2. Restoring Trust in Government[1]

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The topic of my chapter, restoring trust in government, has universal application to public administration and is central to many of the fundamental challenges facing government and its institutions. Accordingly, I want to address a number of key areas where we, as public servants, have the ability to both influence and initiate the process of restoring trust in government, more particularly, through the way we work with the citizens of New South Wales, a trust in and of the public sector.

We have all heard phrases such as 'I'm from the government and I'm here to help', and 'the cheque is in the mail'. These phrases have entered the lexicon as classic statements of counter-intuition, with the implication of cynicism and mistrust. But has it always been thus with trust?

To begin, let me provide some context. Various surveys and studies have found that, since the mid-1960s, public trust in government and political institutions has been decreasing in virtually all of the advanced industrialised democracies (Dalton and Wattenburg 2000). Research conducted using both series of the World Values Survey conducted in the early 1980s (1981–84) and the early 1990s (1990–93) provides substantial support for theories that focus on the performance of governments and political institutions to explain citizens' declining confidence in them (see http://www.worldvaluessurvey.org).

A 2005 survey of Canadian citizens found that the degree to which citizens trust government is dependent upon a number of factors (ICCS 2005). The survey found that citizen trust and confidence is promoted when public organisations provide:

- good leadership and management (50–65 per cent impact);
- equal and ethical treatment (10–15 per cent impact);
- quality services (10–20 per cent impact); and
- services that meet citizens' and community needs (10–25 per cent impact).

These measures do not, however, account for declining confidence related to how well a government is able to manage the economy. Many studies have found that citizens have less trust in governments that cannot generate economic growth, create jobs, and competently deliver social services (Nye 1997). Conversely,

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governments that can bring about economic growth, create jobs, provide access to education, and deliver services in an easy and transparent manner are more trusted (Fiorina 1978; Mackuen et al. 1992).

The most extensive evidence on public trust in government comes from the United States and its American National Election Studies data series (see http://www.electionstudies.org/). Early readings from the late 1950s revealed a largely supportive public with most people believing that:

- one could trust government to do the right thing;
- there were few dishonest people in government;
- most officials knew what they were doing; and,
- government was run for the benefit of all.

These positive feelings were relatively unchanged until the mid-1960s, and then declined sharply. For example, in 1964, 75 per cent of the American public believed they could trust their government to do the right thing most of the time, by 1995 only 15 per cent did so. Closer to home, New Zealand studies reflect a similar trend. In 1985, 8.5 per cent of New Zealanders had a great deal of confidence in their government, but by 1998 this had fallen to 2.5 per cent (State Services Commission 2002).

A study conducted in the United States using empirical evidence contends that the pervasiveness of the trend across advanced industrial democracies cannot be explained simply on the basis of government performance. This is especially so as the latter half of the twentieth century was a time of generally improving standards of living, characterised by rising affluence, expanding education, and improved social opportunities for most citizens.

Whilst there are national explanations for the drop in trust in government (in the case of the US, for example, the Vietnam War, Watergate, and the Lewinsky scandal), it is unreasonable to assume that a simultaneous decline of trust over the past 40 or more years throughout the advanced industrial democracies is purely coincidental. This prompts one to look beyond specific national conditions and take account of factors that are broadly affecting the advanced industrial democracies as a group. This then leads us to conclude that general forces of social change are affecting these nations, including Australia for which there is no nation-specific empirical, longitudinal data.

The changes, described as a 'social modernisation', are transforming the relationship between the citizen and the state. Scepticism of the political process has also grown more rapidly among the young and better-educated, with the new style of politics represented by less deference to authority, more assertive styles of action, and higher expectations for the democratic process

(Inglehart 1990; Dalton 2004). It is suggested that changing citizen values and expectations have created a new political Zeitgeist, which stimulates greater scepticism of government (Dalton 2005).

Globalisation, a greater interconnectedness through information and communications technology, and increased advocacy of non-government organisations have also contributed to making citizens more aware of their rights and therefore more demanding of their governments. Recent events in North Africa and the Middle East have made this dramatically apparent.

A literature review produced for the 'Seventh Global Forum on Reinventing Government' explored the theme of building trust in government and concluded that expectations of citizens vis-à-vis their governments and political representatives in the era of globalisation had changed with the possible emergence of a new civic culture:

> The new civic culture cherishes trust for itself ... demands sincerity and truthfulness in the words and deeds of representatives ... It wants to be able to monitor government performance much more closely than before ... [and suggests that] governments today would be better off applying programs and policies that enhance trust in government directly ... rendering politics more transparent and dispersing the power of political decision-making to foster accountability (Blind 2006).

Partially prompted by popular dissatisfaction with the governing process, contemporary democracies have implemented reforms to expand access, increase transparency, and improve accountability of government.

Political and social parameters are also at play, with political scandals, seemingly frequent findings of corruption, and the sometimes disproportionate focus of the media on these issues contributing to the decline of trust in government institutions and political leaders. However, these events tend only to reinforce the (generally poor) impressions of government already held by an increasingly cynical public.

Governments here have clearly recognised the importance of addressing the issue of trust. As opposition leader, former NSW Premier Barry O'Farrell made it clear in a speech to the Institute of Chartered Secretaries Australia that the NSW Liberals and Nationals were resolved to restoring trust in public institutions, and to 'unite the public sector, individuals and communities, and elected representatives in a network of trust' (O'Farrell 2010a). A number of initiatives that are currently being pursued in NSW are testimony to this commitment: the establishment of a Public Service Commission; legislation embedding new public sector values and an ethical framework; the strengthening of whistleblower protections; the imminent appointment of a Customer Service Commissioner; and the creation of Infrastructure NSW. I will return to these initiatives later.

How can the public sector meet the challenge of restoring trust and better meeting citizens' needs? As the literature reveals, there are various dimensions to the construct of trust and numerous factors that serve as a basis for understanding citizens' declining trust in government. In recognition of this, the OECD refers to the implementation of the so-called 'ITARI principle' as the basis for trust-building and performance improvements in the public sector (OECD 2009). The five components that comprise the ITARI principle will not be unfamiliar: integrity, transparency, accountability, responsiveness, and inclusiveness.

In order to ensure that we are able to act in an inclusive manner when dealing with citizens, community, and stakeholders, the public sector needs to address the critical challenge of increasing transparency in how decisions are made and implemented. This can be achieved by paving new ways to increase citizen and stakeholder participation and engagement in formulating public services and products. Facilitating a greater involvement and engagement with and amongst stakeholders is critical to assisting government delivers on the expectations of citizens.

A 'network of trust': Interventions designed to connect government and stakeholders

Critical to the way government interacts with key stakeholders — public servants, citizens and communities — is the creation of the 'network of trust' referred to by the NSW Premier in his speech to the Institute of Chartered Secretaries Australia. The vision is fourfold: for citizens to be able to trust public institutions and to defend their interests; for politicians and ministers to be able to trust that the public service will give them objective, high quality and fearless advice; for public servants to trust government to do what it says; and for public servants to be valued by government and citizens for their integrity, impartiality and expertise.

Key to facilitating a new vision of government–stakeholder interactions based on a mutual trust are a number of initiatives currently being pursued by the NSW government.

The new Public Service Commission will work with public servants and public sector workers as stakeholders, to restore and maintain the highest levels of integrity, impartiality, ability, accountability and leadership. It will also explore ways in which the public sector can develop its people through enhanced mobility, whether via exchanges between departments, agencies and other jurisdictions or secondments with the private and community sectors. A key challenge will be to ensure that the public sector workforce has the capabilities and technical skills to deliver efficient and effective services into the future.

A Customer Service Commissioner will work to ensure that government interactions with the citizens of NSW meet the needs of citizens. The then Premier Barry O'Farrell (2010b), in a pre-election address to the Committee for Economic Development Australia on 12 November 2010, indicated that the purpose of the commissioner is to:

- bring the interest of public service customers and the defence of public value and public interest right to the heart of decision-making;
- develop practical and sustainable ways to give government's customers the value and results they deserve; and,
- ensure customer-centred services are a strategic priority for government, with ministers to be the champions of the 'customer' within their portfolios.

The Premier further identified five customer service principles that provide a framework for implementing this new direction:

- making customer focus a leadership issue;
- simplifying government;
- redesigning public service delivery to suit people, not bureaucracies;
- devolving authority to people, communities and frontline staff; and
- measuring results and ensuring accountability.

A third body, Infrastructure NSW, has been established in legislation to work with the private sector to deliver coordinated infrastructure planning across the whole of government using the most efficient and effective funding mechanisms available, to deliver the best results possible. It will be responsible for preparing a 20-year 'State Infrastructure Strategy' for NSW, along with detailed five-year infrastructure plans that will set out the details of projects, sequencing and funding arrangements in the forward estimates of the NSW budget. The *intention* of the government in establishing this body is to ensure independent — non-political — infrastructure decision-making. The *impact* of Infrastructure NSW will be to bring private sector expertise to bear in this decision-making.

The need for a more outward-looking public sector

Giving more than lip service to the notion of putting citizens first means, in one sense, that the public sector must look beyond itself for developing solutions to public problems. We need to both understand and acknowledge that the public sector does not hold all the answers and, by extension, does not necessarily have the expertise, capacity and resources to meet the ever-evolving needs

and expectations of citizens. The custom and practice — dare I say, 'culture' — of introspection is, I believe, the single greatest risk to the relevance and effectiveness of the public sector.

We must also ensure that we engage with communities and stakeholders so as to achieve sustainable, citizen-focused outcomes when developing and implementing policies or service delivery solutions. Furthermore, blindly following rules and processes risks creating 'solutions' that simply address internal control parameters and/or that align with 'conventional wisdoms'.

An outward-looking public sector will establish a dialogue with communities of interest to ensure priorities are appropriate and approaches sound. It will also encourage members of the wider community to more actively contribute to service delivery improvements, policy and program development, and to make progress in areas that rely more on public choices than on government interventions (such as saving water and lowering obesity levels).

Government will need to be open to feedback and actively engage with communities about decisions that concern the services to be provided and how they are funded, and remain open to new ways of providing services.

Embracing new approaches to improving the quality of policy advice and service delivery outcomes

Participatory approaches and requirements

If the trust of citizens is a prerequisite for the efficient functioning of government, we need to address the critical challenge of increasing transparency in how decisions are made and implemented by paving new ways to increase citizen and stakeholder participation and engagement.

Stakeholder engagement, a common activity across government, is a key component in effective service delivery. I need to emphasise that it is not an exercise in managing stakeholder expectations. Governments have become experts in stakeholder management. I am as guilty as the next senior public service manager of past laziness in the identification of stakeholders around a given issue (often falling back to the litany of usual suspects: the Business Council of Australia, Australian Industry Group, Australian Chamber of Commerce and Industry, and Australian Council of Trade Unions), and then attentiveness to the cosmetics of engagement while seeking to control, manage and/or minimise their actual impact.

A more productive way to conceptualise stakeholder engagement is to break it down into five broad categories of participatory approaches viewed along a continuum, starting with low-level engagement and leading to high-level partnering characterised by shared ownership and accountability. The participatory approaches on this 'engagement continuum' are defined as follows:

- Networking: a low level of engagement characterised by information exchange about strategies and activities;
- Coordination: structured consultation on strategies or activities to influence outcomes;
- Cooperation: formal involvement in the development of outcomes;
- Collaboration: similar to cooperation, except that this phase signals changes in the way stakeholders behave when working together; and
- Partnering: shared accountability for the product and in the achievement of the goals set.

Importantly, the model of the engagement continuum I have described imposes a discipline by requiring a forensic assessment of the exact relationship proposed for each stakeholder group and the level of reciprocity that can be expected from government in the relationship.

Too often, government defaults to the language of partnership — and thereby sets expectations around that promised engagement — when something different is intended. A more diligent and honest approach avoids pain on both sides by recognising that different levels of participation are acceptable and more or less desirable depending upon the characteristics of the policy process and the goals being pursued. In addition, each participatory approach will require a different design, using a new combination of tools and methodologies, much like the way that each participatory initiative contains a unique mix of people and institutions.

To return to rules and process fixation, misguided attempts to strictly standardise and replicate protocols, in line with conventional scientific practice, can also undermine the participatory process. To illustrate, there is a view that some of the frameworks that were successfully applied to the management of the multitude of projects that were undertaken in the lead up to the Sydney Olympic Games, and which were then retained post-Olympics, have had some longer-term unintended consequences. The nature of the Sydney Olympic Games projects (particularly in terms of arrangements like public–private partnerships), their scale (in terms of the magnitude of the work required), size (in terms of budget and other necessary resourcing), and the tight delivery time frames, together with the public scrutiny they received, demanded a specific and necessarily rigorous response in terms of the probity frameworks that were applied.

However, these highly engineered probity frameworks continue to be used today as a one-size-fits-all approach to risk management. Rather than pursue good outcomes, is it possible that the application of the pre-existing probity frameworks, through no better reason than a preoccupation with process, has created barriers to the fomenting of new ideas, stifled opportunity for innovation and resulted in reluctance on the part of the business community to effectively engage with the public sector and vice versa? Those from outside government who have confronted our approaches to unsolicited infrastructure proposals and tendering generally might be forgiven for thinking so.

I hasten to add that I am not advocating the dismantling of probity frameworks or the casting aside of risk management methodologies, but rather that they be fit for purpose, taking account of the value, complexity and sensitivity of the initiative or project being pursued. We should be reminded that the goal of risk management is not the total elimination of risk, but an approach aimed at effectively identifying and assessing risk with a view to mitigating its potential impact. Risk management frameworks, much like engagement strategies, need to be developed so that they are fit for purpose.

Sir David Normington, appointed to oversee public appointments and the civil service code and recruitment in the UK, criticised the recruitment code of practice as too 'process-driven … too complex, over-regulated', and 'too prescribed and specific'. He said that 'it is time for people to stop leaning on the rules', because 'if you are concentrating on stopping things you tend to forget that you are also there to enable'. He also made the point in this context that people need to start engaging their brains. I would like to think that this means looking for 'new ideas that work'. If this also means providing the public service with the authority, competence and tools to align probity and risk requirements with legitimate public service innovation and experimentation, then so be it.

Participation, as I have outlined, allows the community opportunity to contribute ideas and expertise to the solving of problems. Participation, in all of its forms, improves the effectiveness of government by encouraging partnerships and cooperation within and across levels of government, and between the government and private institutions.

Co-production and market design: Working towards citizen-centric solutions

The concepts of co-production, co-creation and market design have evolved from a similar footing; they each involve taking a citizen-centric approach to policy development and program delivery. It is no longer adequate for government to

be just the rule-setter and service-provider. Government needs a restless value-seeking imagination that constantly searches out ways to create public value (Benington and Moore 2011).

Co-production is an active but voluntary behaviour by a citizen which is conjoint with government activity and which creates value in the form of outputs or outcomes. Support for co-production processes is central to the design policies that encourage, enable or educate citizens to make choices that contribute to wider public goals.

Co-production is not about offloading the delivery of services to the community to reduce spending; rather, it is defined by:

• Joint development of policy and service delivery to realise shared strategic outcomes;

• The community as co-architects in the design of policies and programs that concern them and their resources;

• Citizen participation and involvement in government activities; and

• Collaboration between the state and the citizen in the production of socially desired outcomes.

The aim is to mobilise the additional productive capabilities of citizens to complement service delivery in areas of public concern — volunteers of the rural fire service, for example, 'produce' emergency responses, but also assist, or 'co-produce', with respect to educating property owners of the need to undertake fire prevention or mitigation work. Citizens sorting their household waste to facilitate recycling are also engaged in co-production.

Market design builds further on the principles of co-production in that it adds elements of devolved government — where funding is provided to non-government entities for goods/services — and co-regulation — where the regulatory role is shared between government and industry.

Concluding observations

Introducing new participatory approaches where we must engage with citizens, and apply citizen-centric research and design thinking, can be challenging. According to Christian Bason of Denmark's MindLab, three myths in particular characterise the involvement of citizens in these types of processes (see Bason 2013).

First, there is the fear of 'citizen dictators': by involving citizens or business representatives explicitly, as public servants we might be devolving our decision-making authority. The purpose of involvement is not to ask citizens which ideas they prefer, but to explore which ideas are likely to work.

Second, citizen involvement requires too many resources: it will take too long and it will be too expensive. Energy and resources are necessary for citizen involvement, but consider the alternative: what does it cost to develop supposedly 'expert' solutions behind a desk, 'roll them out', and then realise, based on citizens' complaints, rising service costs and political fall-out, that the solution doesn't work? Citizen involvement is a cost-effective means of ensuring that new solutions really do meet users' needs, and that they hit the target in terms of service improvements and better outcomes.

Third, citizen involvement creates unrealistic expectations: now that we have generated these new ideas together, don't citizens expect something to happen? Most citizens and business owners understand that in a political system, especially in a democracy, there is no guarantee that just because a group of public servants think that an idea is a good one it will be judged so by top management or by politicians. It is therefore necessary to clarify expectations — that we would take the process and their input seriously — and report to them what, if any, ideas we would continue to work on.

We should nevertheless be encouraged in this endeavour, as it is evident that there is an enormous appetite for engagement in the business and non-government sectors, and, critically, a real and genuine willingness to make a contribution to NSW's enhanced performance. This was made clear to me soon after commencing my role here in NSW, when, at the invitation of former premier Nick Greiner, I was invited to an informal gathering of 20 or so influential people drawn from the business world, university, community and cultural sectors, and past mandarins from the bureaucracy. They shared their aspirations for NSW, their frustration at the generally closed and introverted nature of the public sector, and their enthusiasm to be involved in what they characterised as the rejuvenation of the state.

In considering how the NSW public service can push through this open door and take systematic advantage of the knowledge and experience held by people similar to those I met from outside government, I am working with Dr Michael Spence, Vice Chancellor at the University of Sydney, to convene forums that bring together senior public servants, academic, business and community leaders to talk about opening lines of engagement and explore ideas for unleashing the potential of our external partners (using the term in its true sense). From this

will emerge a specific course of action for *how* the public service will move from introversion to extroversion. We have permission from this government to engage. It is now for us to make it happen.

To conclude, I am not so naive as to believe that the phrase, 'I am from the government and I am here to help', will ever again be accepted at face value. But I am confident that initiatives such as the NSW Public Service Commission, Infrastructure NSW, the Customer Service Commission, and the external leaders engagement exercise will go some considerable way to creating the foundations on which that trust can be built. To underscore these initiatives, I suggest we reword the phrase to say: 'I am from the government and I need — and want — *your* help'.

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