

PTR CONSULTING

Citizen and Stakeholder Participation: Strategies and Challenges for the Australian Public Sector

Dr Dahle Suggett

5/3/2012

Citizen and stakeholder participation: strategies and challenges for the Australian public sector

The idea of stakeholder or citizen engagement is far from new in the public sector but it is now moving from the margin to a core requirement of good public administration. The terms are not precise and some contest the motives – is this really authentic democratic involvement or manipulation – but the expectations for citizen or stakeholder engagement continue to grow. Departments are eager to learn from each other and are seeking to advance understanding of the political and administrative dynamics in this new environment and develop the skills and capability needed to meet these expectations of the public sector.

All effective policy development and service design is now expected to have robust citizen or stakeholder engagement as a foundation. The collective accusation '*they didn't consult*' typically triggers an about turn in a policy announcement by a minister or at least a significant pause. Even when there has been a consultation program, a challenge to its coverage or effectiveness can be strident – the burning of a report of consultation for the management of the Murray Darling Basin graphically illustrated the nature of this relentlessly demanding era.

And there are broader drivers. Governments cannot solve problems alone nor can they deliver government services without the support of private or the not-for profit sectors. Stakeholder engagement plays a critical role securing advice and in 'co-production' in 21st century public administration.

This paper illustrates some of the current practices in the Australian public sector. The paper highlights the key points of the 2011 collaborative study by the Allen Consulting Group, conducted with twenty two government departments. The study explored the drivers, practices and challenges in stakeholder engagement in the public sector in Australia. 1 The

¹ Dahle Suggett was an author of the paper *Towards participation 3.0, Stakeholder Engagement in the Public Sector*, The Allen Consulting Group, 2011. The collaborative study was commissioned by the departments to understand Australian and international practices and as a resource to improve their practices.

following sections will discuss the trends in stakeholder engagement (drawing on similar studies in 1999 and 2006); summarise what the 2011 study revealed – what the departments told us and highlight some of the practices that stand out; and discuss the issues that need to be resolved so as to further advance these ‘democratic innovations’.

Trends in stakeholder engagement: from modest aspirations to core business.

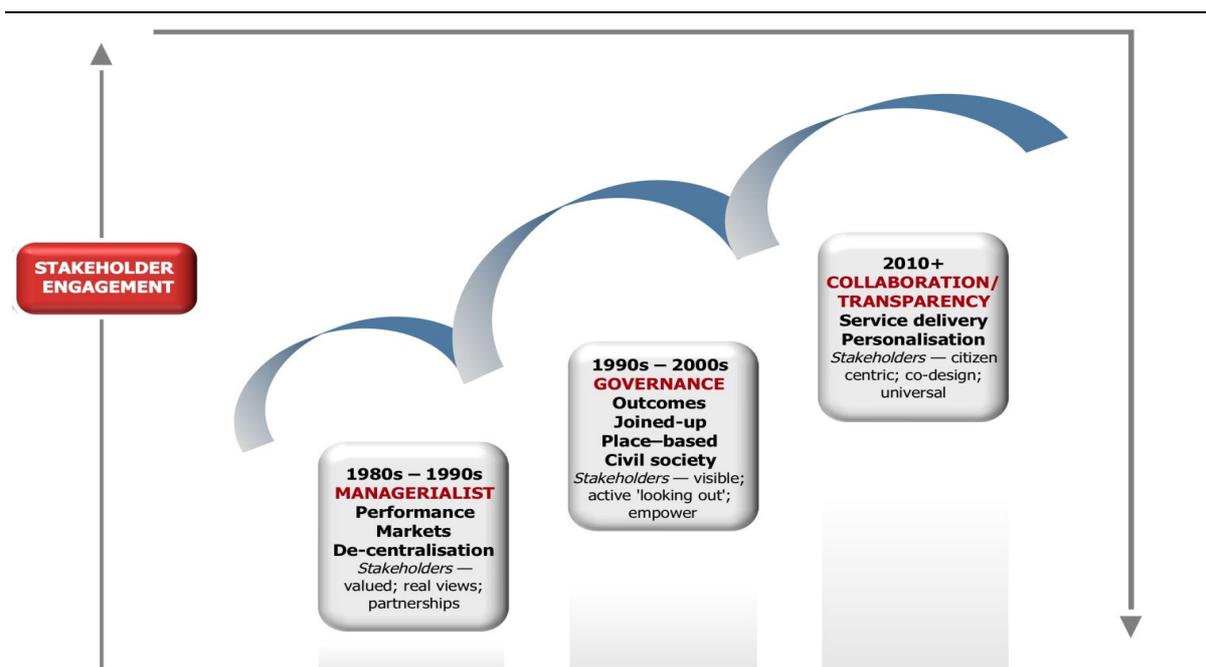
This is the third study of stakeholder engagement practices by the Allen Consulting Group. Two previous studies in 1998-9 and 2006 also discussed the practices, challenges and anticipated future directions at those times. It is instructive to see the considerable progress on most aspects but also note the persistence of some features and the emergence of a new set of problematic issues. The diagram below summarises the key features of across this era.

1990s- performance and partnerships

In the 1990s this topic was relatively new. Departments were seeking ways to identify and categorise the broad sweep of stakeholders for the first time - who really mattered and how best to communicate, especially with those who do not traditionally have a say. They were looking to move beyond the usual structures of advisory boards and the like to more flexible and responsive structures. They were grappling with how to blend the new outsourcing, contractual relationships and partnerships central to the harder-edged ‘new public management’ with a softer relationship building agenda. They were also tentatively considering the respective roles of departments, ministers and ministerial advisors in the external engagement process. The aspirations about stakeholder engagement were relatively modest.

Mid-2000;s – engagement and networks

In 2006, there was greater assurance about identifying and communicating with stakeholders and stakeholder engagement had secured a place in business plans and the role for experts in these practices was increasingly valued. The perceived challenges had moved to a wider range of more conceptual and administrative concerns. Aspirations for joined-up government



and placed based solutions required deeper knowledge of networks and the skills to engage externally, manage expectations and secure outcomes.

A focus on outputs and outcomes called for better measurement of the impact of stakeholder engagement and departments sought advice on how to allocate resources to engagement activities and design internal management structures. Departments were also seeking frameworks to guide analysis and design of stakeholder engagement, particularly those that would have resonance across departments to ensure better knowledge management.

By this time there were many exemplary practices, particularly at the local level, and in some areas of social policy such as dealing with disenfranchised citizens.

2011 citizen –centric, collaboration and transparency

The challenges identified in the 2011 study unsurprisingly continue familiar administrative themes like building staff capability and measurement of impact, but the bulk of the issues now being canvassed by government departments break with the past and are more conceptual and complex and arguably more difficult to resolve.

As stakeholder engagement and public or citizen consultation has become more pervasive in public sector processes – more like ‘core business’– with expectations that it will intensify, a new set of questions are being canvassed.

The options for engagement models are now extensive – a key question is how to make the right choices and how to manage the new architecture of engagement? Another is who to involve in dialogue or consultation? The definitions of ‘stakeholders’ and citizens are ever expanding; the barriers are down – whoever is needed is brought in for ‘consultation’ whether they be customers or clients of a service, non-government groups as new collaborative partners in delivering services, or experts and advocates.

While quite progress is being made in new collaborations in service delivery, a new set of questions have emerged about the role for public administrators in the far more fraught environment of policy negotiations with its heightened political stakes. What level of transparency is productive and yet politically acceptable; does social media support or hinder? And there are the questions about the capacity for extensive engagement by some in the community – are some groups simply exhausted by the endless rounds of ‘engagement’ and consultation, such as indigenous communities?

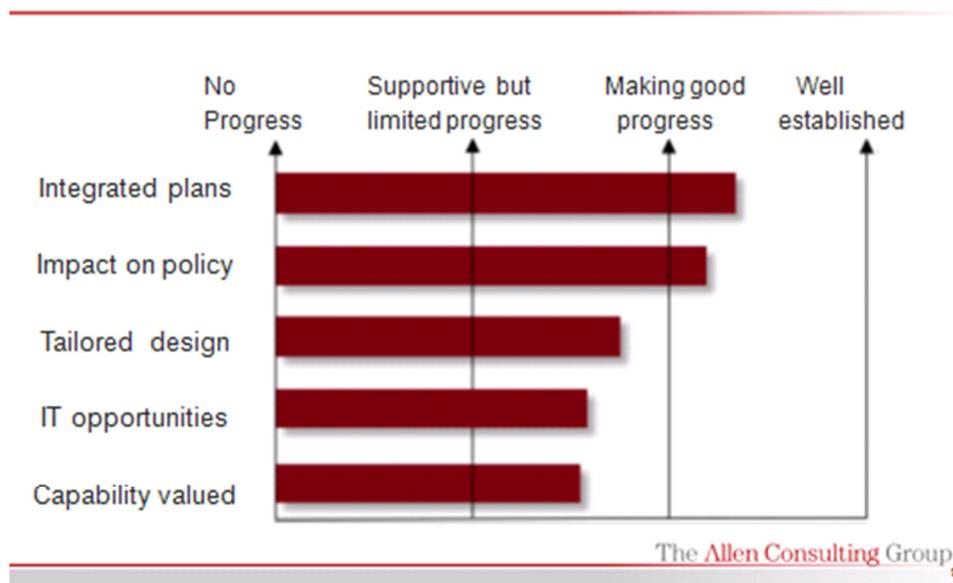
Making progress in 2011: departments’ self-assessment of performance

Participating departments in the study were asked to self-assess their performance in managing and using effective stakeholder or citizen engagement. There were five dimensions: their approach to integrating stakeholder engagement into core processes; the level of influence stakeholders have on final policy or service design; the tailoring of engagement to the characteristics of stakeholders and the area for deliberation; the use of information technologies; and staff capability and the place of engagement skills in appraisals and training. Participants were asked to rate statements on a 1-4 scale from ‘no progress’ to ‘well established’. They were also asked to rank a number of statements on perceived benefits and to add further comment.

The results show strengths in the level of integration of planning for stakeholder engagement into the central business plans of the department; in other words mainstreaming what has sometimes been ad hoc and marginal to core business. This step is essential to deepening public engagement and is a very positive and important finding.

The results also show good progress being made in the analysis and assessment of stakeholder input and the subsequent impact of stakeholder views on the content of policy and service design. This is significant as one of the enduring criticisms of stakeholder engagement over the past fifteen years has been the ‘window dressing’ factor where engagement is public relations driven or, even when the initial intent has been to incorporate stakeholder views, that may have proven too hard to do and stakeholders remain sceptical.

Self assessment: making progress



Other features however show only moderate progress. Even if the aspirations for stakeholder engagement are well integrated into business planning, quality input from stakeholders largely depends on tailoring the design of engagement according to the stakeholders’ characteristics, the purpose of engagement and the nature of the outcomes being sought. Fit for purpose engagement, the focus of many models and frameworks, is an important key to successful outcomes but at this time it is an area that is not yet sufficiently developed in most organisations.

Similarly, organisational capability to design and conduct engagement strategies is limited by not being strongly valued throughout the organisations and not consistently followed through in performance appraisals and professional learning opportunities. Capability to design, conduct and analyse stakeholder engagement has extended well beyond being a routine communications exercise; it now calls for a raft of capabilities in relationship management, needs analysis, and negotiation, as well as deep knowledge of the substantive policy or service area. While departments universally identify staff capability as a challenge to their effectiveness, there is not as yet an enduring organisational response.

Finally, Information Technology is seen as a key to the future but organisations are currently poised between knowing that the future will require substantial commitments and making progress now. The present caution is driven by a combination of issues concerned with protecting privacy, choice of the right technology, operational concerns like the capacity to manage and follow through and the potential cost of doing this well. Most indicated however that more intense action is just a matter of time.

Participants were also asked to rank a series of statements according to the strength of the perceived benefits that would result from effective stakeholder engagement and to mention other that apply in their organisations. These are listed below .

Main benefits of stakeholder engagement in order of importance:

- ➔ Significantly adds to quality of policy or service
- ➔ Builds community understanding and buy-in
- ➔ Improves departments'/minister's reputation
- ➔ Reduces vocal opposition; keeps the key stakeholder groups in-the-tent; and
- ➔ Boosts the profile of an initiative in government ... e.g. treasury

Others benefits include:

- ➔ Demonstration that we value the client
- ➔ Management of risk (financial/legal/ service delivery)
- ➔ Capacity building in communities
- ➔ Make job enjoyable

What departments told us: key strategies and challenges

This section highlights some of the practices and issues captured by the study. The emphasis here is on the more contemporary issues such as: such as managing the new architecture or models of engagement; selecting frameworks for whole of department consistency; and the differences that are emerging between collaboration in the design of services (developing well under the radar) in contrast with the heightened tensions around models for the high stakes politically driven policy debates. Issues evident in past studies remain such as building staff capability to handle the new environment and the directions to be taken in the use of technology and the pursuit of transparency.

Managing the new architecture and tools for engagement

The goal of moving to a more 'citizen-centric' mode of government is a political commitment made by many leaders in Australia and elsewhere. The literature on engagement strategies covers a range of perspectives such as participatory democracy that values the educative and developmental impact of participation itself, or deliberative democracy where those who will

be impacted by a decision should have access to engage fully in the decision-making process, and direct democracy where citizens are empowered to make a collective decision.

Indeed these concepts have already made inroads into how some in the public sector describe their citizen engagement approaches.

- *Deliberative forums* are being used in complex and technical policy areas where citizen education and understanding of trade – offs are needed, such as environmental management and infrastructure planning.
- *Participatory processes* that value the intrinsic role of extended engagement and inclusivity are employed in social policy domains such as family support and indigenous policy.
- *Direct democracy* is mostly seen in empowering local areas to make specific decisions on allocation of resources for example.

Driven by the search for the voice of ‘real citizens’ as well as the need for experts’ views to legitimate a policy preference, a range of new options is available - processes facilitated by the power of interactive media, summits, citizen surveys, citizens’ assemblies, deliberative forums, focus groups, roundtables, think tanks and the like are all being added to the options for engagement.

At this early stage, this mix of techniques appear to be designed on a case-by-case basis rather than assuming certain models necessarily apply to similar contexts. They can be variously led by ministers, local members of Parliament, top department executives, relatively junior officers or specialist consultants. And they operate over varying periods of time and are documented in a variety of ways. In other words, there is no common template for the new consultative architecture and to date minimal sharing of practices and lessons.

A set of relatively new engagement structures in Australia and the advice on achieving good outcomes are summarised in the Box below

Box 1 New stakeholder engagement architecture

As new engagement models are now being generated; the challenge is to understand and maximise the benefits from the significantly increased effort these require.

Compacts between non-government bodies and governments – formal and long term agreements on mutual expectations

- e. g. Department of Human Services ACT, Department of Education and Early Childhood Development Victoria, Department of Human Services, Federal Government,
- *Good practice advice includes:* taking the time to agree shared vision and mutual expectations; involve leaders and sustain their role; support capacity building if needed; celebrate the collaboration but also make the agreement concrete- show the actions to be pursued; make sure the actions count and improve performance; keep testing the framework and report on outcomes.

Deliberative forums – extended and expert led representative citizens panels on technical or complex questions

- Relatively few initiatives and often sensitive: climate change, water reforms, infrastructure planning.
- *Good practice advice includes:* attend to composition- random, sampled etc.; the need for outstanding facilitation; carefully plan expert input; agree participant conduct rules up front e.g. respect, open minded; plan large and small group formats; explain role in relations to subsequent decision making to forum and more particularly to others.

Interactive media forums – blogs, Facebook, SMS, wikis used for information and open interaction

- e. g. Department of Premier and Cabinet, South Australia, Department of Primary Industry, Victoria; Department of Education and Early Childhood Development, Victoria
- *Good practice advice includes:* the purpose must drive the media - know what will it add and when it will not value -add; look ahead and avoid the ‘so what now’ question after people contribute; put in the resources to respond at a fast rate; information flows two-ways so can’t be risk averse; must ensure rapid information flow and response - provides a new tool in emergency management, where else?

Citizens forums/ summits/ extended community forums –mix of interested and expert people engaging around in an extended and structured way to deliver advice or opinions

- e.g. Port of Melbourne Authority, Bushfire enquiry forums, Victoria, various departments Federal Government,
- *Good practice advice includes:* rigorous clarity about objectives and purpose; people know why they are there; full transparency and honesty; rigorous attention to building and sustaining trust; treat with respect; documentation appropriate to time sequence

Source: Interviews for The Allen Consulting Group study 2011

There are operational issues in establishing these mechanisms such as developing the skills to design and manage these bodies, modifying the policy development process to incorporate the mechanisms and designing metrics to explain outcomes to performance monitoring bodies. A frequently mentioned complexity is how to ‘joint the dots’; or how to ensure a more elaborate engagement process that is multi-level and multi- media does connect up and deliver a better outcome.

Frameworks and models assist in guiding departments' practices

There is a strong demand for departments to have frameworks or models for engagement that guide their policies and practices. There are some common models that provide a good basis for development of department specific approaches

Principles developed by the OECD for example are intended to maximise the benefits of engagement, consistent with sound public processes and delivering public value. A number of departments have adapted these principles to their own context and in that sense the principles become a basis for professional learning in those organisations.

BOX 2 OECD GUIDING PRINCIPLES FOR OPEN POLICY MAKING

These Guiding Principles are designed to help governments strengthen open and inclusive policy making as a means to improving their policy performance and service delivery.

Commitment: Leadership and strong commitment to open and inclusive policy making is needed at all levels – politicians, senior managers and public officials.

Rights: Citizens' rights to information, consultation and public participation in policy making and service delivery must be firmly grounded in law or policy. Government obligations to respond to citizens must be clearly stated. Independent oversight arrangements are essential to enforcing these rights.

Clarity: Objectives for, and limits to, information, consultation and public participation should be well defined from the outset. The roles and responsibilities of all parties must be clear. Government information should be complete, objective, reliable, relevant, easy to find and understand.

Time: Public engagement should be undertaken as early in the policy process as possible to allow a greater range of solutions and to raise the chances of successful implementation. Adequate time must be available for consultation and participation

Inclusion: All citizens should have equal opportunities and multiple channels to access information, be consulted and participate. Every reasonable effort should be made to engage with as wide a variety of people as possible.

Resources: Adequate financial, human and technical resources are needed for effective public information, consultation and participation. Government officials must have access to appropriate skills, guidance and training as well as an organisational culture that supports both traditional and online tools.

Co-ordination: Initiatives to inform, consult and engage civil society should be coordinated within and across levels of government to ensure policy coherence, avoid duplication and reduce the risk of "consultation fatigue." Co-ordination efforts should not stifle initiative and innovation but should leverage the power of knowledge networks and communities of practice within and beyond government.

Accountability: Governments have an obligation to inform participants how they use inputs received through public consultation and participation. Measures to ensure that the policy-making process is open, transparent and amenable to external scrutiny can help increase accountability of, and trust in, government.

Evaluation: Governments need to evaluate their own performance. To do so effectively will require efforts to build the demand, capacity, culture and tools for evaluating public participation.

Active citizenship: Societies benefit from dynamic civil society, and governments can facilitate access to information, encourage participation, raise awareness, strengthen citizens' civic education and skills, as well as to support capacity-building among civil society organisations. Governments need to explore new roles to effectively support autonomous problem-solving by citizens, CSOs and businesses.

Source: OECD 2009, Focus on Citizens: Public Engagement for Better Policy and Services, Paris, p.17

When considering the choice of community engagement models, a popular tool used by many government departments and agencies in Australia, is the International Association for Public Participation (IAP2) continuum. Many stakeholder engagement frameworks employ a more simplified version of IAP2's continuum. This involves a continuum from simply providing information to stakeholders, ramping up to conducting consultations; and escalating then to engagement in shared decision-making or action, often referred to as 'empowerment'. Choosing points along a continuum implies a fit for purpose approach.



Different policy and service domains: different design for engagement

A consequence of the ramped up expectations around stakeholder engagement is that differences among policy and service domains have become more apparent. While generic models like the IAP2 continuum are very useful at the outset, the maturing of engagement and participation as a core part of government business, means it is not sufficient to just have a tool kit of optional models. For engagement strategies to deliver significant outcomes in improved policy – particularly for intractable social problems and complex economic and environmental challenges –as well as better services for citizens, the task is now to deeply understand the nexus between citizens, stakeholders and the policy or service.

Different design issues emerge in engagement approaches that apply in health or education, from those found in agriculture, tourism, transport, the environment or defence. The demands of different policy and service arenas vary in the logistics and content of stakeholder engagement and the range of geographical and political or institutional situations. Social policy for instance has generally been seen as open to the influence of many players, whereas defence policy and technology policy have tended to be the preserve of much tighter circles of stakeholders.

In broad brush terms, *human services domains* such as health, welfare, education and indigenous affairs have long run reform timeframes. Extensive stakeholder and client engagement has become an essential tool in complex social policy reform but these areas have numerous and highly diverse stakeholders and employees, who are often geographically widespread.

The Box below summarises the views of a number of departments in the wider human services and social policy domains in Australia. This account is an illustration of the growing complexity around stakeholder engagement in these domains.

BOX 3 DESIGN CHALLENGES IN HUMAN SERVICES

Facing the future: challenges ahead in human services

Expanding stakeholder groups – the number of advisory boards and the like continue to proliferate in response to emerging issues and multiple advocacy groups are funded e.g. in one jurisdiction there are 4 groups funded on behalf of homelessness. What is the life cycle of a stakeholder advisory group; is it successful to blend service areas

so that target groups consulted continually?

Transparency – the growing imperative for transparency around government policy and operations is clear but it is apparent a high level of experience and maturity is needed to do this well. For example, the Productivity Commission can ask stakeholders to respond to significant policy questions and there is now the expectation that their responses will be received in a reflective way. People have come to expect ‘a mature and non-defensive’ response. This is often not the case with other ‘issues’ that government departments may handle.

Principles for engagement - We need a better framework to enable decision making around questions of when and to what extent we should consult and engage. This should comprise *principles* that apply to all target groups and then tailored strategies need to be spelled out for – taking specific characteristics, needs, and capacities into account.

Influencing front line workers – The need for a framework through which to plan engagement also applies to influencing the ‘values and behaviours’ of the front line workers delivering services. As expectations change, the front line workers hold in their hands the day-to-day mechanisms for developing positive relations and for gaining feedback and input into better service design. They need to be a core part of the planning.

Getting to the perimeter – when dealing with disadvantaged groups there is the issue of identifying and engaging with people not traditionally heard; with young people; those not in the ‘system’ but deserving of assistance; and identifying the newly emerging voices. Will social media assist?

Citizen centred services – The next era will most likely comprise engagement with large NGOs operating in a competitive market. Clients may have the financial capacity to purchase services from whom best suits their circumstances. This will change engagement between government and the NGOs and the relationship the government has with clients. The NGOS will be diverse and adaptable with new financial models

Source: Interviews for The Allen Consulting Group study 2011

One methodology to tackle these challenges in human services as well as other areas is ‘co-design’ – a process of explicitly designing policy and services with citizens. The Danish organisation MindLab has been given prominence internationally for their co-design methodology and the newly amalgamated Department of Human Services, Australian Government is a local example of a major commitment to a co-design methodology to re-shape the extensive services to the Australian community offered through agencies such as Centrelink and Medicare.

The Box below summarises the features of co-design, drawing on Mindlab and Australian examples.

BOX 4 OUTSIDE-IN: EMBARKING ON CO-DESIGN

Enabling citizens to collaborate with government in policy and service design

MindLab, Denmark, a government body, works with citizens and businesses to create innovative solutions for the ‘wicked problems’ in public policy.

Department of Human Services, Australian Government seeks to develop a co-design methodology that puts people first to improve the quality of interactions between the community and Government.

Some key features of co- design are

- assists innovation in service design through a methodology based on deep engagement with citizens’ experience
- Instead of the more traditional ‘inside-out’ consultation approach, an ‘outside-in’ approach is adopted. This means incorporating stakeholders’ input at all stages of the design process,
- Adopts an ethnographic methodology – e.g, Mind lab employs the skills of anthropologists, sociologists, philosophers, technologists as well as policy experts to observe, question, conceptualise and propose new models.
- Based on rich user insights to support stronger problem identification, through to early conception, prototyping, planning and finally implementation.
- Training people to adopt a co-design methodology is crucial - Mind lab involves a structured approach to learning about service users- observation, analysis, idea and concept development and testing ,

Source: Interviews for The Allen Consulting Group study 2011

Environmental and infrastructure domains differ significantly from the engagement strategies employed in social policy reforms. They have a more concentrated technical bias that often calls for expert led engagement processes as well as frequent geographic specific processes where the assumptions are that local people have extensive and relevant knowledge. They are often complex multi-faceted strategies. There are some significant successes particularly in designing geographic specific engagement - noting that national issues necessarily have a different character and further complexities. Indeed Australian bodies in the public and private sectors have devoted considerable resources to skill development for local area engagement and many believe this is now showing results.

Department of Environment and Conservation WA, has for instance embedded a deliberative approach to securing community consensus around a range of at times controversial issues including land use. The department sees itself as a ‘policy broker’ with a methodology that includes extensive gathering of local knowledge, expert input and evidence on sciences and technology, town-hall meetings, close engagement with peak bodies, excellent communication with other government agencies and monitoring, feedback and review.

Sydney Water has, over a number of years, progressively refined a range of processes and allocated expert resources for engaging with the full spectrum of local area authorities, citizens and stakeholders directly impacted by specific projects. They have pursued close relationships with key stakeholders in localities. They have developed the capacity to adopt

‘an open and collaborative’ methodology that they believe is paying two-way dividends in terms of greater community buy-in and, importantly, gaining substantive advice from the community to Sydney Water. The Box below provides a snapshot of their engagement methodology.

BOX 5 SYDNEY WATER MODEL OF ENGAGEMENT

SYDNEY WATER: EMBEDDING STAKEHOLDER ENGAGEMENT IN ORGANISATIONAL DNA

More than ticking boxes at Sydney Water Corporation

Since the late 1990s, Sydney Water has deliberately embedded stakeholder engagement as part of business as usual in its capital works and since 2006, in taking a leadership position to service Sydney’s future water needs.

The corporation manages a sophisticated approach to stakeholder engagement and public participation in how it plans and delivers infrastructure. As well as senior management and the organisation’s Community Relations team (located in Sydney Water’s Communications & Marketing function), stakeholder engagement expertise is embedded in infrastructure planning and execution teams.

At inception, all Sydney Water infrastructure projects require a consideration of stakeholder engagement, which triggers project managers seeking counsel on sociopolitical issues from the Community Relations team, including if stakeholder engagement capability should be embedded in the project.

Stakeholder and community relations are a standing agenda item for project management team meetings of each significant Sydney Water project.

In 2009-2010, more than 2,500 stakeholder meetings were held in conjunction with its projects and site works. These works generated more than 6,000 stakeholder enquiries.

A sophisticated stakeholder and public engagement framework

Sydney Water has a formal system and process for community and stakeholder engagement, which includes:

- a community and stakeholder engagement policy, guidelines and planning framework;
- stakeholder mapping around issues (and projects);
- stakeholder managers allocated to steward key relationships;
- a review every 18 months of the stakeholder environment, and stakeholder issues and attributes;
- a customer management system to track customer and stakeholder issues, and inform stakeholder engagement, as well as being a central repository for the organisation;
- capital project reviews of stakeholder engagement process and outcomes; and regular reporting to Sydney Water’s senior executive and its Board on stakeholder engagement performance and outcomes

Sydney Water also uses tools and channels including consultative forums and reference groups to engage stakeholders, and ensure their views and opinions are understood and clear when decisions are made.

It captures this data during its engagement with stakeholders around its capital works projects; around issues such as water conservation, environmental standards and innovation; via ongoing socio-political monitoring (informed by its 16-member Community Relations team and the wider Communications & Marketing function); and through its regular customer and stakeholder research.

This approach included seeking a stakeholder (including community) satisfaction rating on Sydney Water’s engagement and community relations performance. This information is used to assess performance, as well as to inform how approaches to stakeholder engagement and public participation can be strengthened in future planning and execution.

Capability, capacity and training

Sydney Water applies its own capability to its stakeholder and public engagement. It also mandates that the external companies it contracts to manage or perform capital works comply with standards for stakeholder engagement stipulated in Sydney Water contracts. Process and outcome-based key performance indicators are used to drive customer-focused behaviours and performance.

As part of managing a culture in which stakeholder engagement capability is embedded in business as usual, the corporation requires regular briefings and education and training of its engineering and project employees (including managers) on the role and value of stakeholder engagement. This often includes training with major project planners and managers.

Part of this professional development includes using case studies to highlight good and bad practice, and the value of well-planned stakeholder engagement to effective project management.

Source: Sydney Water 2010; adapted from record of interviews 2010 with Sydney Water Corporation

The complex issues around economic reform and environmental sustainability, are stimulating government to use stakeholder engagement and public consultation to educate about development dilemmas as well as the more traditional objective to seek community opinion and support.

Conventional community engagement around development projects and local amenity is mostly conducted very well by governments at all levels — particularly local and state, guided by detailed communication plans, skilled and dedicated officers and a good flow of information and feedback. Lessons have been learned over two decades about what the community expects to hear and where it can have a say. Tools such as ‘the ladder of participation’ are now familiar and powerful.

There is though a new context emerging for stakeholder engagement in the realm of development in the 21st century. Information and education in the community is needed about the major choices and trade-offs now required in these key areas of public policy.

This goes beyond gaining consent for a particular development to engaging the community in the deeper questions of balancing short-term gains against longer-term costs. The argument is that the public deserve to understand and engage in decisions about the trade-offs needed to achieve sustainability as well as quality in development.

This may call for innovative community engagement structures including bodies designed to educate as well as improve advice to government. Again though, a key question that is raised concerns the appetite in the wider community for sustained engagement around the complex issues that are assumed to be the major responsibility of government. Green and white paper p 65 ?

Managing new partnerships and collaborations

A central tenet of the new modes of public sector governance is the pursuit of partnerships and collaboration in how government decisions are made and services delivered. The use of commercial partnership structures in government developed from the 1990s to a significant level through public private partnerships for infrastructure development. While these continue to adapt to the current economic environment, other areas of government are also turning to partnership and collaborative modes.

All partnerships are structured to specify outcomes, clarify roles and responsibilities and so on, but they are now increasingly also infused with the more complex notions of collaboration and sharing, relationship building, honesty and transparency.

A collaborative partnership sets up expectations of being more than a clean cut agreement on who does what; it conveys aspirations of a deeper set of personal relationships. An equivalent transformation is occurring in the business sector where relationship building and collaboration is valued as delivering a significant intangible benefit.

Newer collaborative arrangements in government are raising questions concerned with preserving an independent and arms-length focus on serving the public good while at the same building closer relationships with some parties.

Some comments illustrate these new dilemmas

'I am asked to get to know the partners but I can't tell if that is giving some an unfair advantage for a future contract'

'They really want to get to know us, and I know that will help their performance, but does it look right if we go to the football with them- they do that in business; aren't we the same?'

Where business is well informed on how to strike long-term commercial partnerships consistent with the laws on competition, government agencies are finding the partnership-collaboration-public good equation more complex to navigate. Collaborations also call for more skilled employees on all sides, more time and resources allocated to the relationship building and different modes of performance monitoring.

The Box below is one example of a structure for both a contractual arrangement and a collaborative partnership.

BOX 6 FROM PURCHASER-PROVIDER TO PARTNERSHIP , ACT GOVERNMENT

The relationship between human service providers and the community sector has shifted away from being a purely purchaser-provider relationship, to one that embraces more complex collaborations. By adopting a whole-of-government framework, the ACT government shifted its service delivery platform to focus on: improving outcomes for clients; engaging and involving clients; and building better community partnerships.

- ACT Purchasing Framework will streamline *contracting* arrangements and will provide improved information on outcomes achieved for specific population groups in the ACT.
- Within that, the relationship with the community sector has broadened under a Social Compact.
- The Compact is a statement about the *relationship* between the ACT Government and the community sector- a long-term mutual understanding as a foundation for shared activities.
- It promotes dialogue, explains how each sector manages relationships, how problems in the relationship might be solved and how to evaluate whether the relationships are working.
- It mandates regular collaboration and reporting between the Directorate executives and community representatives

Source: Interviews and documents, ACT Communities Service Directorate

Securing consistency in whole of department or portfolio plans

A consequence of the heightened aspirations for stakeholder engagement is that it can no longer be delivered by a sole communications division, but needs to be incorporated into the whole of department or portfolio business plans.

Engagement plans also need to be aligned and co-ordinated so that stakeholders are not bombarded. Moreover, the same principles apply to central agencies in their cross-government co-ordination and leadership role to ensure consistent messages about engagement and collaboration are sent from government as a whole.

Participants in the study highlighted their key issues for building organisational capability for the new era of stakeholder engagement

- top level leadership and accountability for stakeholder engagement is crucial and needs to be incorporated into management systems
- engagement is often substantial but can be an add-on or a supplement rather than deeply incorporated into the policy process and drawing carefully on past lessons
- information gained may not be shared- i.e. poor knowledge management, and
- provision is often not made for public consultation and stakeholder engagement actually having a substantive impact on the shape of a policy or service. Engagement outcomes may have an indirect impact but are there methodologies to carefully check inputs against final decisions?

The Box below is an example of one department's effort to secure cross department consistency and quality.

BOX 7 AIMING FOR A WHOLE OF DEPARTMENT APPROACH TO OUR STAKEHOLDER STRATEGY

The Department of Treasury and Finance, Victoria is pursuing a whole of department and consistent approach to stakeholder engagement. They hope to gain consistency through:

- Inclusion in department's key corporate improvement themes
- Measurement against the KPIs established each year through
 - Biennial Stakeholder Research Survey
 - Progress reports for Quarterly Stakeholder discussions by Department Board
 - Case studies and anecdotes
 - DTF Organisational Culture Inventory (biennial)
- Tying directly into department's leadership and culture strategy- training available
- Establishing a stakeholder contact management system
- An awareness program of opportunities and strategies
- Communication about successes and lessons

Source: interviews and Stakeholder Relationship Strategy 2008-2011, Department of Treasury and Finance, Victoria

As the expectations of stakeholder engagement increase and the activities move to core business in the public sector, the skills needed to be effective have also become more demanding in what is often a high stakes environment.

‘it’s easy to tell people a good story but far harder to feedback not so good news’.

On-line engagement: anticipated but risks remain for many

Any discussion of how the public sector reaches out to involve stakeholders and citizens to support its decision-making and delivery of services has to take into consideration the emergence of new technologies, mainly through the participative web and social media.

Departments and agencies are starting to embrace the new technologies’ potential to make public policy more open and inclusive, but with caution. Most say they are poised to take the next steps- but that is a significant decision regarding the technology needed as well as the behaviours and the resolution of issues around transparency. Three primary considerations are currently challenging departments and agencies:

- what is the entity’s license to operate in how it engages with social media channels, and what governance arrangements need to accompany such engagement?;
- how can information garnered from social media interaction be best understood, acted upon and disseminated?; and
- what are the human resourcing implications of monitoring and participating in social media, including keeping abreast with trends, developments and innovation in social media and its use?

The Box below summarises the range of options that currently exist for engagement through new technologies. The list will continue to change every few months so that making major technology choices will continue to be problematic.

BOX 8 New technologies supporting partnerships

| Technologies | Description | Category of technology |
|---|---|------------------------|
| Wikis, commenting, shared workspaces | Facilitates creation of content/ applications across large, distributed set of participants | Broad collaboration |
| Blogs, podcasts, video-casts, peer-to-peer | Offers individuals a way to communicate/ share information with broad set of other individuals | Broad communication |
| Prediction markets, information markets, polling | Harnesses the collective power of the community and generates a collectively derived answer | Collective estimation |
| Tagging, social bookmarking/ filtering, user tracking, ratings, RSS (really simple syndication) | Adds additional information to primary content to prioritise information or make it more valuable | Metadata creation |
| Social networking, network mapping | Leverages connections between people to offer new applications | Social graphing |

Source: Chui A., Miller A and Roberts R. 2009. ‘Six ways to make Web 2.0 work’, The McKinsey Quarterly, February.

A highly instructive example of on-line engagement was the South Australia's online community engagement for its most recent Strategic Plan. The Plan was driven by extensive state wide consultation and encouraged individuals to spell out fresh ideas and thoughts on where the state should be by 2020.

In the early years of the plan the government hosted three-months of roundtable community forums and written submissions to enable public participation in the plan's development. A Community Congress was held for further dialogue with the involvement of Ministerial advisers and government staff.

In contrast to these slower traditional forms of consultation, the current update of the Plan has incorporated new social media approaches to engage the public online. More than 9,200 people were engaged in phase one, in a process including face-to-face 'conversations' in metropolitan locations and regional areas, live blogging on the Plan's website (post moderated) and a variety of social media platforms including Facebook, Twitter, Flickr and YouTube.

The second phase of consultation continued this hybrid approach to stakeholder engagement, seeking feedback through an online survey, social media and through face-to-face consultation sessions

Commentary from South Australia's executives, includes:

'We created a post moderated, government-supported engagement space where everyone could post comments, images and video...An example is the education's ministers live blog with students — it was post moderated and didn't require significant editing.'

'Why did we do this? We wanted to make sure we made the consultation as accessible as possible to the broadest possible audience state wide. We wanted to get as many people involved and hear as many diverse views as possible. We also felt that it was important to go to people, not make people come to us, to operate in spaces where they are comfortable and familiar. Social media is now commonly used by a significant proportion of the State; it is no longer special.'

'Information about the Plan was even "re-tweeted" to a considerable degree (the most desirable outcome!) hence information about the engagement process found their way into circles they have never previously been part of.'

The Australian public sector is moving towards a more citizen-centric management paradigm. The study calls it *Participation 3.0*. The drive for stakeholder and citizen engagement is more than 'having a say' and now embraces complex forces around greater transparency, accountability, tailored and personalised services and generally a tougher scrutiny of what government do to add value. This is no longer a marginal requirement but arguably part of the shift from government to governance.