of the bill?

4. Analysis

What were the pros/cons and benefits/costs of each option considered?

5. Pathway

What are the timetable and steps for the policy’s rollout and who will administer it?

6. Consultation

Were the views of affected stakeholders sought and considered in making the policy?

An SPI questionnaire would take only a few pages for a bill's proponent (usually a government minister) to answer in the affirmative or negative so would not be onerous to prepare.

It would encourage public servants, ministers and private members who develop and submit bills to address the fundamental steps of good policy making.

Also, it would assist the Bills Committee of each parliament (which reviews what to do with new bills) to decide whether a bill should be referred for inquiry by a standing committee. As such it would complement the work of that committee.

It would also deter corruption by requiring each legislated policy decision to specify up front what is its public interest objective and what outcome to expect from it. That would provide an explicit benchmark against which a policy's rollout could be judged. If it were used for another purpose such as private or partisan gain that would be easier to call out ex post than asking an anti-corruption body to surmise what was its original purpose and who was meant to benefit from it.

So here is our proposal....

Each Parliament in Australia (most likely its upper house) adopt a Standing Order to require all future Bills introduced in the Parliament to be accompanied by a Statement of Public Interest (answering the six questions above).

This is not a fanciful notion. At the request of the Evidence-Based Policy Research Project the NSW Legislative Council's Procedure Committee has already viewed this proposal sympathetically. We are pressing the Committee as part of its revamp of standing orders, to adopt our proposal for the NSW Parliament by 2022 since it has the support of most MLCs.

Media enquiries:

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 Evidence-Based Policy Research Project's website -

<https://evidencebasedpolicy.com.au/>

For media enquiries please contact:

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Emma Dawson, Executive Director, Per Capita Australia, Melbourne - Mobile: 0400 372 738 or Email: e.dawson@percapita.org.au

John Roskam, Executive Director, Institute of Public Affairs (IPA), Melbourne - Telephone: 03 9600 4744 or Mobile: 0415 475673 or Email: jroskam@ipa.org.au

Appendix 1: Frequently Asked Questions (FAQs)

- ***What are the case studies for 2021?***

These are listed in Appendix 2.

- ***How can I see the full reports?***

The two think tank research reports can be downloaded at: <https://evidencebasedpolicy.com.au/research/>

The separate findings of each think tank are summarised in Appendix 2 of this media release.

- ***What are the Wiltshire criteria?***

The Wiltshire criteria can be found in Appendix 4 of this media release.

Using these criteria, the think tanks each asked ten questions of each public policy to score the number of Yes answers out of a possible ten. These questions too are listed in Appendix 4.

- ***Where did this project originate?***

The research project's Steering Committee was self-selected from a newDemocracy forum exploring ways to make trusted, long-term decisions, involving over one hundred opinion leaders, held in Melbourne and Sydney in 2017/18. 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.

In early 2021 the Evidence-Based Policy Research Project left the newDemocracy Foundation to incorporate as a standalone not-for-profit association. For the past two years its research has been fully funded by the Susan McKinnon Foundation, a Melbourne based not-for-profit association dedicated to better Australian public governance.

Appendix 2: Federal and State Government Case Studies 2021

Federal

1. Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery Bill) 2020
 - Casual employment, flexibility under modern awards, the BOOT test etc.
2. Federal Circuit and Family Court of Australia Bill 2019
 - Merged the Family Court and the Federal Circuit Court
3. Social Services Legislation Amendment (Strengthening Income Support) Bill 2021
 - Increased the basic rate of JobSeeker, Youth Allowance etc. by \$50 per fortnight
4. Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2020
 - Required digital platforms to pay for news content
5. Economic Recovery Package (JobMaker Hiring Credit) Amendment Bill 2020
 - Introduced the JobMaker wage subsidy program for workers under 35
6. Social Services Legislation Amendment (Drug Testing Trial) Bill 2019
 - Government's third attempt to introduce a drug testing trial for welfare recipients
7. Higher Education Support Amendment (Freedom of Speech) Bill 2020
8. Corporations Amendment (Corporate Insolvency Reforms) Bill 2020

New South Wales

1. Bushfires Legislation Amendment Bill 2020
 - Amended legislation in response to the final report of the NSW Bushfire Inquiry
2. Stronger Communities Legislation Amendment (Domestic Violence) Bill 2020
 - Introduced some protections for victim survivors in reporting and redressing domestic violence e.g., appearing in closed courts, etc.
3. Electricity Infrastructure Investment Act 2020
4. COVID-19 Recovery Act 2021

Victoria

1. Justice Legislation Amendment (Drug Court and Other Matters) Bill 2020
 - To introduce a pilot drug court in the county court, building on the drug court in the magistrates' court
2. Change or Suppression (Conversion) Practices Prohibition Bill 2020
 - To denounce and prohibit LGBTQI+ conversion practices/conversion therapy
3. Summary Offences Amendment (Decriminalisation of Public Drunkenness Bill) 2020
 - To decriminalise public drunkenness, following the death of Tanya Day in custody
4. Constitution Amendment (Fracking Ban) Bill 2020

Queensland

1. Criminal Code (Child Sexual Offences Reform) and Other Legislation Amendment Bill 2019
 - Removed protection of the seal of confession for priests
2. Criminal Code and Other Legislation (Wage Theft) Amendment Bill 2020
 - Criminalised wage theft
3. Queensland Future Fund Bill 2020

- Creation of a fund ring-fenced so it can only be used to reduce state debt; and public assets transferred into the Future Fund can only be owned by a state entity
4. Forest Wind Farm Development Act 2020

Appendix 3: Summary of Project Findings, 2021

Think Tanks' Rating Scores on 20 Government Case Studies, 2021

Policy Bills	Review Criteria																				Total Score (out of 10)		
	<i>Establish Need</i>		<i>Set Clear Objectives</i>		<i>Identify Options</i>		<i>Consider Methods</i>		<i>Compare Solutions</i>		<i>Design Pathway</i>		<i>Consult Further</i>		<i>Publish Proposals</i>		<i>Debate & Legislate</i>		<i>Convey Decision</i>				
<i>FEDERAL</i>																							
	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	
Fair Work Amendment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	7	5	
Circuit and Family Court	Yes	No	Yes	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	8	4	
Income Support	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	4	5	
Digital Platform Code	No	Yes	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	5	7	
JobMaker Hiring Credit	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	4	5	
Drug Testing Trial	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	6	5	
Freedom of Speech	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	7	8

Corporate Insolvency	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	8	9							
<i>NEW SOUTH WALES</i>																						
	IPA	PC	IPA	PC																		
Bushfires Legislation	Yes	Yes	Yes	Yes	No	No	No	No	No	Nc	No	No	No	No	No	No	Yes	Yes	No	No	3	3
Domestic Violence	Yes	Yes	Yes	Yes	No	Yes	No	No	No	Nc	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	6	8
Electricity Infrastructure	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Nc	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	6	7
COVID-19 Recovery	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Nc	Yes	Yes	No	Yes	No	No	Yes	Yes	No	Yes	5	6
<i>VICTORIA</i>																						
	IPA	PC	IPA	PC																		
Drug Court	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	3	5							
Conversion Practices Ban	No	Yes	No	No	No	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	5	8						
Public Drunkenness	No	Yes	Yes	Yes	No	No	No	No	No	Yes	No	Yes	5	8								

Constitutional Fracking Ban	No	No	No	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	2	3						
QUEENSLAND																						
	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC	IPA	PC								
Child Sexual Assault	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	No	Yes	7	7							
Wage Theft	Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	No	Yes	6	8							
Future Fund	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	No	5	6
Forest Wind Farm Devt	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	8	8									

Legend:

- PC = Per Capita
- IPA = Institute of Public Affairs
- Yellow Shading = Different Scores

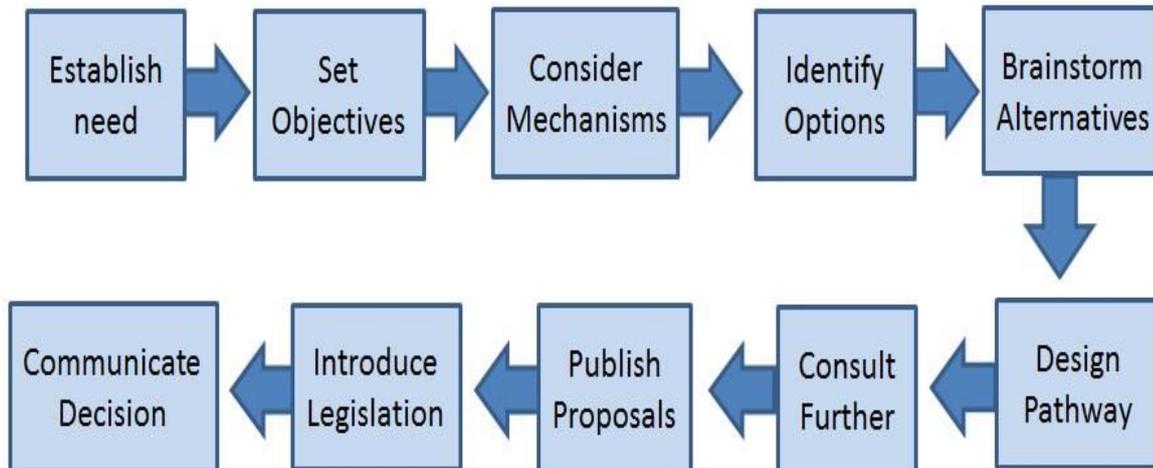
Sources:

- Institute of Public Affairs, *Evidence Based Policy Research Project 2021*, A Report commissioned by the Evidence-Based Policy Research Project and funded by the Susan McKinnon Foundation, November 2021 (Principal authors: Cian Hussey and Daniel Wild, IPA).
- Per Capita, *Evidence Based Policy Analysis 2021*, A Report commissioned by the Evidence-Based Policy Research Project and funded by the Susan McKinnon Foundation, November 2021 (Principal authors: Sam Ibrahim, Matt Lloyd-Cape, Angela Stevens, and Lucy Tonkin, Per Capita).

Appendix 4: Case Studies Evaluation Methodology

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:

The Elements of a 'Business Case' Approach to Public Policy Making



Source: Based on the Wiltshire Ten Point Criteria for Public Policy Making

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 regain public confidence*, April 2012, page viii. 11

The Research Project's Editorial Panel translated the above Wiltshire Criteria into the following questionnaire that could be used by the two thinks to evaluate whether the decision-making process used for producing a government policy met the Wiltshire ideal "business case" model.

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, data/assumptions 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 the policy initiative based on new or existing legislation that enabled comprehensive Parliamentary debate and public discussion?

10 Communication

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

Appendix 5: Research Project Acknowledgements

Project Financial Sponsor:

- The Susan McKinnon Foundation, Melbourne: <http://www.susanmckinnon.org.au/>

The Susan McKinnon Foundation is a non-partisan organisation dedicated to strengthening Australia's democracy and the development of public policy. It was founded in 2015 by Sophie Oh and Grant Rule to achieve system change in areas that are major points of leverage for broader and sustained gains for Australian society.

Project Governance Committee:

Office Bearers

- Chair - Percy Allan AM, Visiting Professor, Institute of Public Governance, UTS and formerly Secretary, NSW Treasury and Chair, NSW Council on the Cost & Quality of Government.
- Deputy Chair - Glenn Barnes, Co-Chair of the Citizens for Democratic Renewal, Governance Editor for IdeaSpies, and over twenty years of experience in governance practice as a company director and chair.
- Deputy Chair – Malcolm Irving, Director, O'Connell Street Associates and formerly Deputy Chancellor, Macquarie University, Chair, MGSM and Caltex Ltd and Managing Director, CIBC Australia.
- Secretary - Richard Whittington, held senior positions in marketing and corporate communications and then in executive recruitment. He started his career on Gough Whitlam's staff (resigned 19th November 2021).
- Treasurer - Rebecca Bishop, an experienced policy and financial advisor who has worked for the Wesley Mission, Family and Community Services, IPART and the NSW Treasury.

Other Members

- Sarah Davies AM, CEO of Alannah & Madeline Foundation, previously had executive roles in tertiary education and private sector consulting in HR, marketing and strategy both here and overseas.
- Verity Firth, Executive Director of Social Justice for the Centre for Social Justice and Inclusion, University of Technology Sydney (UTS) and Co-Chair of the Citizens for Democratic Renewal Project.
- Emeritus Professor Janette Hartz-Karp, Curtin University Sustainability Policy (CUSP) Institute Western Australia (WA) is a renowned practitioner, teacher, and researcher in deliberative democracy.
- Professor Carol Mills, Director, Institute of Public Policy and Governance, University of Technology Sydney and a former senior Commonwealth and State public servant.
- Professor Peter Shergold, AC FRSN, Chancellor of Western Sydney University, company director and a former Secretary of the Department of Prime Minister and Cabinet.

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

Editorial Panel:

- Advisor - Dr Kenneth Wiltshire AO, Emeritus J D Story Professor of Public Administration at the University of Queensland who has published many books on public policy and public administration.
- Editors - Martin Stewart-Weeks and Percy Allan AM.
- Assistant Editors – Malcolm Irving and Richard Whittington.

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