FOREWORD

This volume had its genesis in an Australia and New Zealand School of Government (ANZSOG) conference titled ‘Delivering under Pressure’. And that is certainly what many public sector managers feel they are doing these days. In a short space of time, many have gone from one extreme to another: from having to expend vast sums quickly on infrastructural and other programs to stem contagion from the Global Financial Crisis—and, in Australia, devising large-scale social expenditure programs leveraged by the Mining Boom—to having to do their bit to reduce resulting deficits and debt. In Australia at least, this ongoing challenge appears to have been made harder politically by public attitudes and expectations conditioned by the earlier largesse.

While only recently embraced, it would seem that public sector ‘austerity’ is here to stay. The term has been used by some to denote overreaction to budgetary pressure. But spending remains historically high, and in Australia (New Zealand has done much better) the fiscal problems are big and will not be resolved quickly. It is also clear that the magnitude of the necessary correction needs something better than mere trimming of budgets and time-honoured, across-the-board efficiency dividends. There is a growing recognition that governments must think more strategically about their roles in society and, in particular, how much they should be doing and funding at taxpayers’ expense—on the ‘what’ question as well as the ‘how’. Doing more with less, and doing only what the public sector can do best, have become dual imperatives—though arguably they should have been so all along.

‘Productivity’ as an operational concept is most commonly associated with the private sector, although it is just as relevant to the public sector. But the conduits for productivity gains—innovation within organisations, and the ascendancy of more productive or valued activities over others—do not come easily within the public sector, not least because of the more muted incentive systems that
are obtained there. Moreover, measuring any gains is inherently problematic for services that are delivered in non-market settings and motivated by ‘public value’.

How do we best foster public sector innovation in the absence of competitive pressure? How do we decide which activities are most valuable, or which are better performed by or through other agents? And how do we know if we are performing well according to the public value test? These are all important questions for which there is no settled ‘theory’ and for which answers are still emerging through observed practice.

The issues raised and the experiences related in this volume provide useful guidance. If I were to summarise the key insights for me, they would be:

• Churchill’s maxim, ‘never waste a good crisis’, with the current need to spend less being seized as an opportunity to actually serve the public better.
• ‘Frugal innovation’—changes in programs and processes that pay as much attention to the costs to the taxpayer-cum-citizen as to the benefits.
• The value of experimentation, of ‘having a go’ and, even more importantly, learning from the experience.
• Harnessing the advantages of the private and, especially, ‘third’ sectors, in pursuing public purposes.
• The importance of measurement to the pursuit of cost-effective management of scarce public resources.
• Promoting public understanding of both the ‘why?’ as well as the ‘what?’ questions in order to successfully implement reform initiatives.

ANZSOG is committed to assisting governments in all these areas. Its programs of teaching, research and discussion for executives combine the best of academia with the in-depth experience of top practitioners. For, in the end, how successfully the public sector ‘delivers under pressure’ depends on the capability and motivation of its leadership.

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