Federal environment policymaking in Australia: avoiding failure; pursuing success

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Federal environment policymaking in Australia: avoiding failure; pursuing success

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A thesis in fulfilment of the requirements for the degree of
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for June Mackie in honour of her love of researching what went before

and

for Jed, Conrad, Rose, Ellie, Amaya and their collective futures

Abstract

This study is an empirical investigation of success from the viewpoint of policy officials in the context of Australian federal environmental policy. The research puzzle driving this study is why policy interventions succeed or fail, including from the insider perspective. Specifically, the central question of this study explores whether policy officials have a prior sense of success, what factors they consider are key to success, and how they pursue success.

The qualitative approach combines interviews and case studies within environment policy. The interviewees are 51 policy officials who had a central role in the Federal Environment Department over the period 1993-2013. Twelve diverse cases are discussed including the *Home Insulation* and *Working on Country programs.*

Most interviewees claimed they had a strong sense whether or not a policy would succeed. The common ground on which they based their predictions suggests that three key factors of success set out in the public policy literature warrant closer scrutiny in the environment policy context: stakeholder engagement; clarity of objectives; and a strong evidence base. Interviewees emphasised the importance of a strong policy mandate as a key factor, a factor not prominent in the public policy literature, but of likely significance in environment policy success.

The overarching finding is that a primary factor in policy success is the agency exhibited by policy officials. Agency is defined as the self-directed actions of policy officials intended to achieve a particular result for the good of the environment. This study's contribution to the literature is a heightened understanding of the tactical manner whereby officials pursue policy agendas. An appreciation of these real world tactics may be of value in understanding why policies succeed or fail.

For theorists, the study is an insight into the 'black box' of policymaking. Though interviewees described their work more in terms of avoiding failure than pursuing success, the study concludes that an increased focus on the agency exhibited by policy officials will enhance our understanding of how public policy is made and why some policies succeed where others fail. Parallel studies in other policy fields would test the wider applicability of the study findings.

Table of Contents

List of figures, tables and map

List of figures

List of tables

Abbreviations and acronyms

AFP	Australian Federal Police
ALP	Australian Labor Party
ANAO	Australian National Audit Office
ANZSOG	Australian and New Zealand School of Government
AOP	Australia's Oceans Policy
APS	Australian Public Service
ATO	Australian Tax Office
CDEP	Community Development Employment Projects
CEPANCRM	Contract Employment Program for Aboriginals in Natural and Cultural Resource Management
COAG	Council of Australian Governments
DCCEE	Department of Climate Change and Energy Efficiency
DSEWPAC	Department of Sustainability, Environment, Water, Population and Communities
EBPM	Evidence-based policymaking
EEZ	Exclusive Economic Zone
EPBC Act	Environment Protection and Biodiversity Conservation Act
ESD	Ecologically sustainable development
GBR	Great Barrier Reef
GFC	Global Financial Crisis
GST	Goods and Services Tax
ICANZ	Insulation Council of Australia and New Zealand
IGAE	Intergovernmental Agreement on the Environment
IPA	Indigenous Protected Area
IPAA	Institute of Public Administration, Australia
LPA	Liberal Party of Australia
MBE	Measures for a Better Environment
MPA	Marine Protected Area
NAILSMA	Northern Australia Indigenous Land and Sea Management Alliance
NECA	National Electrical and Communications Association
NES	National Environmental Significance
NGO	non-government organisation
NHT	National Heritage Trust
NLC	Northern Land Council
NOO	National Oceans Office
NPM	New Public Management
NRM	Natural Resource Management
NRS	National Reserve System
NRSMPA	National Representative System of Marine Protected Areas
NSESD	National Strategy for Ecologically Sustainable Development
NSW	New South Wales
NT	Northern Territory
OH&S	occupational health and safety

PM	Prime Minister
PM&C	Department of the Prime Minister and Cabinet
RMP	Regional Marine Plan/Planning
RFA	Regional Forest Agreement
SES	Senior Executive Service
SoE	State of the Environment
UK	United Kingdom
UNEP	United Nations Environment Program
US	United States
WA	Western Australia

Chapter 1: Introduction: a study of environment policy success

After working in Centrelink, I decided to work in policy areas that don't impact directly on people's lives, so in 1995 I applied for a job in the Environment Department (Environment Department employee, 2013).

1.1 Introduction

Most federal public policies impact in some way on the day-to-day lives of Australians, whether it is through tax rates, income support, health policy or myriad other areas. Environment policy can seem at arm's length and the impacts a long time off. Since the mid-1990s, federal environment policy has had an increasing impact on many aspects of life. When environment policy fails, whether by omission or directly, the impacts on the individual citizen can be immediate and severe, as occurred in the *Home Insulation Program*[1] when between November 2009 and February 2010 four young installers died on the job in separate incidents. More often, the long-term impacts, as in the case of climate change, water and biodiversity policy, compromise the choices facing future generations.

The policy concern underpinning this study is why some environment policies fail and others succeed. In the context of a research doctorate, this practitioner concern turned to whether the wide array of theories of public policy offer any compelling explanations as to why policy failures occur and how to avoid them. Recent federal environment policies in Australia, such as the *Home Insulation Program* and the *Green Loans Program*, offer fertile ground to explore this question. The researcher's policy experience provided the opportunity to observe, at close quarters, the full spectrum from damning failure to unexpected success in federal environment policies. Questions relating to what works and why in environment policy touch on so many variables that the questions themselves are difficult to formulate. Yet theorists continue to search for compelling explanations of why environment policies fail. But answers evade theorists and policymakers alike, and both lament the failure to learn from past practice.

The study begins with the premise that Australia faces serious environmental problems that warrant national government intervention (Dovers, 2005, Lindenmeyer, 2007). The question arises as to the effectiveness of federal environment policy interventions. Investigation by the Productivity Commission (2009, iii) found that, in many cases, the projected benefits of environment policy interventions have not materialised. The Australian National Audit Office (ANAO) (1997, 2001, 2007, 2008, 2010a) audits of environment policies found it difficult to determine the extent to which programs are achieving the intended outcomes. National State of

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[1] The 12 policies and programs given particular attention in this study are italicised to distinguish them from the full suite of policies and programs implemented by the Federal Environment Department over the study period.

the Environment (SoE) Reports (2011) establish that threats to the environment continue despite national policies designed to protect the environment.

Crowley and Walker (2012, 7) described federal environment policy in Australia as a "litany of failure" identifying climate change, energy, Natural Resource Management (NRM), water and population policy as primary examples. They argued that the explanation for such failure can be found in three core ideas:

- Australian policymakers have persistently ignored the limitations of Australia's fragile environment to withstand unfettered development, despite repeated warnings from scientists of this fragility and the need for precaution (Crowley and Walker, 2012, 1-2,7)

- a persistently "developmentalist" context that lacks an ecological sensibility (Crowley and Walker, 2012, 176)

- a lack of political will to address environment problems (Crowley and Walker, 2012, 182).

In researching environment policy failure, Crowley and Walker (2012) were struck by the juxtaposition between environment policy as an urgent task facing the government and the regularity of policy failure. However, rather than continuing to investigate failure, do we gain fresh insights if we turn the question on its head and ask: why do policies succeed?

Within this broad concern, this chapter establishes a gap in the public policy literature, and sets out the research questions, boundaries and potential significance of the study. It explains why environment policy and the perspective of policy officials on policy success are chosen as the research focus and discusses the definition, measurement and prediction of policy success. Finally, an outline of the thesis is provided.

1.2 Policy success from an insider perspective

There is a shortfall in the public policy literature at the intersection of three fields of interest:

- policy success

- the scope to predict policy outcomes

- environment policy.

This section establishes why this is so.

An understanding of why some policies succeed is a recognised weakness in the policy theory literature. Two theorists with an interest in policy success, Marsh and McConnell (2010, 565), described the literature on policy success as thin. They declared that it has not yet been matched by a theoretical framework and thus it is "a remarkably under-explored aspect of public policy"

2

(Marsh and McConnell, 2010, 581). McConnell's (2010b, 234) thesis was that a better grasp on the phenomenon of policy success will improve our understanding of many of the "often talked about but rarely researched" …"dark corners of public policy".

Further, there is limited empirical research on whether a given policy is *likely* to succeed. Recipes for success can be found in the literature. However, following a formulaic approach does not guarantee a successful outcome. The complex nature of policy and the differing contexts and content require more than a checklist of steps, as Interviewee 18 in this study recognised:[2]

> You can read about the 'seven steps to develop policy' and fill in all the boxes and think that is the recipe for policy success but it is not. It is a recipe for minimising all of the risks but it is not a recipe for success. You can have plans, evidence, resources, time – all that lined up but that does not mean the policy will work. There are all the other bits you cannot control – but that is what makes policy interesting.

There is also a dearth of studies informed by the experiences of policy officials, that is, from a practitioner or 'insider' perspective.[3] Policy officials can be understandably coy about the inner workings of government. Just how officials orchestrate their role in the policy process is not fully revealed in the policy literature in a systematic or replicable way. Jarvie (pers. comm., November 2013), for example, found in her work on policy learning that there is surprisingly little systematic work in Australia on how public servants behave in complex policy environments. Moreover, few studies have sought to identify the cues policy officials pay attention to in assessing whether an environment policy is likely to succeed.

Finally, there is a limited pool of studies exploring how policy officials understand and pursue environment policy success. Analyses of environment policy often have a singular focus on a specific case, issue or region. Crowley and Walker (2012, 9) pointed out that, although much has been written on environment issues, very few studies have had a concerted focus on environment policy. They listed Dovers (2005, 2013, Dovers and Hussey, 2013) and Thomas

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[2] The selection and characteristics of the 51 interviewees participating in this study are discussed in Chapter 3. Interviewees are referred to by number (01 to 51) to preserve their anonymity in accordance with the ethics approval for the study. Where the quote may identify the particular official, the level of the interviewee is used (Tier 1, 2 or 3) (see Table 3.1).

[3] The term 'policy official' is used in this study to refer to Australian Public Service (APS) employees involved in policymaking. It is preferred to other possible terms for the following reasons. 'Public servant' includes APS employees not engaged in policymaking. The term 'policymaker' can include politicians, and those engaged in policymaking from outside government such as lobbyists and stakeholders. 'Policy official' is preferred to the term 'bureaucrat'. That term correctly means 'official, public servant or administrator' but as it can also have a pejorative tone it is avoided in this study. In that sense, not all policy officials are policy actors. The term 'policy entrepreneur' is not used in this study but does appear in the literature (Kingdon, 2011, Vas, 2012), to denote policymakers inside and outside government who actively seek to influence policy. The term 'policy actor' is adopted in Chapter 6 to describe policy officials who actively pursue a policy agenda.

(2007) as exceptions. Similarly, Middle (2010, 73) found that most environment studies focused on the success or failure of specific policies rather than on the process of policymaking, the focus of this (and Middle's) study.

The study rests within the intersecting gaps between success, prediction and environment policy in the empirical and theoretical literature. Discussions with public policy experts and the survey of the success/failure literature outlined in Chapter 2 generated the central question explored in the thesis: whether policy officials have a prior sense of success, what factors they consider are key to success, and how they pursue success.

The study is structured around the two specific research questions:

Do environment policy officials have a prior sense of whether an environment policy is likely to succeed?

What are the key factors likely to drive environment policy success?

The initial interviews conducted for this study quickly established that policy officials do have a strong predictive sense of success. The revelations in the interviews in regard to what the interviewees saw as key drivers of success led to a third research question:

How do policy officials pursue success in environment policy?

Chapter 4 reports the findings on predicting policy success and Chapter 5 discusses the key factors supporting success. Chapter 6 discusses an unexpected finding of the study in terms of how the interviewees pursued policy success. In that chapter the way the interviewees, from Secretary down to the lowest level, combined policy judgment, creativity and courage to pursue environmental outcomes is explored. I use the term 'agency' to capture the essence of that behaviour.

The central research question raises definitional and conceptual challenges but it is important and is relatively unexplored in the literature. The study will seek to highlight broader theoretical lessons emerging from an in-depth case study of federal environment policymaking. The final chapter concludes that the concept of agency is a key to understanding policy success and a likely productive avenue to bridge the gap between practitioner and theoretical constructions of public policy.

1.3 The study boundary and research design

The research questions address complex issues not readily reduced to quantitative inquiry. The research strategy is therefore qualitative in approach (Argyrous, 2009, 238). The absence of a

compelling theoretical base to understand policy success suggests a design based on situation-specific case research (Feldman, 1989, Yanow, 1996).

The logic of the research (qualitative, case study) calls for interviews as the primary data-gathering tool. Fifty-one interviews were conducted with federal environment policy officials (Appendices 1-2) with the approval of the Environment Department's Board of Management (Appendix 3). As context for the study, the history of Federal Government engagement in environment policy, the parallel growth of the Department and the full suite of environment policies it has delivered over the study period are provided at Appendix 4.

Qualitative studies typically face the question of the most appropriate breadth of coverage. In this study 'policy' is taken to encompass the full range of policy instruments including legislation, national strategies and programs. Over the study timeframe, the Environment Department has delivered a wide range of environment policies and programs. The interview results were used to narrow the field study. The field for exploring the research questions is selected as 12 national biodiversity and energy efficiency policies administered by the Federal Environment Department and set out in the table below.[4]

Table 1.1 Twelve policies identified for particular attention

Biodiversity policies and programs	Energy efficiency and solar programs
The EPBC Act 1999	*Fuel Quality Standards Act 2000*
The Regional Forest Agreements (RFA)	*Solar Homes and Communities Plan*
The Natural Heritage Trust (NHT)	*Solar Hot Water Rebate Program*
Caring for Our Country	*National Solar Schools Program*
Working on Country	*Green Loans Program*
Marine Protected Areas (MPA)	*Home Insulation Program*

Taken together, these policies provide a sufficiently comprehensive set, given their significance and scale, to explore the research questions.[5] The list includes a range of policy instruments:

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[4] Hereafter referred to as 'the Department' or the 'Environment Department'. Unless otherwise indicated the reference is to the Federal Department rather than any State environment departments.

[5] To isolate a manageable set for study, a decision was taken to focus primarily on biodiversity and energy efficiency policies and programs. The 12 policies (Table 1.1) are the subset of the wide range of policies selected from the Department of Environment Annual Reports 1993-94 to 2012-13 and Environment Budget overview documents. The 12 policies are those the interviewees gave particular focus to in their responses. The objectives, budget and timeframe for the eight programs of the 12 policies are set out in Appendix 4 (Table A4.2).

Reference is made in this study to climate change and water policies. In the main, however, those two areas stay outside the scope of this study. The success or failure of climate change policies is a highly complex and turbulent area, which would need to be explored in the broader climate change policy context. They warrant separate studies in their own right in regard to policy success and failure. The suite

two pieces of legislation, two national strategies, three protected management programs and eight funded programs involving a mix of projects, incentives, rebates and innovative trials.

In regard to biodiversity programs, up until 1997, the Environment Department was primarily responsible for implementing a fragmented array of small programs such as One Billion Trees, Coasts and Clean Seas and the Endangered Species Program. These small programs often had ambitious objectives but rarely sufficient funding to deliver on the objectives. A significant shift occurred in the scale of the response and the level of funding with the funding of the *Natural Heritage Trust (NHT)* and its successor programs.

The second policy area after the biodiversity programs to receive major funding injections to be administered by the Environment Department was energy efficiency and emission reduction. In 2007, the Rudd Government confirmed commitments made in the election process for a range of energy efficiency related measures including the three *Solar Programs* and the *Green Loans Program*. Finally, the largest funding tranche ever received by the Department came through the $4.3 billion for the Energy Efficient Homes Package (which included the *Home Insulation Program*).

This study restricts its focus to policies falling within the responsibility of the federal Environment Minister, and therefore does not encompass the full scope of federal environment policy as defined by Dovers (2013, 114). Dovers (2013), in examining why certain issues arise on the Australian national environment policy agenda, had to first deal with what actually constituted environment policy. Indeed, all of the 12 selected policies, as with most environment policy, incorporate parallel or related economic, social, industry, agriculture, Indigenous or energy aims, underscoring the difficulty in defining the edges of environment policy.

The federal level of government was selected rather than state or local levels, as environmental problems have increasingly required national and consistent responses. A more narrow focus on one or two policies would have risked the unique and idiosyncratic masking the universal and systemic.

The time period for the study of 1993 to 2013 was chosen, as by that time, the organisational, legislative and policy infrastructure for a national approach to environment policy had been

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of programs administered by the former Australian Greenhouse Office is largely excluded, as the majority of the programs were not continued beyond 2008. The water reforms, policies and programs are excluded, being administered by several different portfolios and institutions. World heritage and arts and culture programs are excluded, as they are outside the direct environment policy focus. Finally, small (less than $10 million over four years), regionally specific and very short-term programs are excluded.

established (Appendix 4). The 20-year period spans both federal Labor and Liberal-Coalition Governments and incorporates many of the large national environment policies and programs and their predecessor programs. Further, over that period, the Department had a relatively stable senior management team.

The study boundary was defined to ensure sufficient breadth of coverage in order that the common patterns and outlying views support the discussion of the research questions (Chapters 4-6). Two of the 12 policies (*Home Insulation Program* and *Working on Country)* are attached at Appendices 5-6 as examples of the case analyses. Limiting the reach of the study to a 20-year period, one jurisdiction and one agency allows a manageable exploration of policy success in the context of environment policy.

1.4 The perspective of policy officials: benefits and constraints

In 2006 the Australian Auditor-General, Ian McPhee (2006) drew a clear distinction between the role of ministers as politicians, who take responsibility for policy, and the role of the public servants, who implement the policy or political will of government. The distinction he drew has significant implications for an exploration of success in the Australian environment policy context. How officials negotiate the terrain between the Westminster edict that 'politicians decide' and 'officials advise' is central to the exploration of the research questions. A key issue, explored in detail in Chapter 6, is the degree of either explicit or embedded leverage officials had to influence the policy outcomes.

In the United Kingdom (UK), Howlett et al. (2009, 65-66) recognised the policy influence of the bureaucracy stemmed from its command of information and legislative and financial resources, and its permanence arising from the long tenure of many officers. Further, they argued that policy deliberations in the UK for the most part occur in secret, denying those outside the bureaucracy the opportunity to engage. Similar characteristics apply to the Australian Public Service (APS) where high-level officials with lengthy careers are in a position to amass considerable experience, knowledge and policy expertise. A former federal Environment Minister, Dr David Kemp (2013, 204), commented on the remarkable coherence and continuity of the APS from election to election. In the same vein, Prasser (2006, 292) counselled the temporarily elected and appointed politicians and ministerial staffers to appreciate more fully the policy knowledge and experience that resides in the bureaucracy, notwithstanding the increasing politicisation of the APS.

In this study, the lengthy careers of up to 35 years of the high-level interviewees (Figure 3.3) compare to the up-to-three year (on average) timeframes politicians have held the post of

7

Environment Minister over the study period (Table A4.4). It is the officials who give effect to Cabinet decisions through implementation. The onus is on the officials to report on performance and expenditure to the minister and through the minister to the Parliament. Whether a policy works, or not, is often forefront in the mind of officials, as they are answerable to the minister.

A focus on the policy official's perspective on success is therefore justified to the extent that there is a large degree of stability in the APS, and officials can have a key role in policymaking, including in how government policy decisions are translated into on-ground realities. Conversely, it is also important not to overplay the role of the bureaucracy. Policy officials operate within the constraints of the decisions taken by the elected government, including the timeframes, resources and political imperatives. Officials can be given very politically construed decisions to implement. In addition, the separation between government and administration is becoming increasingly blurred over time (Podger, 2009).

A focus on the viewpoint of the policy official finds support in the public policy literature. Colebatch (2007, 3) observed, after years in the field of policy theory, that "there are relatively few accounts of the actual practice of policy work". Policy, he concluded, is "under-researched and under-theorised" (2007, 3). He considered that, because the textbooks and official accounts of the policy process often diverge from actual experiences, the academic study of policy would benefit from academics working in concert with practitioners (Colebatch et al., 2010, 39). In his view, this required close observation of "what policy workers are really doing most of the time and achieve by their activities" particularly through in-depth interviews (Colebatch et al., 2010, 239-240). In their investigation of public policy, Colebatch et al. sought to draw on both the "detached, codified knowledge of the academic observer and the involved and (possibly tacit) experiential knowledge of the practitioner" to illuminate their collective understanding of policy work (Colebatch et al., 2010, 12).

Research by other public policy scholars (Althaus, 2004, Feldman, 1989, Stewart, 2009b) revealed the value of accessing an insider perspective. Althaus' Australian study of political risk employed the term "inside-out" to refer to the perspective of a political actor (minister or official in her study) looking outside at the world and making judgments concerning what is or is not risky (2004, 3). This study therefore, in responding to calls from Colebatch (2006d, 224) and others for more context-specific empirical research on the nature of policy, focuses on policy success from the viewpoint of the policy official.

With such a study, it is wise to have a sober view of the results possible. The interviews with the policy officials provide a rare entry to the inner workings of policymaking. However, interviews as a data source rely on the willingness, memory, openness and capacity for insight

of the respondents. In analysing the interviews and cases, every effort was made to separate the common patterns from the merely anecdotal. Finally the cautionary note by Howlett et al. (2009, 67) not to overstate the degree of policy influence wielded by officials is observed. In their view, the differing values and views held among policy officials generate a diversity of influences in the policy advice to government and the political executive is ultimately responsible for policy.

1.5 Potential significance of the study

Theorists such as Colebatch et al. (2010) and Williams (2010) acknowledged their understanding of policymaking has been held back by the difficulty in accessing the actual experiences of policy officials. The inside view of the interviewees may provide insights that help inform the efforts of theorists grappling with broader notions of 'what works'? This study provides an uncommon opportunity to access the thinking on such questions of policy officials working inside government.

It is expected that the research will advance the theoretical understanding within the emerging policy success literature of the factors conditioning success in environment policy. If sufficiently captured, the findings could inform, *ex ante,* future policy efforts. Such early warning signals, if sufficiently robust, could potentially be applied to analyses of unresolved environment problems. From a practitioner perspective, it is instructive to stand back and ask: 'Why did that policy intervention work, or why did it fail?' 'What should we have kept an eye on?' 'What could have been done to move towards success?' In that regard, the findings of the study may also provide a tool to identify policies as targets for early implementation review, evaluation or audit.[6]

Two particular findings in the public policy literature by Mayntz (1983) and Nevill (2007) underscore the merits in undertaking this study. Writing over 30 years ago, the German theorist Mayntz, in grappling with issues of policy design and effectiveness, asked a similar question to this study: whether it is possible to determine *ex ante* if a program will work or not. She found this question so challenging that she concluded:

> **A theory of programme design could also have counterproductive effects by impressing**
> **policymakers so much with the manifold risks of failure that they feel subjectively less**

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[6] While the study findings may be useful in informing the management of risk, this work is not a study of risk management per se. Technical or operational risk assessment is narrower in scope than the focus of this study. Such risk assessments typically ask at the program level what could go wrong in implementation and what strategies need to be put in place to reduce risk. This study focuses on questions around signposts for success. It is more akin to the emerging concept of policy risk than the extensive body of literature on risk assessment and management at the project or program level.

> **certain than without such knowledge and consequently shrink from taking action (Mayntz, 1983, 141).**[7]

Mayntz feared that if theories of policy effectiveness and design were actually able to describe the nature of policy, policymakers would become paralysed by the potential pitfalls in taking action. She raised an important question as to whether is it possible to bring a more systematic approach to achieving policy success that relies less on trial and error or learning or doing. Policymakers are not often formally taught how to do policy. It has remained a craft mostly learnt on the job. Almost 30 years after Maynz (1983, 141), Wanna et al. (2010, 3) made the rather pessimistic observation that trial and error, and learning by doing passed on from practitioner to practitioner, remain a valid and inescapable strategy to achieve success in public policy.

The second finding, by Nevill (2007), an Australian environment policy analyst, exposed difficulties faced by scholars in understanding success and failure in environment policy pertinent to this study: the general absence of explanations for systemic policy failure and the difficulty of accessing the inside story. Nevill chronicled the failure of all levels of government in Australia to protect freshwater ecosystems. Successive SoE Reports (Beeton et al., 2006, State of the Environment 2011 Committee, 2011) confirmed Nevill's (2007, 36-43) assessment that freshwater ecosystems continue to degrade despite international and domestic policy commitments. Nevill found his attempt to understand the reasons behind wetlands policy failure through documentation on the public record and by asking ministers directly was confounded by the inaccessibility of government policy processes, particularly in regard to timing and the implementation of programs. He offered possible explanatory factors: the particular features of environment policy; failures on the part of bureaucrats; the multiple layers of government in Australia; poor reporting; and failure to base policy advice on science. However, he ultimately concluded:

> **Explanations for the lack of implementation action must remain largely speculative due to difficulties in penetrating the mists which surround high-level political and bureaucratic decisions (Nevill, 2007, 44).**

Nevill's hypotheses remain largely untested because of his lack of access to what goes on inside the Federal Government[8] and state and territory governments.[9]

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[7] Quotes from published documents appear in bold to distinguish them from the interview quotes. Introductory quotes to each chapter are also in bold (including interview quotes used in that context).
[8] Hereafter 'Government' is used to refer to the Australian Federal or Commonwealth Government.

[9] Hereafter 'State' is used to refer to the six state and two territory governments.

Mayntz and Nevill were working in different time periods and contexts. However, their combined insights into policymaking provide a strong rationale for this study. Both searched for a more systematic approach to policy success than trial and error. In the Australian policy context, Nevill recognised that what goes on inside government may hold the key to understanding why environment policies succeed or flounder. These insights suggest that efforts to gain an improved understanding of the 'insider' experience of policymaking are a worthwhile exercise.

Rather than attempting to develop a theory, as Mayntz had hoped to do, this study considers whether officials have a sense of what will work and if so on what basis. To do so, it firstly draws on accumulated policy wisdom and practice in the literature before interrogating the interview data and case study analyses. Although mindful of Mantz's pessimism that if policymaking truly understood the complexity of policymaking it would become paralysed in action, the costs of policy failure underscore the merit in searching for an improved understanding of policy success.

The variables impacting policy success are manifold. Policy success is complex, contingent, political and multi-faceted. However, through a sifting of interview data, this study may be able to winnow the more significant drivers of policy success from the 'noise'. If so, a slice of understanding may have been added to current models of 'what works'. Notwithstanding the potential limitations of the study (Chapter 3), the particular gaps in the literature on policy success and failure, on the perspective of the policy official and on predicting success, suggest it is worthwhile, provided the cautions on the data are front and centre throughout the research process.

1.6 Policy success: definition, measurement and prediction

Definition

Historically, 'success' is not a term typically used in the APS. 'Performance' and 'outcomes' are more common concepts. In recent years, 'success' has started to enter the APS lexicon. Policy officers are now asked 'what would success look like?' when asked to defend a policy proposal.

But what is success? Who decides, on what basis and over what timeframe? How can it be measured? Is it at all possible to predict success? Approaches to defining, measuring and predicting success in the policy literature are discussed below and in more detail in Chapter 2.

The possible definitions of policy success, and conversely, of policy failure, vary widely in both theory and empirical analysis (Crowley and Walker, 2012). For a practitioner, the measure of

11

success may seem obvious and matter-of-fact: were the stated objectives met; was the allocated funding spent; were the reporting requirements met; and was there a measurable difference to outcomes on the ground? Fulfilling stated objectives from both a practitioner and theoretical point of view only goes part way to an understanding of the meaning of policy success.

Kemp (2013, 203), a political science academic, drawing on his experience as a former federal Environment Minister, highlighted the significance of policy success to politicians. To Kemp, policy is the core concern of political leadership because voters want their leaders to solve problems, and policies are the way they do that. He argued it is by their policy successes and failures that political leaders are judged, and on which they ultimately win or lose elections.

For a theorist, the question of success is less straightforward than it can appear to a practitioner or a politician. This study draws on the work of the two UK policy theorists, Marsh and McConnell (2010) and McConnell (2010a, 2010b) to provide a definition of success and a framework for measuring success. Their work is explored in more detail in Chapter 2. They emphasised that judgments around success or failure in implementing a policy are highly relative, contested and reflect power relations (Marsh and McConnell, 2010, 567, 577). McConnell defined policy success as:

> **A policy is successful if it achieves the goals that the proponents set out to achieve and attracts no criticisms of any significance and/or support is virtually universal (McConnell, 2010a, 347).**

In the context of Australian environment policy, this is a high bar, as most environment policy requires a behavioural change that is likely to impact a pre-existing set of economic or other interests. In the UK, Rutter et al. (2012) built on McConnell's work by emphasising the importance of success over time. They came to a definition of successful policy:

> **The most successful policies are ones which achieve or exceed their initial goals in such a way that they become embedded; able to survive a change of government; represent a starting point for subsequent policy development or remove the issue from the immediate policy agenda (Rutter et al., 2012, 14).**

Success is defined in this study, at least as a starting point, in both the narrow sense of meeting stated objectives and in the more fundamental sense of making a difference to the policy issue. Middle (2010, 76, 92), for example, in his study of success in environment policy in Western Australia (WA), concluded that a successful environment policy is one that actually delivers an improved environmental outcome. An environment policy may deliver on the stated objectives but there may be unacceptable or unintended impacts with high political costs, as occurred in the *Home Insulation Program*. Conversely, a policy such as the *Solar Rebate Programs* may have met stated objectives and have been electorally popular, but may still be terminated before

the planned end date on the grounds of poor value for money and miscued incentive levels. Finally, policy success is never absolute. Outcomes can shift along a success–failure continuum as conditions and perspectives change. The way interviewees construe the notion of policy success is explored in Chapter 4 as a basis to explore questions relating to the prediction and pursuit of policy success.

Measurement

Success can only be really known after the fact. Policy developers, implementers, evaluators and theorists have long grappled with the question of how to measure policy success. As Bovens and 't Hart (1996, 4) pointed out, a policy rarely has fixed criteria for measuring success or failure that apply regardless of time and place. Policies and programs can succeed or fail totally or partially, in substantive terms or in the process, and at any stage (Howlett et al., 2009, 182).

The measurement of success in environment policy is confounded by the dearth of long-term monitoring data, the difficulty of attributing change, and a systemic or political reluctance on the part of officials and governments to report missteps in implementation, and even less on a resounding policy failure. Beyond the simple metric of whether the stated objectives were met, the definition offered above requires that success be measured in terms of the more fundamental metric of whether the policy made a difference to the state of the environment.

In 2012, a major study (Lefroy et al., 2012) sought to establish whether the investment by the Government in environment programs was improving the state of the environment. The study was prompted by recurring ANAO findings that there was little evidence that the major public investment of over $4 billion since 1996 through programs such as the *NHT* and *Caring for Our Country* had improved the condition of water systems, soils and native vegetation. Lefroy and his co-editors worked with over 42 researchers from universities, State agencies and regional catchment management bodies. They concluded that the investments in environment protection had failed to produce measurable impacts. Although many of Australia's environment problems can be regarded as intractable, Lefroy et al. concluded that unless <u>measurable</u> success can be demonstrated, environment policy runs the risk in the longer term of losing budget funding:

> **The increasing emphasis on evidence-based policy and scrutiny of public funding means that large public environmental programs may be at risk if evidence of their success cannot be produced (Lefroy et al., 2012, 3).**

In the same way, Possingham (2009), in critiquing the draft *2010 Biodiversity Conservation Strategy* pointed out that in the absence of any measurement against targets (such as for

reducing species loss) set in the previous national strategy, there was no scope to learn from past failures.

How then is success to be measured in the context of environment policy? Marsh and McConnell (2010, 564) argued that the public policy literature has lacked a framework that allows analysts to capture whether any particular policy was successful or not. They put forward their own framework, which measures success across three dimensions:

- how the policy arose and the level of support (the 'process' dimension)

- was it implemented as per its stated objectives? (the 'programmatic' dimension)

- is it popular with the electorate and therefore with politicians? (the 'political' dimension).

While mindful of the layered and temporal nature of policy success, this study adopts the Marsh and McConnell Framework as a pragmatic *ex ante* external tool to place the policies covered by this study along a success–failure continuum. It provides a coherent rubric for the researcher to assess the 12 policies so that research questions can be attended to. This approach allows the study to focus on the questions of prediction and the factors policy officials consider important to pursue success rather than an *ex post* assessment of whether the policies actually succeeded.

Prediction

McConnell (2010b, 9) is one of the few authors to touch on predicting policy success. He raises the question of prediction because he wondered, if we cannot predict success, what does this tell us about our capacity to produce successful policies?

Predicting policy outcomes in any policy field is difficult because of the large number of variables. The difficulty is further compounded by the political nature of policymaking. A policy may be derailed by any number of factors ranging from election outcomes to adverse weather conditions. Examples of how exogenous factors, sheer error and serendipity have all played a part in shaping environment policy outcomes are found in Chapters 4 to 6. These all diminish the ability to predict policy outcomes (Zahariadis, 2007, 87).

Kahneman (2011), a Nobel Laureate in Economics, in his research into prediction, demonstrated that we are not skilled in the selection of the best indicators to support our predictions even when it is our field of expertise. Economic forecasters, who work with hard data and statistics, can only ever offer economic predictions in terms of likelihoods and possible alternate outcomes (Gittens, 2011, 6). In the field of law, sophisticated quantitative analysis is being explored as a predictive tool that can systematise the human assessments lawyers currently make on the likely outcomes of legal cases (Katz, 2013). Prediction in the environment policy

arena may be even more elusive than prediction in economics and law, as environment policy is often devoid of win/lose outcomes, precedents and quantifiable data.

The term 'prediction' is used in this study in the general rather than the technical statistical sense in that it is limited to measures of what is <u>more or less likely</u> to succeed rather than numerical probabilities. <u>Correctly</u> predicting the outcome of a policy is not the fundamental point of this study. The purpose of exploring the scope to predict policy success is not to assess whether the predictions prove to be correct. Rather, it is to identify which factors are likely drivers of success and therefore what actions might be required to increase the likelihood of success. As Aaron (2000, 194, 202) argued, if policy outcomes are to be improved, policy forecasting deserves more attention. In holding this view, Aaron suggests that the subjective, implicit prior assumptions made by policy officials about the policy unknowns deserve more careful study than they have received to date.

1.7 Why environment policy?

Federal environment policy is selected as the policy area to explore the research question for three primary reasons. First, in dealing with complex matters, environment policy provides fertile ground for exploring the intricacies and nuances of policymaking. Writing over 25 years ago, Dryzek (1983, 346) went so far as to suggest that environment policy is an especially relevant area for scrutiny of the link between policy design and policy success because of its complexity, uncertainty and longevity of impacts.

Second, the tolerance for getting environment policy intervention wrong is contracting as the cumulative consequences of past environment policy failures continue to mount. The political and economic costs of failed environment policy underscore the importance of examining 'what works?' In light of the mounting global environmental challenges, Coffey (2013, 11) identified the importance of better understanding environment policymaking (or governance) from the angle of the 'real' work involved and not just the idealised views about how environmental governance should occur.

Third, my former role in the Department facilitated my capacity to identify and access environment policy practitioners who were willing to share their insights and experiences. The benefits and strategies to address the risks that came with this ready opportunity are discussed in Chapter 3.

Walker (1994) argued that environment policy is no different to other policy areas in terms of the analytical approaches required to address the policy issues. However, environment policy is considered by many scholars to differ in substance from other policy fields in terms of

15

timeframes, and the disjunct between environment and economic objectives (Dovers, 2005, Dryzek, 1987, Thomas, 2007, 252).

Dovers (1999, 206) argued that the magnitude and complexity of problems such as climate change, land degradation, biodiversity or population, challenge existing modes of policy analysis and formulation. Summations of policy failure in the environmental realm, he concluded, should be "seasoned by an acceptance that these problems are different in both kind and degree" in that they involve complex policy attributes, including possible ecological limits, irreversibility, connectivity, risk, uncertainty, cumulative effects, moral dimensions (future generations, other species), systemic causes such as patterns of production, consumption and governance, and the need for community participation.

If environment policy differs in substance from other policy areas, the question of the relevance of general theories of public policy and policy success arises. From a political science perspective, why environment policies succeed or fail is a well-traversed field. This study takes as a starting point the political science analysis of why environment policies are failing: that is, the ongoing dominance of economic over environment imperatives (Crowley, 2002, Crowley and Walker, 2012, Dovers, 2005, Kellow, 2009, Walker, 1994, Walker and Crowley, 1999).

Environment policy has more scope for success when it can take into account the intrinsic value of nature and inter-generational equity. Crowley and Walker (2012, 6) suggested both these concepts run counter to the dominant economic paradigm that sets the frame for so much public policy. However, economic and environment goals are not always in conflict. As Interviewee 10 observed, an astute policy developer crafts an environment policy in a way that aligns economic and social outcomes with environment outcomes and which does make economic sense.

In their most recent work, Crowley and Walker (2012) reaffirmed their view that failure lies in the dominance of the economic development paradigm rather than any direct failure in environment management. They (2012, viii) argued that there are ready policy solutions to Australia's environmental problems in the work of Lindenmeyer (2007), Dovers and Wild River (2003) and others. Moreover, these solutions could be adopted if there were sufficient political will. On the premise that solutions are known, they saw environment policy failure as a matter of failed politics. What is relatively unexplored, in the Australian policy literature, is the perspective of officials on policy success. Do officials have a sense of what will work and why; what do they base that view on; and how do they pursue success?

The study explores the definition, prediction and pursuit of policy success over a 20-year period within one organisation. Although the analysis primarily focuses on the 12 selected policies, it is anticipated the findings will have broader applicability to other environment policies.

1.8 Outline of thesis

This chapter has set out the genesis of the central research question, the study boundaries and the scope to make a contribution to the public policy literature. The broader research puzzle of why environment policies fail is explored through one central question relating to the prediction and pursuit of policy success in the context of Australian environment policy. A preliminary definition of 'policy success' is provided. Finally, the chapter introduces the research design and the methodology.

Chapter 2 provides a synthesis of the intellectual approaches and tools found in public policy theory to support the investigation of the research questions. Specifically, it extracts two foundations for the study: the Marsh and McConnell Framework to assess the policies discussed; and a list of success factors to guide the interview questions. Chapter 3 establishes the approach as an interpretive empirical study, and examines empirical studies for guidance on how to approach the research questions. It sets out the rationale for employing a single case study approach incorporating 12 differing policies and drawing on interviews with policy officials. The interview process and the characteristics of the interviewees are described. The chapter concludes with the strategies to address the limitations of the approach.

Chapter 4 presents the interview findings on which policies were seen to have worked and applies the Marsh and McConnell Framework to the 12 selected policies as a point of comparison with the interviewee assessments. Chapter 4 then summarises the interview findings on how officials define policy and policy success, and whether they have a sense of what will work. It identifies the factors the interviewees consider most critical to achieving policy success. Chapter 5 compares how interviewees approached the key factors in success identified in Chapter 4 with the treatment of those factors in the public policy literature. Chapter 6 draws together the tactics employed by the interviewees to pursue policy success. The final chapter highlights the contribution the primary empirical finding of the study (the agency exhibited by policy officials) makes to the public policy literature, reflects on the strengths and limitations of the research approach, and identifies the practitioner implications and areas for further research.

The following chapter synthesises key insights from the literature relevant to an investigation of policy success.

Chapter 2: Theoretical approaches to policy success: review of the literature

... mainstream Western accounts of the policymaking process often bear little resemblance to the realities of those who 'accomplish' the actual policy work on a daily basis (Williams, 2010, 195).

It is worth talking to academics and others to understand policy, because people like me can't explain why we did what we did. We just did it. A lot of it is understanding the craft and you think everyone gets it but it is amazing how many people don't (from interview transcript of a policy practitioner with 30 years of environment policy experience).

2.1 Introduction

An extensive volume of theoretical, empirical and practitioner literature awaits any researcher keen to understand what works in the making of public policy. This review is designed to support the investigation of the study research questions in the following ways. First, it explains why public policy theory is selected as the theoretical framework. Second, it examines the small pool of literature dealing with the prediction of success. Third, it examines the literature focused on policy success, including the preconditions for success. Fourth, the literature on policy failure, including the environment policy literature, is examined. The review then turns to the wider literature on the broader question of what works in policymaking in search of factors key to success, to inform the approach to the interviews conducted as part of this study and to inform the approach to the case analyses of the 12 policy episodes identified in Table 1.1.

The overall intent of the review is to identify and discuss the concepts and tools available in the public policy literature which can support the investigation of the research questions. Taken together, the various streams in the literature reviewed in this chapter provide three foundation stones for the study:

- the Marsh and McConnell Framework (2010) for establishing where 12 policies fall on a success–failure continuum (Table 2.1 in Section 2.4 below)

- an initial set of key factors in success to guide the interview questions (Table 2.3 in Section 2.8 below)

- the derivation of key questions pertinent to each of the key factors in success as set out in Table 2.3 to guide the analysis of what drove success in each of the 12 policy episodes examined in this study.

This review is designed to make explicit just how the broad field of public policy literature relating to policy success and failure is employed to address the research question driving this study. In that regard, this Chapter seeks to establish the ways in which public policy theory provides the 'lens' through which the 12 case studies are examined.

The chapter concludes that the practitioner is unlikely to find definitive guidance in theories of public policy on how to pursue policy success, in part because of the number of variables that can impinge on policy outcomes, and in part because of the long running disconnect in the literature between the theory and practice of policymaking.

The logic of the argument presented in this Chapter 2 is that:

- the literature on how public policy is made is vast

- notwithstanding the length, breadth and depth of public policy theory, little guidance is available in the literature to assist policy practitioners when it comes to predicting and pursuing policy success, including in environment policy, as set out in Section 2.3 below

- nevertheless, the emerging field of policy success theory is beginning to crystallise insights pertinent to this study. In particular, the Marsh and McConnell Framework (Table 2.1) on assessing policy success is taken from the literature as an external objective tool to rate the 12 policies discussed in the thesis as succeeding or failure (Section 2.4 below)

- further, the expanse of policy theory reviewed does provide some clues (as set out in Table 2.3) as to what drives policy success – these clues are used to first guide the interview questions and second to inform and structure the analysis and discussion in Chapters 4-6.

2.2 The theoretical context: public policy

Public policy theory as the epistemological framework to support the study

The explanations of why some policies succeed and others fail in political economic, economic and environment theory offer alternate and valid explanations. Political economy focuses on how political considerations influence the policy choices (Howlett et al., 2009, Walker, 1994). Economic explanations of environment policy failure focus on the failure of the market to factor waste, scarcity and intrinsic values into the price of natural assets. Environment theory explanations of why environment policy fails typically reside in the dominance of economy over ecology. However, for the practitioner, the theoretical insights of the political scientists, economists and environmental theorists have not ensured policy success in environment policy. This has left policy officials to face the task of designing and implementing policy that works, without definitive theoretical guidance.

As this study focuses on success from the perspective of the policy official, I argue that public policy theory provides the most instructive primary body of theoretical knowledge to underpin it. At the same time, the study draws on the insights of political scientists, economists and environment theorists where relevant. With its focus on success and failure in the Australian

policy context, primary attention is given to the Australian literature and where relevant the UK, North American and European literature concerned with policymaking in democracies with a Westminster-style government.

A distinction that emerges in the theoretical literature is the positivist interest in what policy is and how policy is done and the normative interest in how policy should be done to deliver better outcomes. Colebatch et al.'s (2010, 16) edited text *Working for Policy,* in their own assessment, is an example of the former as it focuses on what policy workers do rather than on the outcome of their work. Weimer and Vining (2005), Barrett and Fudge (1981) and Pülzl and Treib (2007, 90) provided examples of a normative approach. This study leans to the normative, as the initial driver was an interest in why some environment policies fail on the ground, rather than a theoretical interest in the policy process as such.

Over the past 15 years Colebatch (1998, 3, 111, 2007, 1, 6) has consistently observed that the way practitioners and academics describe accounts of the policymaking experience differs. This difference suggests practitioners may struggle to find guidance in the theoretical literature on how to secure policy success. After years of scrutinising public policy theories for answers on how theory can assist practitioners in the task of implementing policy that works, O'Toole, a United States (US) professor of public administration, concluded that:

> **Theories about policy implementation have been almost embarrassingly plentiful, yet theoretical consensus is not on the horizon. The number of variables offered by researchers as plausible parts of the explanation for implementation results is large and growing. Disputes among proponents of different perspectives on the implementation question have filled volumes. Different investigators pursue explanations for different kinds of dependent variables, with relatively little dialogue regarding what might be the most appropriate *explanandum*. After hundreds of empirical studies, validated findings are relatively scarce. Few long-term longitudinal studies have been completed. And, most telling of all, those who have specialised in studying implementation questions systematically have had relatively little to say to practitioners (O'Toole, 2004, 310).**

In part because of this disconnect between theory and practice observed in the literature, and in part because of the inherent complexity of policymaking, this study does not nest easily in any particular theoretical framework for public policy. The notion of searching for the one framework that offers the most explanatory power is set aside. Rather, this review draws on the 'broad church' of policy theories for insights. Consistent with the views of Nowlin (2011), Moran et al. (2008), Winter (2007) and Yanow (1996), this chapter draws on the pertinent accumulated knowledge in public policy theory.

Policy theorists however have no settled common definition of public policy as a starting point for their investigations. Overviews of the diversity in approaches to defining public policy can be found in the works of Hogwood and Gunn (1984), Parsons (1995), Thomas (2007), Dye (2008), Kraft and Furlong (2010, 5) and Maddison and Denniss (2009, 3-4). Specific definitions

of public policy range from Dye's (2008) simple 1972 definition of "whatever a government chooses to do or not to do", to Dovers' (2005, 18) broader definition in the Australian public policy context of public policy as "processes and decisions enabled, made and/or communicated by government and other institutions operating in the public domain".

The following definition of public policy is used in this study. It is synthesised from the range of definitions found in the public policy literature and adapted for the Australian public policy context:

> **The decisions government takes through formal processes such as Cabinet to implement a course of action to improve outcomes for the good of the public or to respond to a specific interest, group or political imperative.**

The above definition requires a decision that is in some way formalised. It recognises that, when faced with a policy problem, policymakers lean towards a preference for action. It plays down questions of equity and the redistributive impacts of public policy. It also avoids the question of from whose perspective is the good of the public assessed. The definition embodies the notion of change for the better. But who defines 'better'?

The definition is based on my policy experience that practitioners understand public policy as the decisions taken by government to implement a course of action to improve specific outcomes, either for the good of the public or as a pragmatic response to a powerful vested interest holding political sway. The value of the definition is that it encompasses both process and outcome. It provides a starting point for the study to progress to an exploration of how officials predict and pursue policy success.

2.3 Limited theoretical attention to predicting success

The few references uncovered in my review of the public policy literature relating to prediction and policy success are discussed below. Policy theory has not offered practitioners a predictive tool for policy success (O'Toole, 2004) and policy theorists have offered relatively little practical advice on how to anticipate and avoid implementation problems (Weimer and Vining, 2005). This shortfall warrants investigation.

Weimer and Vining (2005, 275), in their text on policy analysis, first published in 1989, asked "What factors influence the likelihood of successful implementation?" To fill the shortfall in advice to practitioners, they offered the concept of scenario writing, where policy analysts pre-think how the policy, and alternative approaches, might unfold in practice. They considered such 'forward mapping' may support better prospects of success but recognised that 'the forward mapper' must be courageous about making prediction and not be paralysed by the fear of being wrong. Forward mapping, in their view, called for a capacity for "dirty mindedness" –

the ability to think about what could possibly go wrong and who might have an incentive to make it go wrong (Weimer and Vining, 2005, 280-281). In the intervening 30 years since Weimer and Vining called for forward mapping, related strategies, such as risk assessment, gaming analysis and scenario planning, have evolved and are applied in a wide range of public policy and business endeavours.

In a similar vein to the work of Weimer and Vining (2005), O'Toole (2004, 309) wryly observed that, if theoretical knowledge should have practical application in *any* subject, policy implementation should be a frontrunner. After 30 years of researching policy implementation, O'Toole (2004, 316) concluded that theories of policy implementation cannot be applied in a predictive sense by practitioners to diagnose situations and calibrate responses to policy dilemmas. He explained this failure in terms of the fragmented and disputed nature of much of the theory and the complexity of the policy process. As O'Toole (2004, 320) saw it, managers of public programs typically face a "nonlinear reality" with complicated interactions which are difficult to model let alone analyse predictively.

Although O'Toole (2004) concluded implementation theory falls short as a predictive tool, he considered that the theory could inform practice, but there are so many variables influencing success it is difficult for the practitioner to know what to give attention to. In O'Toole's assessment, it is still worth the practitioner asking 'what do I need to pay attention to?' just as Weimer and Vining (2005) had encouraged in 1989 with their notion of "forward mapping".

O'Toole (2004, 321-326) asked which set of tools should practitioners have in their tool kit to improve the likelihood of success. His own shortlist suggested practitioners:

- analyse the channels of influence that are most likely to shape the actions of others that will impact on the policy output

- consider actions and possibilities from multiple perspectives

- sort through points of leverage and identify options and trade-offs

- think through how the objectives, information and degree of control policy actors have can combine to affect the implementation process and how these variables interact with external circumstances.

Such a schema does not magically eliminate complexity. However, in O'Toole's (2004, 326) view, if used judiciously, it can offer a systematic way of sorting through complexity that moves past the *ceteris paribus* approach of most theory building. It also provides a reasonable framework for practitioners to consider the context and dynamics of the particular policy setting.

In focusing on the scope to predict outcomes, O'Toole began a line of inquiry that sought to bridge the disconnect between the theory and practice of policymaking. His work is instructive for this study in that he delved into how motivation, gaming and leverage on the part of all policy players, including the behaviour of policy officials, interact with the external factors to condition policy outcomes.

More recently, McConnell (2010b) touched on the question of predicting policy outcomes. He made a case that a balance needs to be found between the two opposing views: first, that it is not possible to predict policy success because of the vagaries of unforeseen events; and second, that there are patterns that can be identified and analysed. He argued that although we may not be able to predict policy success, we can at least be aware that some policies are riskier than others. He therefore positioned the study of predicting success within the realm of risk assessment as informed judgment, rather than at either extreme of utter guesswork or concrete predictions (McConnell, 2010b, 218-219). However, neither the current study nor McConnell considers that the question of predicting policy success is a matter of risk management in the sense of project management. The prediction of policy outcomes requires informed judgment across an array of interacting variables. It is more nuanced than technical risk assessment as set down in risk assessment procedural manuals.

Drawing on his own research and that of others McConnell concluded that:

> **We cannot predict the future, but we can at least use our intuition to map out one or more plausible scenarios of whether policy options might succeed or fail (McConnell, 2010b, 219).**

McConnell invoked Althaus' (2004, 2008) study of political risk in the Australian policy context as demonstrating the value of approaching the concept of policy success from this middle ground of informed judgment. Her study concluded that 'gut instinct' is the principal means by which policymakers assess risk.

Apart from the theorists identified above, the literature on prediction is small and provides little guidance for this study. Do policy officials go through such exercises as Weimer and Vining's forward mapping or O'Toole's shortlist, and if they do, what do they do with the results? Such questions encapsulate the very quest of this study. In that regard, the study tests McConnell's proposition that, despite the large number of variables impinging on policy success, common patterns in the possibilities for success can be identified. This study examines whether policy officials have a capacity to apply informed judgments in their pursuit of successful policy outcomes. The perspicacity of the observations by Weimer and Vining, O'Toole and McConnell in regard to predicting policy success is revisited in Chapter 6.

2.4 Emerging attention to success as a theoretical construct

'Success' as the end point in the policymaking process is gaining currency as a concept worthy of scrutiny. Policy theorists have long grappled with questions around 'what works?' in public policy (Colebatch, 2006c). However, until recently, the concept of success in policymaking in advanced economies with stable Westminster governments has received little attention. This matter goes to the heart of the dissertation, which aims at discovering the way in which the concept is – or is not – featured in the thinking of practising public servants.

There is a longstanding literature on policy success and failure and policy learning in developing and transitional economies, starting with the early work on anticipating failure by Grindle (1981). In her research Grindle focused on the importance of politics in policy implementation. The World Bank, for example, has extensive practice in policies, programs and investments designed to address global poverty and a related large body of literature examining why the Bank's interventions have succeeded or failed. As this study focuses on policymaking in Australia, that literature is not examined here.

This section draws in particular on the work of Marsh and McConnell (2010) and McConnell (2010a, 2010b). They built on the history of effort in public policy theory, including policy failure, to understand policy success. Marsh and McConnell (2010, 570) confronted the epistemological issues of the layers of purpose, meaning and intention when it comes to policy success. They accepted that "policy success is nothing more than a social construct that reflects power relations". Their work offers promise as a fresh and constructive approach as they endeavour to rise above three pervasive debates found in the literature:

- whether the policy cycle is a useful heuristic to understand policymaking

- the debates between positivism and interpretivism

- the debates between rationalists and incrementalists.

McConnell (2010b, 227-229) saw his framework as helping the policy theorist grasp the phenomenon of policy success by providing for policy where the political payoff is greater than the programmatic payoff. He suggested the value of policies of that type is not what they deliver in program terms but what they appear to do. In his analysis, these are the policies with a hidden agenda, a placebo function, or made in haste. This type of policy is recognised to exist but is difficult to research (McConnell, 2010b. 232). Therefore, he argued, policy theorists need to rethink the way they understand public policy and give 'policy success' a pivotal role in that process (McConnell, 2010b, 234).

McConnell argued that the use of success as a fresh construct to understand policy allows theorists to incorporate how the chaotic, irrational and fast-paced world of politics is key to an understanding of policy, but this is rarely addressed in the canons of policy theory (McConnell, 2010b, 220). Together with Marsh (Marsh and McConnell, 2010), McConnell (2010a, 2010b) explored two issues central to this study:

- the conditions necessary to foster and sustain policy success

- the negotiation and engagement strategies adopted by officials to produce successful policy.

Of significance for this study, they concluded that it is important to judge the success or failure of policies. Moreover, they consider it possible to establish criteria for this (Marsh and McConnell, 2010, 570).

A framework for assessing policy success

The Marsh and McConnell Framework (2010, 570-571) identifies three dimensions of policy success, with several indicators for each dimension as shown in Table 2.1.

Table 2.1 Dimensions of policy success as identified by Marsh and McConnell (2010)

Dimensions	Indicators
Process	Legitimacy in the formation of choices: that is, produced through due processes of constitutional and quasi-constitutional procedures and values of democracy, deliberation and accountability
	Passage of legislation: was the legislation passed with no, or few, amendments?
	Political sustainability: did the policy have the support of a sufficient coalition?
	Innovation and influence: was the policy based on new ideas or policy instruments, or did it involve the adoption of policy from elsewhere (policy transfer/diffusion)?
Programmatic	Operational: was it implemented as per objectives?
	Outcome: did it achieve the intended outcomes?
	Resource: was it an efficient use of resources?
	Actor/interest: did the policy/implementation benefit a particular class, interest group, alliance, political party, gender, race, religion, territorial community, institution, ideology, etc.?
Political	Government popularity: is the policy politically popular?
	Did it help government's re-election/election chances?
	Did it help secure or boost its credibility?

McConnell posited that if the researcher wants to understand what is going on in a particular policy case they would be well served by:

> **… an explanation revolving around policymakers striving to achieve various combinations of process, programme and political success, making trade-offs between them while juggling feasibilities and risks (McConnell, 2010b, 234).**

Empirical applications of Marsh and McConnell's Framework

McConnell (2010b, 4) aimed to provide a framework to explore policy success in a way that has been, in his view, almost absent in public policy literature. In doing so, he sparked a controversy about the value of 'success' as a theoretical construct. This has stimulated new research into policy success. Marsh and McConnell (2010) invited researchers to refine their framework, and at least three scholars have applied it to specific policymaking episodes.

Van Assche et al. (2011) applied the framework in their analysis of unfounded claims of policy success by government in land use planning in the Netherlands. They explored, through interview data, how government planning efforts became defined as successes or failures in a way that legitimised such interventions.

The UK Institute of Government undertook a major research program into six successful UK policies (Rutter et al., 2012, 9). In applying the Marsh and McConnell Framework they wanted to depart from the typical focus on policy failure to explore what good policy process and game-changing programs look like. They were spurred on in that quest by a growing consensus among civil servants and ministers that policy could be done better, that policies work more often than many think and by a desire to learn from successes. They brought together ministers, civil servants, other advisors and wider influences to unpack why policies succeed. They departed from the Marsh and McConnell Framework in that they considered the hallmark of a truly successful policy is to take the issue out of political contention. By comparison, Marsh and McConnell's phrasing of the political dimension suggests short-term electoral popularity can be a legitimate measure of success.

Crowley and Walker (2012, 8), in their examination of case studies of environment policy failure in Australia, saw merit in applying the Marsh and McConnell Framework to environment policy, provided policy context was added as a fourth dimension. Including the context allowed ecological considerations to be factored into assessments of policy success and failure.

The findings of the above studies by Van Assche et al. (2011) in the Netherlands, the UK Institute of Government (Rutter et al., 2012) in the UK, and in Australia, Crowley and Walker (2012), lend weight to Marsh and McConnell's sense that policy success is a productive concept to access what works and what does not in policymaking. All three studies, as Marsh and McConnell had encouraged, added refinements to the framework.

Rationale for employing the Marsh and McConnell Framework

The approach put forward by Marsh and McConnell is a useful way to think about policy success as it recognises that success varies across the three dimensions and across timescales and perspectives. It deals with the breadth of policy as a process to deliver specific results, and as a political exercise. It moves beyond a narrow definition of success that considers only whether the stated program objectives were met. McConnell (2010a) suggested the framework allows meaningful cross-sectoral and cross-policy comparisons as it provides systematic criteria for assessing success or failure. Importantly, the framework was developed in the context of Westminster governments. It is a rubric that has passed the test of peer review and has begun to be applied by researchers interested in understanding policy success in Europe, the UK and in Australia as discussed above. This suggests the framework is resonating as a valuable tool for theorists attempting to understand different aspects of policy success. For this reason, from the public policy literature it is identified as the most recent and useful framework to assess effectiveness of the environment polices canvassed in this study. How the framework is operationalised in this study is set out in Chapter 3.

The Marsh and McConnell Framework is instrumental in guiding the approach taken to exploring the research questions driving this study. First, the study focus was 'flipped' from one of failure to one of success. Second, the engagement with the policy officials interviewed focuses on the notion of success. Chapter 4 describes how the interviewees fell into talking about their experiences of environment policy failure (not through any failings on their part as policy experts, but because of the systemic constraints in achieving success in environment policy). Bringing the conversation back to success called for a deeper more analytical response on their part. Chapter 3 (Section 3.3) deals specifically with the methodological considerations of applying the Marsh and McConnell Framework to this study. Chapter 4 applies their analysis to rank the 12 policy episodes as succeeding or failing. Appendices 5 and 6 provide the worked examples of the sources used to assess the *Home Insulation Program* and *Working on Country* case studies against the three dimensions of policy success put forward by Marsh and McConnell. In essence, the Marsh and McConnell Framework is used to calibrate the relative success of the 12 policies discussed in the study. That calibration is necessary given the highly subjective nature of policy success as a concept. As the Framework is adopted as the best proxy found in the literature for an independent measure of policy success, the interviewee statements are not used to inform the rankings of the policies against the three dimensions of success.

2.5 Theories of policy failure: avoiding crises and fiascoes

Relevant insights from selected policy failure literature are explored below as one of the foundations for this study. Much of the recent focus on policy success in the literature grew out of the policy failure literature. McConnell himself comes from a research background in policy fiascoes, disasters and crises. He observed that policy failure is a mirror image of policy success (McConnell, 2010a) and that the crisis literature (Boin, 2009, Boin et al., 2005, Bovens and 't Hart, 1996, Gray and 't Hart, 1998, Hogwood and Peters, 1985) provides a useful entry point for understanding policy success.

Analysts of policy theory observe a reluctance by theoreticians to focus on policy failure. Underdal (2008, 465), for example, noted that decision-makers and researchers are more interested in recipes for success than clues to failure. Nonetheless, several theorists (Bartlett, 1994, Carment, 2003, Castles, 2004, Daniels, 1997, Hogwood and Peters, 1985) stand out in public policy theory as willing to focus on policy failure as a productive avenue for understanding policy success.

Tongue-in-cheek, Hogwood and Peters (1985) dedicated their 1985 book, *The Pathology of Public Policy,* to "all the politicians who have made the mistakes which made this book possible". They used the medical metaphor of "pathology" to make the point that, in 1985 at least, there was no systematic approach to understanding the errors governments encounter in making and implementing public policies. They located the primary sources of failure in the policy design stage. Their suggested "cures" for failure included getting the timing and targeting of policy interventions right, and only changing organisation structures when absolutely necessary (1985, 162-167).

Policy failure continued to haunt governments after Hogwood and Peters' seminal 1985 work. Gray and 't Hart's (1998) analysis of public policy disasters in Western Europe concluded that governments seem just as prone to run into disasters, often of their own making. This was despite the increased sophistication of policy theory and more attention to evidence-based policy and defining and measuring outcomes with the arrival of New Public Management (NPM) by the 1990s.

Policy failure theorists such as Bovens, 't Hart and Peters (Bovens et al., 2011, Bovens and 't Hart, 1996), Gray and 't Hart (1998) and Boin (2009) explained the continuing failure of governments to successfully implement policies in terms of the increasing complexity of society and of policy issues, an increased responsiveness to community discontent with policy failure, the improved monitoring of outcomes, and the increased role of the media in framing and illuminating policy failures. Bovens and 't Hart (1996, 152) in their work on *Understanding*

Policy Fiascoes pointed out that policymakers need to be aware of the changing standards for evaluation of public policy. Whether or not a policy is considered to have failed is itself a political question, involving both values and expectations (Bovens and 't Hart, 1996, 165).

McConnell, working with Eriksson, broached the question of success in the context of crisis management (Eriksson and McConnell, 2011). They found public policy to be a useful way to explore the question of how to maximise the chances of a successful response in the event of a crisis such as 9/11, Hurricane Katrina, the BP oil spill and the Bali bombings (Eriksson and McConnell, 2011, 89). Eriksson and McConnell analysed the question of success in terms of the role of the officials. They concluded that while the prior allocation of resources and responsibilities coupled with anticipation of what may happen are useful foundations, their presence or absence does not explain success in responding to crises. The reason for this, they found, is that there are multiple influences on crisis responses, only some of which can be planned for and anticipated. Eriksson and McConnell (2011, 93-95) identified the main influences on success as the particular characteristics of the crisis (a terrorist biological attack is harder to plan for than, say, a rail crash); the capacities of leaders; the organisational and political setting; and the responses of the community and powerful economic interests. They acknowledged that crisis planners (like policy implementers) must operate on hunches and prediction, but cannot know what the future holds (2011, 91).

In the Australian federal environment policy context, apart from the 2011 case study compilation by Crowley and Walker (2011), very few studies have analysed policy failure from a theoretical perspective. Two earlier studies of policy failure, albeit in different policy arenas, are Castles' (2004) study of migration policy failure and Carment's (2003, 408) global study of why nation states fail.

Castles (2004, 222) concluded that to achieve more realistic policies, policymakers need to look at the way the factors interact in "specific processes of migration". Carment (2003, 408) found large analytical disconnects between academics and practitioners on how to develop and use early warning systems. He suggested analysts working with practitioners may help improve the theoretical understandings of policy failure.

Like Castles, Carment found that theories of policy often lack specificity and do not give sufficient consideration to the operational milieu. Both studies pointed to the need for context-specific and practitioner-informed research, if theorists are to gain a deeper understanding of policy failure.

The policy failure literature suggests that a plausible solution for policymakers seeking to avoid failure is to ensure the policy case and design are based on evidence. Howlett (2009, 159) in

particular argues policy failure can be better understood by examining the role evidence and knowledge play in four specific types of policy failures:

- overreaching, that is, trying to solve 'wicked problems'

- a failure to anticipate consequences

- implementation failures

- the failure to learn the lessons from previous policy failures.

Howlett (2009 168) asserted each of these types of policy failure can be remedied through better evidence. Howlett et al. (2009) surmised that policy failure is the more likely outcome where the policy issue is intractable (complexity) and there are high constraints on the state's capacity to act (control). They saw these two drivers of policy outcomes (complexity and control) as immutable. For that reason, they suggested the best way forward is for policy officials to improve their capacity to forecast so that policy design can be tailored to increase the chance of success.

Of particular relevance to this study is Hindmoor and McConnell's (2013, 543, 556-557) recent analysis of why any early warnings of the 2008-09 Global Financial Crisis (GFC) in the UK and US were not heeded. They developed a context-specific analytical framework of understanding policy failure. Rather than analysing failure from the luxury of hindsight, their framework calls for a kind of forward mapping from the line of sight of the policymakers at the time. The framework places emphasis on what the policymakers knew and thought prior to the crisis when warning signals could be ambiguous and fragmented and attention could be diverted. They concluded that failure to predict a crisis needs to be understood in the decision-making, institutional and societal context.

The policy failure literature discussed above identifies the reluctance by governments to examine and learn from previous failures, poor policy design, the increasing complexity of policy issues, changing community standards and the failure to base policy actions on evidence, as plausible explanations of why policy failure continues. The literature falls short, however, in providing a definitive model or theory to understand how to avoid failure. However, it does provide concepts that are useful for framing the research question that this dissertation has set itself to answer, namely, what are the indicators of policy success or failure and what are the key drivers of both? For example, Howlett's observations above about the links between poor use of evidence and the different kinds of policy failure are used to inform the discussion of the relationship between EBPM and policy success in Chapters 5 and 6.

The following section examines the contribution of theorists to the question of environment policy failure.

2.6 Environment theory explanations of policy failure

Environment policy theorists (Crowley, 2002, Crowley and Walker, 2012, Dovers, 2005, Stewart and Jones, 2003, Thomas, 2007, Walker, 1994, Walker and Crowley, 1999) broadly concur that there is a global environmental crisis and that Australia faces considerable environment policy challenges. They draw this conclusion on the basis that Australia has a high level of species endemism, a significant share of the world's biodiversity values (Department of Environment Water Heritage and the Arts, 2010b), high rates of species and habitat loss, high levels of introduced species impacts and a fragile natural environment.

Scientists have sought to catalogue the impacts of population pressure, climate change and the rate and extent of species and habitat loss, arguing that Australia is demonstrably failing to meet its legislative and international commitments to protect the environment. Lindenmeyer (2007, 71), a prominent environmental scientist, set out the case from a science perspective that environment policy is failing in Australia. He marshalled two examples to make that case: Australia has a high number of extinct and threatened species and leads the world in recent mammal extinctions (Lindenmeyer, 2007, xii-xiii). Dovers (2005, 36) argued that environment policy failure in Australia has deepened to the extent that even government policy statements are now beginning to admit that policy efforts thus far have not done enough to address sustainability.

The five-yearly SoE reporting required under Section 516B of the *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act 1999)* is the most widely recognised assessment of the impacts of environment policy. Four have been completed since 1996. The 2011 Committee rests its claim of independence on the use of best available evidence, extensive consultation and peer-review (State of the Environment 2011 Committee, 2011, 23). That report provides 'optimistic' and 'pessimistic' assessments in recognition of the contested nature of assessing the state of the environment.

The SoE report (State of the Environment 2011 Committee, 2011, 568, 579, 606) ventured that there are increasing risks of population collapses in native species across much of Australia and confirmed the finding of an earlier report compiled by conservation organisations (Fitzsimons et al., 2010, 2) that, based on current trends in Northern Australia, many native mammals will become extinct there in the next ten to 20 years. These findings raise the question of the efficacy of federal environment policy.

Crowley and Walker (2012, 174-175) considered that ecological decline in the face of continued environment policy efforts is "policy failure of the highest order". Dovers (2005, 38) identified two reasons for environment policy failure: a poor understanding of the problems being addressed and poor policy processes. He asserted that success would be more in reach if the broader community was included in policy processes, and there was more of an integrated and whole-of-government approach. Dovers (2005, 38, 184) concluded that the level of policy failure would be minimised if sustainability principles were embedded in all policy sectors and agencies, and in the legislative underpinnings.

The concept of sustainable development was formulated within the paradigm of economic growth in an attempt to integrate concern for the environment with economic interests. Dovers defined sustainability as:

> **the ability of human society to persist in the long term in a manner that satisfied human development demands but without threatening the integrity of the natural world (Dovers, 2005, 7).**

Lindenmeyer (2007, xiv) defined ecological sustainability as perpetuating ecosystem integrity while continuing to provide resources for use and non-use values. He noted, however, that the term 'sustainability' has been so widely used and abused that it is regarded by many as a 'weasel word', bereft of true meaning. The use of the word 'sustainability' then in the view of some scientists provided the language for government to elide the intent to continue to boost economic growth and to claim action on protecting the natural environment.

Crowley (2002) and Nevill (2007) both observed that the most common approach to Australian environment policy analysis, the use of descriptive case studies, sheds little light on the reasons for policy failure, leaving the reader questing for a more satisfactory explanation. Moreover, Crowley (2002) noted, few theorists, apart from Dovers (2005) and Economou (1999), have drawn on insights from environment theory. She recognised that the most critical approaches to environment policy have come from those taking a political economy perspective, notably Walker (1994). However, Kellow (2009) observed that environment politics in Australia have received limited attention from political scientists. She concluded that many studies of environment policy are of limited theoretical, cross-sectoral or international comparative value in part because there are too many "single-shot case studies" and they are usually of a normative tenor (Kellow, 2009, 354-355). Crowley (2002, 485) contended that political scientists had the most critical analysis on offer when it came to understanding environment policy failure. Kellow (2009) found even the political science analysis lacking.

Environment policy theorists and analysts commonly identify the political leaning of the major federal parties as an important influence on the scope to achieve environment policy outcomes.

Such claims can be found in the works of Economou (1999), Stewart and Hendriks (2008), and Pearse (2007). However, at different times environmental gains were achieved under both parties (Table A4.3). Moreover, many policies have enjoyed bi-partisan support.

The more successful environment theorists do make a foray into political analyses that focus on the role of power in resource use decisions (Stewart and Jones, 2003, Walker, 1994). Dryzek's (1987) insights on ecological rationality, Dovers and Hussey (2013) on sustainability, Stewart (2009b) on values, and Lindenmeyer (2007) on the importance of evidence and science, provide wide-ranging analyses of why environment policy is failing. Studies in environment policy typically analyse resource use conflicts in terms of the continuing primacy of development over environment protection (Ajani, 2007, Crace, 2011, Krien, 2010, Wescott, 2009, Yencken and Wilkinson, 2000). In such studies, causes of environment policy failure (over and above the dominance of an economic framework over an ecological perspective) are readily identified. They include insufficient understanding of ecological processes and the importance of biodiversity, lack of political will, short-term electoral cycles, a discount rate that disadvantages future generations and the primacy of industry-vested interests over conservation interests. Walker (1994), Crowley and Walker (2012), Dovers (2005), Stewart and Jones (2003) and many others have argued that economic and ecological imperatives need to be rebalanced within new governance models if environment policy failure is to be avoided. The environment theory literature, taken together, however, offers little in regard to a systematic framework for exploring the specific research questions.

The limitations in the policy failure literature suggest we need to look to the wider literature when garnering useful tools and concepts to support an empirical investigation of the prediction and pursuit of policy success. Thus, this study does not use extensively the literature on policy failure in the subsequent investigations.

Theorists concerned with policy failure, and scholars and practitioners of public administration keen to avoid repeating past errors in public policymaking, have sought to codify how to do policy that works (ANAO, 2006, Wanna et al., 2010). That set of literature in this study is referred to as the preconditions of policy success literature and is discussed below. A review of that body of literature allows this study to build on the accumulated academic and practitioner wisdom.

2.7 Preconditions for policy success

The scope for policy success can be affected by exogenous global, economic, social or political factors. Issues specific to a particular policy, such as the level of behavioural change required, can also influence the likelihood of success. The literature makes clear that the theorists and

practitioners seeking to define the preconditions for success were aware of these exogenous and particular influences and fully understood that in delineating preconditions of success they were offering an idealised model and that implementation failure would still occur (Althaus et al., 2007, 166, Howlett et al., 2009). Despite these caveats, it is valuable to extract a set of criteria for how to achieve policy success from the literature.

These preconditions range from the absence of crippling exogenous factors to adequate time and resources to implement the policy. As early as 1979, Sabatier and Mazmanian (1979, 489-492) developed a six-step model for effective implementation:

- policy objectives are clear and consistent
- the program is based on a valid causal theory
- the implementation process is structured adequately
- officials implementing the program are committed to the program's goals
- interest groups and (executive and legislative) sovereigns are supportive
- there are no detrimental changes in the socioeconomic framework conditions.

In 1984, Hogwood and Gunn (1984) identified ten preconditions for success:

- no crippling external constraints
- adequate time and resources
- required combination of resources at each stage
- policy based on valid theory of cause and effect
- the cause-effect relationship was direct with few intervening barriers
- one agency is responsible
- complete understanding and agreement on the policy objectives
- tasks are specified
- perfect communication
- implementers carry out their tasks with obedience.

More recent work in the US has refined these earlier efforts. Weimer and Vining (2005, 275) identified the logic of the policy, the level of co-operation required and the availability of skilful and committed people as key to policy success. Bardach (2009, xvii, xvi, 145) encapsulated his path to effective policy analysis in eight simple yet compelling imperatives:

- define the problem
- assemble some evidence
- construct the alternatives
- select the criteria

- project the outcomes
- confront the trade-offs
- decide!
- tell your story.

In the UK, the work by the Cabinet Office, National Audit Office and public policy think tanks and institutes (Bullock et al., 1999, Great Britain Cabinet Office, 1999a, b) informed much of the subsequent UK, Canadian and Australian practitioner literature. A similar suite of documents to those developed in the UK has been crafted in Australia to provide checklists and toolkits, in the hope that they will support government officials to construct and implement better public policy.

Bacchi (2009) in her instructive text on policy analysis argued that a clear line of reasoning between the stated policy objectives and a deeper questioning of the policy rationale is a necessary sound basis to develop effective public policy. The more recent practice-oriented work in Australia of Wanna et al. (2010, 294) recognised that aspects of policy are being increasingly designed and delivered by third parties. They therefore added three preconditions that were not common in the lists found in the earlier literature. These were careful attention to political risk; early warning to government of possible delivery failure; and strategies to monitor and rectify failures.

Althaus et al. (2007, 166-167) reviewed the UK literature to set out their insights on the conditions for successful policy implementation. Their insights included three primary tenets:

- that the underlying theory needs to be correct

- that those who deliver a program should be involved in policy design

- that implementation should receive as much attention as policy formulation.

The ANAO drew on the work of Althaus et al. and on the collective experience and wisdom of senior managers in the APS to prescribe how to get policy right. The ANAO (2006) provides advice in the 2006 *Better Practice Guide*, written from a practitioner perspective for practitioners. The *Guide* sets out seven high-level questions for policy implementers to address if implementation is to succeed:

- have all options been tested?

- have risks been fully considered and treatments identified?

- is the timeframe realistic?

- is there clear senior management ownership and leadership?

- are the timeframes, resources, systems and skills adequate?

- are the procurement and contract steps robust?

- have stakeholders been identified and managed?

The ANAO checklist is exhaustive. Even if it were possible to follow all the steps, success in implementation is not ensured. One key question the *Guide* poses is "have critical implementation success factors been identified and given sufficient attention?" (ANAO, 2006, 25) The *Guide,* however, fails to specify what a universal set of those success factors may be. This begs the question, what are these critical success factors, and can they be identified in advance?

The Institute of Public Administration, Australia (IPAA) defined critical success factors in the context of Australian federal policy. It suggested that the actual and perceived policy failures such as the *Home Insulation Program* were conveying a sense of crisis in the policymaking system. Concerned that the policymaking in Australia is failing, the IPAA (April 2012, 27) sought a better approach than what it saw as "policy on the run" where policies emerge as election commitments or "policy by fiat" where policy arose as a result of vested interest lobbying. Somewhat surprisingly, the Institute (April 2012, vi-vii) argued that policy success in the current system of federal public policymaking is "very much a matter of chance". Its attempt to define the ten criteria[10] for a sound business case was designed to arm the government with more than merely a "chance" of success. The criteria range from establishing a demonstrable need for the policy based on hard evidence and with all the stakeholders involved, setting clear objectives and considering all policy options, to having a clear, simple communication strategy.

The IPAA applied the criteria to establish that, in its view, policies such as the Green Car Innovation Fund, the Alcopops Tax and Set Top Boxes for Pensioners had failed the good policy test. It included two programs assessed in this study, the *Green Loans and Home Insulation Programs,* as also failing the good policy test. Conversely, it found that the federal policies on emissions trading and the Carbon Tax had met at least seven of the ten criteria for good policy.

The IPAA (April 2012, ix), concluded that all policy initiatives should be built on such a business case and that the Government should invest more in building policymaking capacity. In the view of the IPAA (April 2012, 27), the ten criteria, combined with transparent, evidence-based and consultative process and improved policy capability, are what is required to "rejuvenate" confidence in public governance in Australia. The IPAA's approach (April 2012)

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[10] The criteria the IPAA adopted were developed by Professor Kenneth Wiltshire of the University of Queensland Business School.

is an advance on the earlier practitioner literature in Australia as it introduces the notion of seeking feedback through several phases of consulting in order to refine the policy design. In addition, its approach captures the importance of selling the policy to the public, which some of the earlier preconditions of success literature omits.

The practitioner documents developed by government and reviewed above do provide some useful guidance on how to avoid failure and achieve success. They have contributed to the dialogue between public policy academics and policy practitioners. In that regard, they help narrow the disconnect between policy theory and practice in Australia at least. The ANAO (2006, 2009), the Australian Public Service Commission (2007), the Crawford School of Public Policy and Australian and New Zealand School of Government (ANZSOG), and former high-level central agency[11] officials such as Shergold (2011) have all assisted in developing a constructive transfer of knowledge between practice and the theory. However, the official government policy advice documents typically do not give consideration to the underlying political drivers, weigh up the impact of political influences on how a policy unfolds, or consider the implications of underlying political forces on whether the policy was a success or not.

In summary, the literature on preconditions for success is a useful starting point for identifying the critical success factors, as it sets out the 'common sense' requirements for policy success. These include the absence of crippling exogenous factors and adequate time and resources for implementation. Knowledge of these factors and of their importance in practitioner calculations of likely success contributed to the formulation of discussions in Chapter 5 (Sections 5.2 to 5.7) as it is exactly these 'common sense' matters that are emphasised by the interviewees in their deliberations on what drives policy success.

The following section draws together the suite of drivers of policy success that are given weight in the broader public policy literature.

An over-riding theme in the body of literature that focuses on the pre-conditions for policy success is the critical importance of setting clear objectives at the outset of a policy process. From that literature the following questions are identified as instrumental to settling on the objectives of a policy:

- is there a clear understanding of the problem to be addressed?

- is there a causal link between the problem and the solution?

- are the objectives clear and agreed?

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[11] The term 'central agency' is used to refer to the federal Departments of Prime Minister and Cabinet (PM&C), Treasury and Finance.

- if there are multiple objectives, are they consistent or contradictory?

- are the objectives achievable?

Questions centring around whether the policy objectives were clear, the primary objective of a policy, and whether there were other or secondary objectives were put to the interviewees in this study.

Similarly, the preconditions literature places significant emphasis on attending to the interests of those impacted by a policy. Guiding questions include:

- Is there sufficient community acceptance that there is a problem to be addressed?

- Has the policy development been informed by the knowledge and advice of stakeholders?

- Have all the interested, affected parties been identified?

- Are their positions well understood?

- Are there strategies in place to respond to specific interests affected by the policy?

Several interview questions address how the policy officials engage with and manage stakeholders, including the role of internal (government) stakeholders and the effort afforded to involving stakeholders external to government.

2.8 Factors driving success identified from the wider public policy literature

Having examined the more specific prediction, failure and success literature, this review turns to the wider public policy literature for guidance on drivers of policy success. The purpose in identifying the key drivers of success is twofold:

- to ensure the study builds on the concepts and tools in the current public policy literature relevant to policy success

- to provide a guide to the most useful focus for the interview questions.

There is an extensive theoretical and empirical literature on the broader issue of 'what works' in public policy but there is no single intellectually compelling account of policymaking (Moran et al., 2008, 4). Section 2.4 above found that policy success as a theoretical approach has a relatively recent presence in the literature. The concept of success is therefore not a unified theme in the wider literature. It surfaces under different guises in many branches of the literature. In reviewing the literature, it has therefore been necessary to travel down several avenues to garner the existing insights into the key drivers of policy success.

Policy theory and practice have evolved from the 1950s rationalist attempts to explain the 'science' of policy through to more recent governance and complexity theories. One constant, in

that long evolution of theory and practice, is a concerted focus on what works in policymaking. This section explores the theories and theorists in more detail. Table 2.2 sets out the dominant theories and concepts relevant to this study in three broad timeframes, along with the parallel concepts for each period in public administration.

There are many ways to structure an examination of the wide range of theories of public policy in Western democratic countries: chronologically, by type of theory, by theorist or by region (UK, US, European and Australian contexts).

Table 2.2 Phases in policy theory and public administration

Era	Policy theories	Policy administration[12]
1950s to late 1970s	Policy science Policy cycle approach Rational choice theory	Grounded in science and economics Tools include cost-benefit analysis, rational hierarchical planning
Late 1970s to late 1990s	Agenda-setting theory Design theory Implementation theories – top down and bottom up NPM Evidence-based policymaking	Concerned with how issues arose and fell away from a government's policy agenda Identified design as a key stage Grounded in models of better management to improve efficiency and performance Cast policy as rational rather than political
Late 1990s to present	Advocacy Coalition Theory Governance Theory Complexity Theory Complex Adaptive Systems Political risk Policy success	Incorporated a broader notion of government Grounded in concepts of complexity, partnerships, networks, collaboration Invoked notions of whole-of-government, joined-up government Focused on accountability, contracting out and contestability of advice to government Greater attention to policy communication strategies and the role of the media Construes policy as a 'wicked problem'

A search for 'what works' in policymaking requires some knowledge of what key theorists have said in regard to the fundamental empirical elements of public policy: how the policy came to be; why it took the particular shape it did; what happened in implementation; and what did any evaluation say about the outcomes? Further, the notion of a relatively orderly process of

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[12] The notion (and some of the terminology) of classifying the phases of policy theory and policy practice is drawn from Pollitt and Bouchaert (2011). They break up the evolution of policy sector reform into the above three time periods.

policymaking is not total anathema to a policy practitioner in the Australian Federal Government. There, policymaking does typically involve the above empirical elements. Bridgman and Davis (2000, 2003, 98), for example, used the policy cycle in their *Australian Policy Handbook* to provide guidance for the many policy officials who are to create policy products but rarely have any training in public policy. The policy cycle approach (Figure 2.1) provides a model for capturing the essential steps in policymaking in an idealised world. The approach therefore to structure the following discussion of the wider literature is to use the stages of the policy cycle (Lasswell, 1956) as the organising principle. The value of the policy cycle derives from its simplicity and its relevance to practitioners. It is a useful way to organise the spaghetti-like threads in the seemingly chaotic policy processes of the real world.

Figure 2.1 The policy cycle
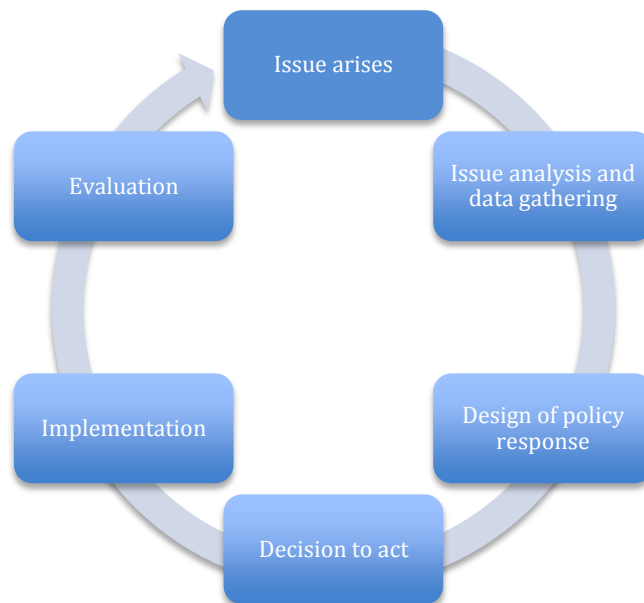
Source: Adapted from the many variations found in the literature (Althaus et al., 2007, Davis et al., 1993, Edwards, 2001, Howlett et al., 2009, Kraft and Furlong, 2010, Moran et al., 2008, Parsons, 1995).

Theorists such as Sabatier (2007) and Colebatch (2006a) debunked the explanatory and conceptual value of the policy cycle. However, as is evident from Table 2.2, much policy theory readily falls into the different stages of the policy cycle. The intent here, however, is not to engage in debate over the value of the policy cycle. Rather, it is to acknowledge its influence in the way many theorists approached their analysis of policy and that it continues to resonate for practitioners. The literature below is therefore discussed in four streams paralleling the stages in the policy cycle:

- the agenda-setting literature

- policy design literature

- policy implementation literature

- policy evaluation literature.

Policy origins: theories of agenda setting

A key question for this study is whether the origins of a policy have implications for its chance of success. The theoretical literature offers no clear answer. The incremental nature of policy makes it difficult to specify the origins of many policies. This makes it difficult to explore the relationship between the origins of a policy and the scope for its success.

Policy ideas may emerge from a few actors or events but usually the origins are more diffuse. There is often a precursor. Baumgartner and Jones concurred with Kingdon's notion of "infinite regress" when one tries to trace the original source of a policy idea (Baumgartner and Jones, 2009, 242, Kingdon, 2011). This difficulty in pinning down the origins of a policy idea is referred to by Baumgartner and Jones as the 'Silent Spring' phenomenon. Rachael Carson's (1962) *Silent Spring* is a book on toxic chemicals that was preceded by significant concern about chemicals, yet the policy idea is attributed to her. Baumgartner and Jones (2009) rightly concluded that the origins of a policy idea are much more complex than the behaviours of any single actor.

Although Kingdon (2011) did not specifically address the concept of success, he focused on two issues relevant to this study: the notion of policy windows and the instrumental role of the policy official. In his seminal 1984 work on agenda setting, Kingdon wanted to understand the dynamics of why some issues receive attention while others are neglected, and how policy issues become 'framed' or expressed. He explored these questions in the context of how US federal government officials in health and transport policy influenced the government's agenda. Through deep analysis of interviews, he developed the concept of three separate 'streams' in the policy process:

- problems (the policy issue)

- policies (instruments and ideas)

- politics (public opinion, the stage of the electoral cycle, degree of opposition).

Kingdon (2011) considered that policy success was more likely where the three streams come together at the one time. In this analysis, solutions (the policy stream) become joined to

problems (the problem stream), and both are joined to favourable political forces (the political stream). This coupling is most likely when a policy window is open.

Although Kingdon (2011) and Baumgartner and Jones (2009) recognised that it is hard to attribute the origins of a policy to any one individual, Kingdon was one of the first theorists to accord a primacy, not seen in much of the earlier literature, to the role of the policy officials. Kingdon (2011, 122) referred to the officials as "policy entrepreneurs". In his analysis, policy entrepreneurs were those, inside or outside government, who advocate and pursue policy agendas through their connections, negotiating skills and persistence. Kingdon observed that policy entrepreneurs must be prepared, with their proposal at the ready to seize the moment of policy opportunity, because such policy windows can open predictably or unpredictably but in either case the openings are usually small and scarce.

Success in Kingdon's framework was conditional on the type of window that opens and the skills, resources and strategies of policy actors to focus attention and choice. Above all, he recognised that the events in policymaking do not proceed neatly in stages. His three streams of problems, policies and politics can run in parallel, and the policy entrepreneur will encounter considerable doses of "messiness, accident, fortuitous coupling, and dumb luck" (Kingdon, 2011, 206).

Downs (1972), in his seminal paper, traced the surges and declines in public interest for environment issues, concluding that public attention follows a cyclical pattern. In his analysis, issues emerge and recede from the policy agenda quite separately from any change in the importance of the issues themselves. In the Australian environment policy context, Dovers (2013) traced the history of environment policy over the past 50 years from the early focus on point-source pollution and native flora and fauna protection through to the 2009-10 *Home Insulation Program*. Dovers (2013) found that, although the remit of environment policy and the tools has broadened, there is no inherent pattern or logic in what has grabbed the Government's policy attention. Issues have been variously driven by international commitments (as in the case of ozone and climate change), care for iconic places (as in the case of the Great Barrier Reef (GBR) MPA), electoral advantage (as in the case of the Wet Tropics and the *NHT)*, and ecological crises (such as the blue-green algae threat to the Darling River). Dovers (2013) concluded that the particular policies that win the attention of government are neither predictable, nor explicable, in terms of party politics. Nonetheless, an examination of the history of federal environment policies in Australia (Department of Environment and Heritage, 2004) suggests that how policy ideas come to be on the Government's agenda warrants investigation as a key factor in policy success. This study therefore canvasses the significance of policy origins as part of the interview process.

The public policy literature on the origins of policy and how an issue arises or fades on a government's policy agendas suggests that:

- What is the policy context?

- How did the policy come to be on the Government's policy and political agenda?

- Does the policy have the support of the Government and the administration?

- Did the policy proposal emerge from a broad base of community concern?

- Was it a response to a particular vested interest?

- Was it a response to a crisis?

are useful questions to lead to answers on the research questions of this study.

To tease out the significance of policy origins to the ultimate outcome, in this study interviewees are asked "do you know where the policy came from – how it got on the Government's agenda?" The juxtaposition between the significance of the origins of policy as a driver of policy outcomes and the responses of the interviewees is captured in Section 5.6 in Chapter 5.

Policy design and implementation

The policy design literature, prominent in the 1980s, provides another avenue to approach the study research questions, as many of the policy theorists such as Dryzek (1983), Mayntz (1983), Mazmanian and Sabatier (1983) and Linder and Peters (1987a, b) grappled with the question of policy effectiveness and the relationship between policy design, implementation and outcomes.

A growing wave of policy theorists in the 1980s thought that a policy would succeed if design and implementation were attended to (Linder and Peters, 1987a, 459). As early as 1983, Mayntz (1983, 124) had pointed out that perfect implementation cannot ensure policy success if the program takes the wrong approach through poor design. Along with Dryzek (1987), theorists such as Schneider and Ingram (1988) and Weimer and Vining (2005) argued more use should be made of policy design to deliver complex policy successfully. They continued Mayntz's quest for a design-led solution to policy success, including thinking through *ex ante* the likely impacts of a proposed policy (McConnell, 2010a, 346).

Linder and Peters (1987b, 124) called for a broader conceptualisation of success and failure based more on design criteria, and argued that this would improve policymaking, from both theoretical and practitioner perspectives. Over 30 years ago, they argued that a narrow definition of implementation success had constrained the theoretical understanding of policy success. In their view, implementation was only one of the reasons policy may not succeed, and

cataloguing implementation failure had not progressed policy theory (Linder and Peters, 1987a, 459). This theoretical skirmish going on in the late 1980s between the design and implementation theorists may now seem arcane. It does, however, reveal how long theorists have been grappling with what works in public policy.

Schneider and Sidney (2009, 9-11), in an effort to reignite the focus on policy design, argued that policy design needs to be incorporated more explicitly into theories of the policy process. They argued that a policy design framework allows the 'so what?' question to be front and centre. To them, policy design theory pushes scholars to think about the 'feed-forward' effects of policy, thereby allowing outcomes to be linked back to original policymaking processes in which compromise and rhetoric impose certain qualities on the design in the first place.

Apart from the recent work of Schneider and Sidney (2009), the policy design literature seemed to have run its course without providing any compelling insights for practitioners or theorists. Moreover, the question of predicting the likelihood of success rarely featured in the policy design literature. Taken as a whole, the design literature has not provided a robust theory, framework or model for predicting policy success. However, as Schneider and Sidney (2009) argued, there may be some merit in visiting the design phase of policymaking to search for clues of what might happen in implementation.

Implementation of policy is taken in this study to cover both the process of what happened in the delivery of the policy and also the outcome – whether the stated objective was achieved. Pollitt and Bouchaert (2011, 13) pointed out "there are many gaps, diversions, and outright failures that stand between the announcement of a reform policy and the successful implementation of that policy". Yet governments continue to announce public policy reforms, despite the fact that they never seem to work as intended and announced.

Following the seminal study by Pressman and Wildavsky (1973) into why policy ideas cooked up by a central government might flounder on the ground, implementation theories have scrutinised what happened in implementation as a way to explain the success or failure of a policy intervention. Pülzl and Treib (2007, 103) define implementation research as the study of how policies are transformed into action. Theories on policy implementation range from the nuts and bolts of the public administration approach to the nuances inherent in the political science perspective (Barrett, 2004, Dunsire, 1978, Elmore, 1980, Hill and Hupe, 2002, Mazmanian and Sabatier, 1983, O'Toole, 2004, Pressman and Wildavsky, 1973, Puïl l and Treib, 2007, Sabatier, 1986a, Sabatier and Mazmanian, 1979, Winter, 1990, Winter, 2007).

Pressman and Wildavsky's (1973) work is regarded as the pioneering study in policy implementation research (O'Toole, 2004, 309). It spawned several generations of

implementation research. They provided one of the first studies on the gap between political claims of policy success and the reality of failure in implementation. When in Washington, Wildavsky heard that good ideas in the capital dissipate in the hinterlands of a country as vast as the US. In response, he started an action-research project in Oakland, California. There, a federal program designed to create employment for unemployed inner city residents of Oakland was credited with stopping riots, but on investigation the project had run into problems. As a result, Pressman and Wildavsky (1973) co-wrote their pioneering study of how policies made in Washington failed when delivered in the Oakland area. Wildavsky (1979, 4) wanted to demonstrate how the complexity of joint actions, and the multitude of agencies and levels of government, confounded the task of policy implementation. Pressman and Wildavsky (1973, 3) were two of the few early theorists who made reference to the significance of the budget as a key factor driving policy success. They understood as early as 1973 that knowledge of program budgeting conferred a degree of control on the policymaker. Indeed, it was their realisation that only just over 10 per cent of the program budget had been spent that prompted their questioning around why policies conceived in Washington failed in implementation (Ryan, 1995). Wildavsky (1979, 17) later came to see that solving public policy in the American context involved compromises among different types of tensions: between resources and objectives, planning and politics, skepticism and dogma. He recognised that assessing policy as a success or failure involved judgment rather than scientific precision.

Policy theorists have divided the approaches in implementation studies in the 1980s into 'top-down' and 'bottom-up' perspectives (Puḷl l and Treib, 2007, 89). Two authors in the top-down group of theorists were Mazmanian and Sabatier (1983). At the time, they theorised that policy decisions, if delivered through a hierarchical and well-structured implementation process with the right controls, resources and incentives, had more scope for successful implementation. In a top-down view of policy implementation, once policy is formulated and legitimated, it is handed to the administrative system for execution. It is then successively refined and translated into operating instructions as it moves down the hierarchy to operatives at the bottom of the pyramid (Barrett, 2004 , 252).

Bottom-up theorists argued that implementation consisted of the everyday problem-solving strategies of front-line operatives who took into account the influence of citizens and relevant firms (Puḷl l and Treib, 2007, 89, Winter, 2007, 132). A key proponent, Lipsky (1980), gave primacy to the role of "street-level bureaucrats". Lipsky's notion of the instrumental role of the individual bureaucrat in implementing, and to some degree defining, public policy proved to be pivotal in understanding policy success in this study, and is discussed in more detail in Chapter 6.

In the policy theory literature discussed above it is difficult to separate out the importance of the design phase in a policy process from the importance of vigilance in the implementation phase. Nevertheless, after a reading of selected policy design literature, the following three questions are posed as capturing critical elements of the design phase in regard to a successful policy outcome:

- is close attention paid to alternative options to address the problem?

- are the proposed tools suited to the issue and likely to deliver the outcome?

- have unintended consequences been thought through?

Questions derived from the implementation literature outlined above pertinent to the implementation phase focus on practical issues of planning, risk management, personnel, accountability, budget and timeframes:

- Is there a well-developed implementation or project management plan?

- Have risks been identified and management strategies put in place?

- Does the team charged with implementation have the right skill sets?

- Are there clear governance structures in place setting out accountabilities?

- Are the budget and timeframe adequate?

- Are the Government and Executive committed to a successful delivery?

At interview, the policy officials participating in this study were tested on the process to design the policy and whether it included consideration of alternative policy instruments.

New Public Management (NPM)

Barrett (2004), reflecting on 20 years of implementation studies up to the year 2000, argued that the series of changes in public policy and administration summed up in the phrase New Public Management represented a new phase in implementation studies. Advocates of NPM, she suggested, believed that the increased focus in NPM on accountability, contracting out and performance frameworks had addressed the key problems in implementation failure, of unclear policy objectives, resource availability and control over implementing agencies (Barrett, 2004, 258). Performance measures and individual employee performance contracts addressed what was to be delivered by policy. Privatisation, marketisation and public/private partnerships addressed resource issues by reducing public costs and injecting private sector funds. Accountability measures and contracting out brought implementing agencies to heel. "Let the managers manage" became the mantra. Barrett described this phase:

> **Managers were now responsible for putting policy into effect and also to blame if things went wrong. Success or failure was judged on the basis of meeting pre-set targets for ensuring delivery on policy targets. From this perspective there was little sympathy or concern for reaching agreements or making compromises between competing or autonomous interests, or indeed in research aimed at understanding what was going on in the process (Barrett, 2004, 258-259).**

Barrett went so far as to suggest that policy academics did not stop doing implementation studies: they simply adopted the language of NPM. She emphasised the continued importance of implementation studies, in particular the need for policy analysts to understand what actually happens at the policy recipient level.

The search for 'what works' in public policy continued throughout the 1990s. It found expression in the NPM focus on improving outcomes (Parsons, 2002). Although NPM brought much needed intellectual rigour and theoretical discipline to the practice of policy, its benefits are now being questioned.

Evidence-based policymaking (EBPM)

The more recent theoretical and practitioner literature on NPM included an emphasis on evidence-based policymaking (EBPM) as a key to policy success and as a tool for avoiding policy failure. Proponents of EBPM argue that a policy based on evidence is more likely to succeed than one that is not (Howlett, 2009, Sanderson, 2002, Smith, 2009). Evidence is regarded in that body of literature as neutral and objective and therefore essential (Banks, 2009, Howlett, 2009, Nutley, 2003, Nutley et al., 2009, Smith, 2009).

Howlett (2009), writing in the Canadian policy context, argued that the very complexity of policy calls for policymaking to be grounded in evidence, and, moreover, that policy not founded on evidence is doomed to failure. In his view, decisions based on evidence minimise failure caused by a mismatch between government expectations and reality (Howlett, 2009, 153). Howlett et al. (2009) saw EBPM as an effort to shore up the rationality in the policy process by prioritising data-based evidentiary decision-making criteria over less formal, more intuitive, policy assessments.

In contrast to the views of Howlett and others discussed above, some of the academic literature on EBPM is more circumspect, arguing that evidence is subjective and open to misuse and that calls for EBPM had strong ideological overtones (Boaz and Pawson, 2005, Freiberg and Carson, 2010, Greenhalgh and Russell, 2009, Head, 2008, Marsten and Watts, 2003, Pawson, 2006). Parsons (2002) argued that calls for EBPM elide the very complexity of policymaking. Such critiques suggest EBPM is too confounded by values and politics to be a clear predictor of policy success. This divergence in views is worth exploring in the context of a study on the scope to predict policy outcomes.

Parsons (2002, 43) critically reviewed the approach to EBPM to support his case that policymaking has been more about "muddling through" rather than a process in which policy sciences have had an influential role. The particular formulation of EBPM explored by Parsons had its origins in the series of British Cabinet and Audit Office papers published from 1999 to 2001. "What matters is what works" became the policy mantra of Blair and his government. That mantra was meant to signal an end to ideologically-based decision-making in favour of evidence-based decision-making. Governments in the US, Canada, New Zealand and Australia began to approach policymaking with the same mantra (Nutley et al., 2009, 4).

Parsons (2002) argued that calls for EBPM, in the UK context at least, were at best an intellectually "muddled" form of positivist and mechanistic managerialism in which that 'evidence' was mediated by values and power ("whose evidence and for what purpose?" he asked). He cast the 'evidence-based' mantra of the British Cabinet Office as "evidence controlled, managed and legitimated" policy (Parsons, 2002, 57).

Freiberg and Carson (2010) took a more nuanced view than the proponents or opponents of EBPM. They concluded that as 'policy' and 'politics' are related concepts, evidence alone is unlikely to be the major determinant of policy outcomes because the creation and successful implementation of policy also requires stakeholder dialogue (Freiberg and Carson, 2010, 152). They preferred a 'centrifugal' process of policymaking in which the best available evidence from research informs decisions about policy. Such decisions are openly put to a wider community, for an injection of values and emotion, leading to a democratisation of the knowledge. In their view, 'centrifugal' policymaking would generate a better model of evidence-based policy and more likelihood of such policies achieving their expressed objectives.

Australian Government guides and policy documents replay the calls within the public policy literature to substantiate policy proposals with evidence. Nonetheless, the IPAA (April 2012, 7) in their report on why Federal Government policies in Australia are failing is skeptical of the scope of EBPM to ensure success. The Institute made a case that evidence alone cannot accommodate the complex and value-laden way in which competing options are negotiated by interest groups in the policy process.

A pragmatic message from the literature on EBPM as a factor in policy success is that evidence is necessary, useful and important. The debate surrounding EBPM raises the question of what counts as evidence. In Australia there is a growing disquiet that focus group views have taken on the status of 'evidence' in policymaking processes. This has been evident in the major policy flip-flops on climate change, where successive Governments have at times shifted the policy

settings in response to electoral concerns elicited in focus groups. The question of stakeholder views as evidence is explored in Chapter 5.

The following four questions are extracted from a reading of the EBPM literature as useful tests of the significance of a strong evidence base to a successful policy outcome:

- Is there sufficient evidence to support the need for intervention?

- Is there sufficient evidence to support the case for the solution proposed?

- Is there a method for capturing evidence to show the policy made a difference?

- Is any of the evidence highly contested or incomplete?

Interviewees were asked directly about the role evidence played in the policy processes they elected to discuss in detail.

Policy evaluation and audit

While Dye (2008) was attracted to his simple description of policy discussed earlier ("whatever a government chooses to do or not do"), he concluded that, generally speaking, governments rarely examine whether the policy choices have made a difference at all. Dye particularly wanted to know whether a policy had a long-range beneficial effect on society (Dye, 2008, Marsh and McConnell, 2010, 565). As this study explores policy success, it is useful to test the insights of the *ex post* evaluation and audit literature (Di Francesco, 2000, Mackay, 2004, McPhee, 2006, O'Faircheallaigh and Ryan, 1992, Owen and Rogers, 1999, Rossi et al., 2007). Evaluations and performance audits are potentially valuable tools to establish 'what worked'. They look back at whether public funds were wisely used and whether stated results were achieved.

The academic literature on policy evaluation recognises its weakness as a tool to determine policy success, in part because many policy evaluations are commissioned or produced by government (Marsh and McConnell, 2010, 565-566). Howlett et al. (2009, 183) considered policy evaluation often simply aims to provide enough information to make defensible claims about policy outcomes, rather than building airtight cases about the success or failure of a policy.

In the APS context, Mackay (2004), based on his extensive experience in policy evaluation, observed that the greater the independence and objectivity of evaluations, the lower the level of detailed knowledge and buy-in by the line department. Self-evaluations have higher levels of access to what happened but are typically seen by central agencies (the departments of Prime Minister and Cabinet (PM&C), Treasury and Finance) as less independent and less objective (Mackay, 2004, 17). Central agency steering committees are a common tool to try to find the

right balance between independence and insight. The use of evaluations by the federal Department of Finance peaked in the 1980s and 1990s in the APS, but these now receive more limited resources and attention. They were at times used by program departments as a device to argue for ongoing funds. As a result the lessons from such evaluations were not always applied to the next policy iteration.

McPhee (2006) underscored the different roles evaluation and audit have had in the APS. An evaluation can have a broader remit than an audit in that it can look at policy merit. However, an evaluation can be perceived as less independent than an audit. A performance audit is an independent review of the efficiency or administrative effectiveness of a program or agency but does not extend to assessing the policy merit of a program. The *Auditor-General Act 1997* provides for very extensive powers of the ANAO to gather information to inform audits and evaluations (McPhee, 2006).

Performance audits of environment programs have long struggled with the difficulty of separating policy merit from program outcomes. In the case of the *NHT*, the auditors were aware, for example, that an output indicator of 'kilometres of fence constructed per annum' did not necessarily connect to an outcome of 'enhanced biodiversity protection'. ANAO (2010a) audits of environment programs, however, do provide strong clues about drivers of policy success: set clear and measurable objectives; consult with stakeholders; and ensure scrutiny of a policy proposal by the central agencies.

Program evaluations and audits have differing limitations and do not inform the question of whether policy officials have a sense of what might work, but they are a useful tool in establishing 'what worked' with the benefit of hindsight. They are drawn on in this study to inform the case analyses and the assessment of the 12 policies against the Marsh and McConnell Framework (Table 4.2).

More recent theoretical approaches: governance and political risk

Governance theories

One of the challenges in studying the policymaking processes is that the nature of government itself is evolving. A governance perspective brings into play notions of blurred responsibility and accountability, unintended consequences and governance failure (Stoker, 1998, 19). In regard to understanding policy success, governance models: recognise the reduced role for central government and decisive roles for public administrators and interest groups (Puil 1 and Treib, 2007); provide for multiple actors, meanings and sources of authority; and understand that the act of governing has come to rely on "negotiation among interested parties both inside and outside the realm of government" (Colebatch et al., 2010, 40).

In Australia, a shift from 'government' to 'governance' occurred with the changes brought by the 1992 Ecologically Sustainable Development (ESD) process (Appendix 4). Those changes included a wave of taskforces involving various combinations of all levels of government, industry, non-government organisations (NGOs), and the community, and experts on climate change, energy policy, biodiversity policy, forest, marine and population policies. The 2011 Tasmanian Forest Agreement between the forestry industry and conservationists is a recent example where policy agents bypassed government, initially at least, in the formulation of a policy agreement. The broadening in the theoretical understanding of what constitutes government and its role informs the analysis in Chapters 4 to 6 of this study.

Finally, an understanding of how politicians continually calculate the political risk of a policy action is a key ingredient to understanding public policymaking and why certain policy directions are pursued and others ignored (Althaus, 2008, 34). Althaus gave the example of how, in 1997, Major's failure as British Prime Minister to reframe the mad cow disease crisis as a political rather than technical/scientific issue cost him dearly. Had Major understood the political risks of the crisis rather than relying on science, experts and evidence alone to inform his policy response, he may have had more chance of riding out the storm of public concern that brought him undone (Althaus, 2008, 161).

Althaus (2008, 235) took into consideration the personal beliefs of politicians, their readings of community reactions and the extent to which policy levers and settings are controllable in exploring the many factors in the "dance" of policy. She found that politicians do weigh up factors that may impact on policy success, including attempts to predict community responses to policy. This analysis lends support to Kingdon's (2011) earlier observation that it matters how policy issues are 'framed' or presented to the media and the public.

Althaus' (2008, 207-208) interview and case study data led her to the view that success or failure of a policy, at least from a political risk perspective, is a function of how well policymakers factor the following five themes into their design considerations:

- policy and political uncertainty
- the judgment of a champion politician
- concerns for constituent and community impacts
- awareness of attempts to control policy levers to meet political objectives
- reliance on the politics of a problem in preference to its policy technicalities.

In drawing her conclusions she went so far as to position political risk as providing a new and unique perspective in understanding the policy process, over and above Kingdon's (2011) agenda-setting theory, Lasswell's (1956) rational model and Lindblom's (1959) incrementalist

approach (Althaus, 2008, 49, 205). She concluded that political risk analysis can provide a fresh explanation of policy design and success or failure (Althaus, 2008, 207).

The focus by Althaus on how policymakers (she included politicians, media and other policymakers) construe political risk parallels the focus in this study on how policy officials construe policy success. A strength of her political risk perspective is that it takes into account the *intentions* behind a policy, and the political reaction to the policy outcomes. These are all relevant in the study of policy success.

Summary

This section has examined the ways in which the public policy theory literature has informed the theoretical understanding of policy success, using the policy cycle as a tool to order the discussion. In summary, throughout the 1980s, policy theorists such as Linder and Peters (1987a, b), Mazmanian and Sabatier (1983) and Dryzek (1983) regarded attention to policy design as key to policy success. More recently, Schneider and Ingram (2009) made a case for revisiting design as a key to success. Attention to design in the early stages of policy formulation is also emphasised in the practitioner literature. However, a focus on design as key to success fell out of favour as policymaking became more complex. Concepts of EBPM, networks of policy actors, collaborative government and governance began to find favour in the literature as fresh explanations of the work of policy.

Kingdon (2011) and Althaus (2004) were given particular attention in this review, as they provide rare access to the insider view, illuminating rather than obfuscating the process of policy. Through the use of perceptive interviews they flag, in different ways, the role of the policy official as a key agent in the policy process. Kingdon's (2011) exploration of how policies surfaced on a government's political agenda brought attention to the tactical role played by policy officials in pursuing particular policy agendas. Althaus' (2004) work in Australia exposed the legitimacy of the judgments made by politicians and policy officials in efforts to understand public policy. Althaus (2008, 7, 235) argued that factoring in political risk helps explain why certain policies are chosen and others not, why those policies are designed in certain ways, and why they succeed or fail.

The thread linking the discussion in this section is what the theorists can tell us about the key factors in policy success to support investigation of the research questions. Overall, the theories canvassed above provide scant guidance on how to predict and diagnose policy success or failure. Nevertheless, they reveal six particularly useful insights pertinent to this study. These are:

- the <u>origins</u> of policy may condition the likelihood of success

- what happens at the <u>design</u> stage of policymaking may reveal indicators of success
- while <u>implementation</u> is confounded by many variables, it is possible to identify some key factors conditioning success
- the <u>NPM and EBPM literature</u>, despite its early promise, has not been able to secure success for policymakers
- the <u>evaluation and audit literature</u> can help determine what went right or wrong after the fact but offers little guidance on the prediction of policy success
- more recent theoretical approaches in the new <u>governance</u> models and the concept of <u>political risk</u> have opened up the linear and constrained analysis in the earlier literature and introduced the concept of the diffusion of policy authority and the instrumental role of stakeholders and politicians.

The insights extracted from the literature discussed in this chapter are summarised in Table 2.3 below. Table 2.3 is a collation of key questions relating to phases, players and strategies in policymaking. It was compiled from an extensive reading of the public policy literature and aims to crystallise the key insights to inform the coverage of the study's interviewee questions. (The key references informing each element of policymaking can be found in the discussion in Section 2.8).

Table 2.3 Factors extracted from the public policy literature as key to policy success

Elements of policymaking	Questions likely to inform an understanding of policy success
Origins	What is the policy context?
	How did the policy come to be on the Government's policy and political agenda?
	Does the policy have the support of the Government and the administration?
	Did the policy proposal emerge from a broad base of community concern?
	Was it a response to a particular vested interest?
	Was it a response to a crisis?
Objectives	Is there a clear understanding of the problem to be addressed?
	Is there a causal link between the problem and the solution?
	Are the objectives clear and agreed?
	If there are multiple objectives, are they consistent or contradictory?
	Are the objectives achievable?
Design	Is close attention paid to alternative options to address the problem?
	Are the proposed tools suited to the issue and likely to deliver the outcome?
	Have unintended consequences been thought through?
Stakeholders	Is there sufficient community acceptance that there is a problem to be addressed?
	Has the policy development been informed by the knowledge and advice of stakeholders?
	Have all the interested, affected parties been identified?
	Are their positions well understood?
	Are there strategies in place to respond to specific interests affected by the policy?
Evidence	Is there sufficient evidence to support the need for intervention?
	Is there sufficient evidence to support the case for the solution proposed?
	Is there a method for capturing evidence to show the policy made a difference?
	Is any of the evidence highly contested or incomplete?
Implementation	Is there a well-developed implementation or project management plan?
	Have risks been identified and management strategies put in place?
	Does the team charged with implementation have the right skill sets?
	Are there clear governance structures in place setting out accountabilities?
	Are the budget and timeframe adequate?
	Are the Government and Executive committed to a successful delivery?
Communication	Is there a clear, simple narrative for the policy?
	Is there a proactive positive media plan?
	Is there a communication plan to handle negative media reports?

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The elements of policymaking and the associated questions set out in Table 2.3 above are the product of a synthesis of the literature. As the literature informing the derivation of the table is extensive, some pointers to the key sources is offered below.

Kingdon (2011), Baumgartner and Jones (2009) and others saw the origin of a policy as significant. The importance of clarity of policy objectives pervades all the literature but is particularly prominent in the more applied texts. The work of key Australian policy theorists informed the questions relating to objectives in Table 2.3 (Althaus et al., 2007, ANAO, 2006, Davis et al., 1993, Maddison and Denniss, 2009). Clarity of the policy objectives is a particularly common theme in the policy success/failure literature (Castles, 2004, Pressman and Wildavsky, 1973). The importance of clear objectives is reinforced in the evaluations and audits of environment programs (ANAO, 2010a, b, Hawke, 2010, Productivity Commission, 2009). The theorists working in the 1980s regarded success in the delivery of intended policy outcomes as a function of policy design (Dryzek, 1983, Linder and Peters, 1987a, Schneider and Ingram, 1988, Schneider and Sidney, 2009). Others focused on the relationship between policy outcomes and implementation (Barrett, 2004, Dunsire, 1978, Elmore, 1980, Hill and Hupe, 2002, Mazmanian and Sabatier, 1983, O'Toole, 2004, Pressman and Wildavsky, 1973, Puĺ l and Treib, 2007, Sabatier and Mazmanian, 1979, Sabatier, 1986b, Winter, 1990, Winter, 2007). The more recent theoretical and practitioner literature on new public management included an emphasis on evidenced-based policymaking as a key to policy success (Banks, 2009, Boaz and Pawson, 2005, Howlett, 2009, Nutley, 2003, Nutley et al., 2009, Pawson, 2006, Smith, 2009). In addition to the wide range of international texts emphasising the importance of stakeholder consultation to policy outcomes, in the Australian environment policy context work by Crace (2011), Crowley and Walker (2012),Thomas (2007) and Stewart (2009a) has informed the stakeholder questions in Table 2.3. A summation of key questions to assist policymakers ensure that the communication step has been sufficiently addressed can be found in the ANAO (2006, 46) guide on program and policy implementation.

The keys to success factors in Table 2.3 are presented in an order that roughly aligns with the policy cycle as that concept is used as a tool to structure the discussion of the policy literature in this chapter. The ordering does not imply a priority or weighting to the different keys to success is accorded either in the literature or in this study. Rather, the factors identified in Table 2.3 are used as the basis to select the interview questions. In regard to how the factors are employed in conducting the study, the interview questions are asked in an order broadly in line with the policy cycle steps (Appendix 1). Further, Chapter 3 explains that in the empirical core of the thesis, software to handle interpretative qualitative data (NVIVO 10) was used to sift through

and order the relative importance of the wide array of success factors identified by the interviewees.

This approach is taken to the relative importance of each success factor for several reasons. At the level of theory, it is difficult to weight one factor as more or less important than other. Since the 1950s, policy theory has evolved giving weight to different factors in different time periods. As reflected in Table 2.2 policy theory has gone through a series of phases. For example, policy implementation was given prominence as an explanatory factor of success or failure in the 1950s, to be replaced by policy design by the 1980s. EBPM has its heyday in the 1990s but still informs analyses and critiques of policymaking to this day. More recently, factors of risk identification and management, and communication strategies, have been given greater weighting as drivers of policy success or failure. The more recent public policy literature heightens one's sense that the earlier works on the importance of the origins of a policy, or getting the design right or attention at the implementation phase, were superseded by a more holistic approach in the more recent literature (Althaus, 2008, Colebatch, 2009, Walker and Crowley, 2011). That emerging literature, in the Australian context at least, emphasises how the interplay of political interests, the role of the media and the influence of new governance structures added new and complex dimensions to understanding policy and policy outcomes. For these reasons, the elements of policymaking are not given a weighting either in terms of the relative importance in the policy literature or in the way in which they were used to structure the interview questions in this study. Surprisingly, the elements that appeared to be important from a reading of the policy literature were accorded less significance by the interviewees in this study (Chapter 5 refers).

The following section summarises the main insights gleaned from literature used to structure the case discussions in Chapters 4-6.

2.9 Insights and guidance from the review of the public policy literature

This literature review places this study within the public policy theoretical context. From a public policy practitioner perspective, theories of policy success fail to resonate with the real-world task of how to design and deliver policies that work. This is captured in the literature by the common refrain of the disconnect between theory and practice. Nevertheless, as established in this review, the selected relevant literature discussed above does provide tools and concepts sufficient to investigate the gap which this study investigates – the way in which public servants see success and the factors driving it in the context of federal environment policy in Australia. This chapter has searched for guidance, in a broad sweep of selected writings on public policy theory, on how to avoid failure and how to secure success in public policy. The literature was

approached from several directions: theories of policy success and failure; academic and practitioner literature on preconditions for policy success; and the wider literature on what works in policymaking.

The literature on policy origins, design and implementation provided useful pointers on what themes to explore in the interviews. The governance perspective reminds the policy researcher that policy is not the province of government alone and that networks and complex interactions between government, clients, vested interests and political forces work in uncharted ways to produce and influence public policy.

Taken together, however, the public policy literature lacks a clear agreed theory or definitive model that captures the inherent messiness of public policymaking, or adequately explains it, for either the theorist or the practitioner (Moran et al., 2008, Parsons, 1995, xvii, Sabatier, 2007).

This review of the theoretical public policy literature relevant to an investigation of policy success establishes that there is no one coherent analytical framework fully suited to support this study. The approach of two empirical studies profiled in this review, those of Pressman and Wildavsky (1973) and Kingdon (2011), do provide some fertile guidance however. Neither study commenced within a prior analytical framework. Pressman and Wildavsky's 1973 study was exploratory, inductive and aimed to generate theory. It demonstrated how poor design and implementation led to policy failure (Winter, 2007, 132). Similarly, although Kingdon (2011) commenced his 1984 study of agenda setting in the US unconstrained by a theory or model, the model he derived from his interview material has since been used to assess the nature of many policy processes such as foreign policy, privatisation, health policy and pollution control (Howlett et al., 2009, 105). The foreword to the 2011 edition of Kingdon's 1984 work argued that his work is accepted as establishing an important theoretical foundation for all post-1984 scholarship on policymaking. Although Kingdon's research was conducted over 30 years ago, his analysis of his interview material resonates with a plausibility and persuasiveness that have stood the test of time.

Armed with the knowledge that this study does not nest neatly within a singular coherent theory or model, this review has provided two platforms to support the study. First, an overriding purpose of the review was to derive from current public policy theory the most compelling drivers of policy success as an anchor point for the interviews. Taken together, the theories discussed in this review do provide clues to the factors likely to be significant in policy success. Those key factors, extracted from the academic and practitioner literature, are collated in Table 2.3. Second, the Marsh and McConnell Framework is used as a device to assess the 12 policies

selected for attention, as a point of comparison with the interviewee assessments. How I operationalised their framework in this study is outlined in the following chapter.

The review of selected aspects of the public policy literature confirms that a specific gap exists in relation to what works in policymaking as identified in Chapter 1: little is written on the *ex ante* prediction of policy success. Such questions, Chapter 1 argued, are best understood in specific policy contexts through the portal of the insider view. This convergence of the lack of attention in the literature to the prediction of policy success and the value of the insider view gave rise to the central research question relating to the prediction, key drivers and pursuit of policy success in the Australian environment federal policy context.

The literature review establishes that a study exploring policy success in the context of a specific case study and accessing the views of policy officials would contribute to bridging a gap in the literature. Exploring actual instances of policymaking will allow the necessary specificity to compare how the interviewees pursue policy success with the key factors identified in this review. Practitioner perspectives on the drivers of environment policy success or failure are not common and are worthy of exploration. The research design set out in Chapter 3 is a response to the constraints and imitations identified from the literature.

The disconnect between theory and practice evident in the policy theory literature has meant that, taken together, the literature reviewed provides little by way of support for the practitioner in predicting and pursuing policy success. Similarly, the literature has not provided a singular theory, analytical framework or model to guide this study.

A relatively broad reach of the public policy literature has been interrogated in order to extract the essential elements of the policymaking process that theorists and practitioners cast as key to policy success. These elements are used to structure the analysis of the interview findings across the 12 policies identified in Chapter 1. The insights extracted from the public policy literature have also provided a useful guide to define the interview questions. More specifically, the Marsh and McConnell Framework (2010) is selected as the tool in this study to assess the success or failure of the 12 policies. On that basis, the study progresses to the interviews following the explanation of the research design set out in the following chapter.

Chapter 3: Research design and method

> **… because policymaking is fundamentally done by human beings, it is extraordinarily difficult to develop much of a sense of process if the linchpin of the entire process – the individual human actor – is a 'black box' (Sabatier, 2007, 328).**

3.1 Searching for the right research paradigm

Introduction

This chapter locates this study within the interpretivist research paradigm and examines empirical studies for guidance on the most apt research design. It establishes why an empirical case study relying on interviews with policy officials, supported by scholarly studies and government documentation, is the most productive research design to explore the research questions. The iterative approach is explained.

In brief, the interviewees were 51 policy officials who had a major role in formulating one or more of 12 major biodiversity and energy policies (Table 1.1) delivered by the Environment Department between 1993 and 2013. This approach allows the research questions to be explored from the vantage point of highly experienced policy officials and through detailed case investigation.

The rationale is provided for selecting a single case study approach, for the specific environment policies, and for appending the *Home Insulation* and the *Working on Country programs* as the two examples of how the Marsh and McConnell Framework was applied. The human research ethics approval and the consent from the Secretary of the Environment Department and the interviewees are documented.

The chapter outlines the ground covered by the interview questions and the process for administering the interviews. It explains why the particular 51 officers were selected for interview, the adequacy of the sample size and the 100 per cent response rate. The level and years and type of experience of the interviewees are graphed. Finally, the measures taken to ensure data integrity and the approach to analysis of the transcripts are set out before discussing the methodological limitations of the study, including the implications, both positive and negative, of my role as both a former policy official and a researcher.

The research paradigm

There is some debate among public policy theorists over the most illuminating paradigm for theorising about what works in public policy. This is understandable given the policy process

can be chaotic, random, messy and at times serendipitous. Lindblom (1959, 1979) wrote of policy in terms of "muddling through" after discussions with practitioners (Parsons, 2002, 47). Contemporary theorists still feel compelled to "ask are we still muddling or are we there yet?" (Parsons, 2002). Schön (1995, 18) recognised that part of the role of the policy analyst is to reduce "messes" to manageable plans and, indeed, to "find the right problem" in the first place. Wildavsky (1979, 15) and Goodin (1982, 248) saw policy as much as an art and craft as a science. Yanow (1996, 6) argued that too many descriptions of the policy process are shaped by the assumption that all human action is rational. In her view, every step is imbued with meaning arising from the experiences, beliefs and values of the policy researcher and the policymaker. Stewart and Jones (2003) and Stewart (2009b) argued policy is best recognised as a political act that always involves an expression of values.

This recognition of the complexity, inherent subjectivity and political nature of policymaking, where there are "multiple perceived or experienced realities" (Schwartz-Shea and Yanow, 2012, 4) places this study squarely within an interpretivist paradigm. On the other hand, as Schön (1995) observed, policy officials must get on with the task of policy. For them it is a rational endeavour to the extent that the process is prescribed by Cabinet and budget rules. Such perspectives place this study more towards a positivist paradigm.

This juxtaposition in perspective between the interpretivist's multiple realities and the practitioner's pragmatism raises a quandary over the choice of research paradigm most suited to support a fruitful exploration of the research questions. The tensions between a broad interpretive approach and a positivist approach are often encapsulated in qualitative research studies (Denzin and Lincoln, 2003b, 39, 2011). The research perspective adopted in this study recognises and exhibits these tensions.

This study falls within an interpretivist approach but contends there is an entity called 'policy' and it can be studied. An advantage of an interpretivist approach over a positivist approach, of particular value to this study, is that it requires the researcher to continuously reflect upon and reassess their own lenses for looking at the world (Bovens and 't Hart, 1996). However, the differing underlying assumptions within the positivist and interpretivist paradigms can be accommodated within the one study (Myers, 2011).

The work of Yanow (1996, 239) is a touchstone for this study, as she sought to bridge the positivist and interpretivist worlds of policy analysis. She was influenced by public policy theorists such as Bovens and 't Hart (1996), Douglas and Wildavsky (1982), Dryzek (1987) and Schön (1995). Three points made by Yanow have been used to guide this study.

First, Yanow argued that this very diversity of views and values does not mean that one does not try to understand or undertake policy. In her view, multiple meanings are the reason for and explain political conflict. The task of analysis is to uncover and understand the reality of these multiple interpretations (Yanow, 1996, 234). Second, she argued that this diversity calls for context-specific knowledge and situation-specific research. Yanow (1996, 235) was nervous of calls for a universal theory to guide action. Finally, she argued that implementation cannot be viewed in simple success/failure terms, as success or failure need to be understood in terms of what they mean to the actors involved (1996, 239).

In this study, with the question, data and findings all open to interpretation, the research takes heart from Yanow's methodological guidance that it is possible to leap into a research puzzle concerned with what works in policymaking, provided one is open to multiple interpretations and can examine policy success in context and from the perspective of those directly involved. Before settling on the final research plan and method, existing studies that have approached similar research questions were examined for guidance.

3.2 Empirical studies as a guide to design and method

Having established the epistemological framework (public policy) and the research paradigm (interpretivism), we can now turn to the research design questions facing this study:

- whether to adopt a quantitative broad-brush, comparative case study as in the work of Baumgartner and Jones (2009), Harmelink et al. (2008) and Haas et al. (2001) or a more qualitative and in-depth analysis of individual case studies of different policy domains as in the work of Kingdon (2011)

- whether to focus on the policy official perspective as in the work, for example, of Page and Jenkins (2005) and Middle (2010) or access views of all agents contributing to and impacted by the policy process including politicians, stakeholders and community, as done by Althaus (2008)

- what data gathering tools to employ.

The differing strengths of alternative approaches in the above international and Australian studies that most closely approximate the focus of this study are reviewed below.

Large-scale, high-level studies of differing aspects of policy success reinforced my judgment that to address the research question it was necessary to access the insider perspective in specific cases. Baumgartner and Jones (2009), in their study of how policy issues rise and fall on the US policy agenda, spent many years tracing the trajectories of seven large policies (such

63

as nuclear power, urban planning, smoking, auto safety and child abuse). Given the scale of their study, they were reliant on data from external sources, mainly quantitative analysis of changes in budget allocation, but also analyses of interest groups, media reports, published studies and congressional committee activity to formulate their conclusions. This 'outsider' perspective limits the insights they were able to generate in relation to how policy agendas are set.

The 2007 study by Harmelink et al. (2008) in seeking to identify predictors of success for 20 energy efficiency policies in Europe posed similar questions to this study. Their study underscores the difficulty of relying on published monitoring data because of the lack of data and the difficulty in comparing data from different organisations across three countries. Although Harmelink et al. (2008) sought to verify their theory through interviews with policymakers, their study, and that of Baumgartner and Jones (2009), highlighted the limitations of large-scale studies across differing policy domains and jurisdictions. The lack of access to the views of the officials and the sheer breadth of their studies make it difficult to unpack the links between issue, intent, response and outcome for specific policies, demonstrating that researching the 'outside view' confounded a deeper analysis.

The more qualitative approaches adopted by Kingdon (2011), Althaus (2004), Middle (2010) and others are preferred for this research. Kingdon's (2003, 231-232) study was able to generate ground-breaking theory on agenda setting through detailed in-depth interviews with US government officials supported by analysis of publicly available records. Kingdon (2003) compared two policy areas to limit the risk that his generalisations about policy agenda-setting processes might be due to the idiosyncrasies of one policy area. His study provides considerable guidance in that, through his interview technique, he was able to uncover much about the intent, motivations and strategies of the government officials.

Althaus (2008, 11) also provides an instructive model with her research into what guides judgments around the success or failure of political risk calculations and the implication of political risk assessments for policy design. To examine how politicians, the media and policy officials determine whether a policy is politically risky, Althaus (2004, 7) employed a wide mix of domestic and international policy crises, such as Australian Government planning processes, and in the US, 9/11, supported by in-depth interviews.

Similarly, in the WA State Government environment policy context, Middle (2010, iii) employed qualitative case studies and interviews to investigate which policymaking approach (expert-driven regulatory, participatory or collaborative) is more likely to deliver success. He concluded that an "adaptive-collaborative" approach is the most likely to succeed where

64

stakeholder conflict is high (2010, 183-184). Although Middle paid attention to which approach to policymaking was most likely to deliver success, rather than the actions of the policy officials, his study provides a useful model for this one.

Colebatch et al. (2010) pointed the researcher to the few empirical studies that focus specifically on the policy official, including Page and Jenkins' (2005) study of the role mid-ranking officials[13] had in policymaking policy work in the UK public sector between 2001 and 2003. Page and Jenkins (2005, xiv) argued that to access the work of policy it was necessary to delve below the high-level officials (the focus of most studies on policymaking in bureaucracies) and talk to the mid-ranking officials, who in their view did the bulk of the 'heavy lifting' when it came to policymaking (2005, 8). They conducted 20-minute interviews with a very small sample of 128 middle-ranking officials of a population of 102,070 across a wide range of policy areas, interviewing between 2 and 24 officials in each of 13 UK government agencies such as trade, health, environment and defence. Their interview questions were simply "what do you do?" and "how did you come to be in this job?" They found that the most informative and illuminating responses were to questions that were highly context specific (Page and Jenkins, 2005, xi).

The Page and Jenkins (2005) study provides perhaps the closest model for this study of all the empirical studies reviewed above, although it suffered from clear methodological limitations of sample size, selection and breadth. Relying exclusively on such a contained interviewee sample meant they were not able to build up a granular understanding of any one policy episode or how it evolved (t Hart, 2007). Twenty minutes is barely long enough to establish rapport let alone generate meaningful insights on the complex topic of policymaking. Because of these "pivotal limitations", 't Hart (2007) was skeptical of the mid-ranking officials' anodyne view of policymaking and their benign relationships with managers. Page and Jenkins (2005, 150) acknowledged that their methodology does not incorporate the insights of the interviewees' superiors or the interplay between the mid-ranking interviewees and higher level officials and the politicians. 't Hart (2007) conceded however that the study provides a rare insight into the largely unstudied or taken-for-granted world of public policy officials.

The above studies highlight the difficulty of studying policy success empirically. Nonetheless, several methodological insights can be found. The broad-brush comparative studies ranging across countries, policy areas and tools do help identify underlying systemic factors, such as the nature of the political system in each country. However, their very breadth dilutes their scope to

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[13] Page and Jenkins' category of mid-ranking most likely equates to the APS 6 and Executive Level 1 level in the APS. See Table 3.1.

understand the policy process in a deep way. Conversely, Kingdon (2011) and Althaus (2004), in focusing on one or two policy areas or issues and using in-depth interviews with policymakers, were able to powerfully reveal the relative importance of the variables that influence how policy arises, policy design and policy outcomes. This study is more in line with Middle's (2010) focus on one agency and one policy field within a set time period, in comparison to the work of Kingdon (2011) and Althaus (2004). The decision to go in-depth into one policy field means a loss of comparative analysis but provides a deeper level of analysis of the drivers of success in Australian federal environment policy.

The focus of this study – the prediction and pursuit of environment policy success – has not been encountered in the literature reviewed above. Nevertheless, the above empirical efforts to access the view of the policy official, back up Williams' observation that:

> **academics are acutely aware that they have limited access to government documents, people and processes, particularly the core artefacts that help move policy forward; that is to government documents, people and processes (2010,199).**

Williams (2010) observed that in the Canadian context many of the Cabinet, briefing and consultation papers remain protected despite freedom of information legislation. This equally applies to the Australian context. This lack of access meant, in Williams' (2010, 200) view, that "academics on the outside looking in" were hampered in their capacity to fully appreciate how the policy world operates. Moreover, what constitutes 'policy' is clearly much more than simply the official record of government decisions (Howlett et al., 2009, 7). The policy decision itself is not the key. It is how that decision came to be taken and how it was given effect, matters which are rarely transparent to the external observer.

The empirical literature suggests an examination of specific episodes of policymaking through in-depth interviews with policy officials is a valid approach to analyse whether policy officials have a sense of what will work and how they pursue success.

3.3 The research design: an empirical case study

The initial question prompting this study was why environment policymaking at the federal level in Australia is failing. This study therefore commenced with a puzzle not with a set of testable propositions. The interplay of the many exogenous and endogenous factors in policymaking means that it is hard to prove causality between any one variable in policymaking and the policy outcome. Rather, the study is more in the realm of exploring the probability of differing policy outcomes, and its nature calls for a design that can accommodate likely

ambiguities and contradictions in the evidence (Denzin and Lincoln, 2003b, x, New York University, 2011, 11).

The multi-case method is an empirically sound and particularly useful approach for research in 'practice-relevant' research into public administration (Stewart, 2012, 15). In line with Stewart's (2011) discussion of typical multi-case studies as essentially comparative, this study seeks cases that provide contrast or variance along the success–failure continuum, so as to identify key factors with bearing on the scope to predict and pursue policy success. Based on her review of multi-case articles in public management journals from 2004-09, Stewart (2012, 4) argued that a particular strength of the multi-case method is that it allows the researcher to use inductive methods to investigate the relative effectiveness of particular management approaches. The approach to case studies in this research is also guided by Yin's (2003) advice on case study methodology. Although cast in the positivist tradition, Yin (2003, 2) recognised that a case study approach could accommodate the richness of the phenomena in their real-life contexts.

The review of the theoretical literature in Chapter 2 and the empirical studies in this chapter relevant to an investigation of policy success confirm my assessment that there is no one theoretical framework fully suited to frame this study. Neither Kingdon (2011) nor Page and Jenkins (2005) started their studies with a set of hypotheses derived within a theoretical framework. All three authors considered, when so little is known about how policy officials operate, understanding and description come before theoretical explanation (2005, viii). In the same way, this study does not have a set analytical framework. Rather, it turns to the interviews to extract the officials' experienced-based observations relating to what works or fails in environment policymaking. As noted in Chapter 2, this study does however employ the Marsh and McConnell Framework as a device for assessing the outcomes of the 12 policies in this study.

Application of the Marsh and McConnell Framework

The Marsh and McConnell Framework is not a predictive tool, and its architects did not focus on the capacity of policy officials to predict policy success. However, their framework does offer a commonsense rubric for making informed judgments about policy success, after the fact (McConnell, 2010b, 153). The results are set out in Table 4.2 in Chapter 4.

Marsh and McConnell (2010) suggested possible sources of evidence for each of the three dimensions. For example, they pointed to legislative records and Green and White Papers for the process dimension, evaluation and audit reports, political speeches, press releases and media

reports for the programmatic dimension, and opinion polls, election results and media commentary in relation to the political dimension. I applied their framework without reference to the interview findings. Rather, I drew on available information on the public record (scholarly studies, independent reviews, government commission audits and evaluation and budget documentation) to analyse the outcomes of each of the 12 policies against the three dimensions of policy success. In doing so I followed their guidance on possible data sources for each dimension. The summaries of two cases are selected from the 12 policies for inclusion in the study as appendices – the *Home Insulation Program* and *Working on Country.* The summaries show how the Marsh and McConnell Framework was operationalised to assess the 12 policies as succeeding or failure.

One of the Departmental Secretaries interviewed for this study observed that in their experience about 10 per cent of environment programs fail, 10 per cent succeed, and the vast majority fall somewhere in the middle, being neither a clear success nor a clear failure. The majority of policies discussed by the interviewees in this study fall within this '10-90 per cent' range of failure to success. However, outlier cases of heightened success or failure may reveal much to the researcher. Flyvbjerg (2011, 307) included extreme or deviant cases as a valid basis for selection of case studies. He argued that especially problematic or especially good cases are useful to understand the limits of existing theories and to develop new concepts. In considering the cases for more detailed scrutiny, outlier policies that fell at either end of the success–failure continuum were therefore deliberately chosen as they bring into sharp relief the drivers of success (in the case of *Working on Country*). The *Home Insulation Program* provides an instructive comparative case study of policy failure.

Several interviewees argued that the *Home Insulation Program* was an aberration in that it was not representative of most environment policies. However, this study finds that it had many of the attributes shared by other federal environment policies in that the program arose through a crisis (the GFC) and the environment policy agenda was subsumed to a broader economic agenda. The Department was required to implement the program in a timeframe and manner not of the Department's choosing. On that basis, the program is a fitting case study.

The *Home Insulation Program* is selected for case study analysis for three reasons. First, it attracted the highest number (18) of interviewee assessments as a failed policy. Second, as an outlier program on the success-failure continuum, it brings into sharp relief the contested nature of policy success. Third, the extensive audits, reviews, inquiries and commissions into the program provide a comprehensive set of documentation including reference to Cabinet

documents and ministerial briefs and access to a wide range of industry, householder, politician and public official perspectives, including those of PM&C officers.

Appendix 5 examines the factors driving the failure of the *Home Insulation Program* from the stance of the interviewees. In brief, announced by Rudd (Prime Minister, 3 February 2009a) as part of the second economic stimulus package, the *Program* provided $2.7 billion to insulate a projected 2.2 million owner-occupied and 0.5 million rented homes through provision of a rebate of up to $1,600 for householders for ceiling insulation. It was a demand-driven program expected to run from 3 February 2009 until 31 December 2011, or until the funds ran out.

By February 2010, over 1.1 million rebates had been paid at a cost of $1.471 billion (Commonwealth of Australia, 2010, 18). The remaining installations were never completed. By early February 2010, the Government had accepted that the program faced significant budget, safety and fraud risks and was looking for an exit strategy.

The program was terminated on 19 February 2010, after much personal, political and policy turbulence. By that time the program was facing a combination of uncontrolled demand leading to budget blow-outs, a high incidence of unscrupulous installer businesses, negative consumer, media and political reaction, and had funded installations which involved four fatalities and over 240 house fires, 30 of which involved structural damage.

An underlying tension between the intent of the policy (avoid recession) and some of the stated policy objectives (insulate homes to deliver energy efficiency outcomes), and inadequate testing of stakeholder interests and evidence, are identified as contributing factors to the failure of the program. The lack of clarity over the mandate to deliver the policy is isolated as a key contributor to the policy failure. In particular, the lack of prior agreement and clear messaging, over just where the regulatory responsibility for the safety of installers working in roof cavities lay, meant the Rudd Government and the Environment Department could be perceived as accountable for the program's failure.

Working on Country (Appendix 6) provides an unusual example of policy success. The program employs over 690 Indigenous rangers in 90 teams "to manage and deliver significant environmental outcomes" over 1.5 million square kilometres of land and sea country in remote and regional Australia (Department of Sustainability Environment Water Population and Communities, 2013, 24). In 2007, the policy concept underpinning the program responded to a cross-party concern to address Indigenous disadvantage and generate employment for Indigenous people in remote areas. The intractable policy context makes the success of *Working on Country* intriguing: the case study examines why the program is successful when so many

69

programs have failed, at the intersection of the four vexed policy contexts the program spanned: environment protection, overcoming Indigenous disadvantage, job opportunities in remote Australia and employment creation. Detailed attention to the design of the program informed by stakeholder and expert knowledge and linking policy objectives to a wider bi-partisan reform agenda are identified as drivers of success.

Although the case studies were selected to cover the span of failure to success, neither success nor failure was the single determinant for selection. The 'journey' in the policy formulation process was considered equally important. The policy choices not made can be as telling as the policy decisions taken. For these reasons, the case studies seek to go beyond the public documentation and reveal what happened in the policy process from the perspective of the policy officials involved. As such, the cases provide a 'backward map' of the policymaking process informed by the interview insights.

Data gathering through interviews and public documentation

The active ingredients underlying the research questions are the observations and actions of the policy officials – are they able to identify indicators of likely success or failure? The recognition in the literature of the value in accessing 'insider perspectives' suggests interviews as a useful way to extract pertinent data (Althaus, 2004, Barrett, 2004, Castles, 2004, Colebatch, 2007, Feldman, 1989, Nevill, 2007). In-depth semi-structured interviews with key environment policymakers are therefore selected as the primary data collection, supported by reference to publicly available information (budget documents, evaluations, audits, research).

A questionnaire or survey approach was considered, but this failed the test of alignment with the subjective nature of policymaking and did not enable follow up or prompt questions. Moreover, it did not provide for tailoring the process to the seniority of the interviewee. Feldman's (1989) participant observation approach, which she used to investigate the use of research in US policy processes at one point in time via detailed interviews with fellow energy policy researchers, was rejected, as approval from the Environment Department was less likely for such a 'real-time' approach. In addition, her participant observation approach does not provide for the 20-year timeframe set for this study, whereas interviews can uncover what happened from the (differing) perspectives of the key policymakers at the time (Dunn, 2005, 80).

Research pathway

The five-step research design adopted for the study is outlined below.

Figure 3.1 The five research steps

Historical and theoretical context
- Define research questions
- Identify the theoretical framework most suited to research questions
- Trace history of environment policy in Australia
- Trace growth of the Environment Department
- Provide broad assessement of the overall effectiveness of federal environment policy
- Set study timeframe of 1993-2013
- Identify suite of policy responses implemented by Environment Department
- Review public policy literature to identify key drivers of success (Table 2.3) as a tool to guide construction of interview questions and inform the analysis

Identify and assess candidate policies for study
- Identify for detailed study from Department of Environment Budget documentation 1993-2013 the more significant biodiversity and energy policies using criteria of environmental impact, funding level and geographic scale (12 in total)
- Assess at broad-brush level the 12 selected policies using the Marsh and McConnell Framework as 'towards success', 'mixed outcomes', or 'towards failure' as a point of comparison with the assessements by interviewees

Interviews
- Identify 30 policy officials for interview who had key roles in the 12 selected policies
- Include a further 21 interviewees based on interviewee suggestions
- Conduct and transcribe interviews
- Check transcripts for accuracy and clear the final text of each interview for use in the study
- Code transcripts using NVIVO 10 software (QSR International Pty Ltd, 2012), a software analysis of the frequency and depth of responses, a software designed to support the interrogation of data in qualitative studies
- Analyse interview responses against research questions
- Compare interviewee views on key factors in policy success with Table 2.3

Case Studies
- Using NVIVO 10 , select two cases from the 12 policies for detailed study and inclusion in the study
- Draw on interviews and academic and government documentation to analyse the cases
- Analyse key factors in success (Table 2.3) in context of the case studies

Analysis
- Synthesise interview data and case study analysis findings in relation to the research questions
- Compare interviewee findings with the insights relating to policy success drawn from the public policy literature in Chapter 2

A synthesis of the interview data and case study analyses was used as a basis to examine how the officials predict, define and construe success, (Chapter 4) and the key drivers of policy success in the view of the interviewees, and how those factors differ to their treatment in the literature (Chapter 5). Chapter 6 explores an unexpected finding of the study in relation to the degree of autonomy or agency exercised by policy officials. Appendix 4 is designed to provide the essential context for the interview findings presented in Chapters 4-6.

As Figure 3.1 indicates, the research process was necessarily iterative. As Stewart (2012, 6) reminded researchers, the generation of good results in the multi-case world is "essentially processual" whereby the researcher "gradually homes in on better understandings" by "proceeding on an iterative data–theory–data–theory path".

The following iterations in the study method are identified:

- The identification of the environment policies delivered by the Department between 1993 and 2013 guided the selection of interview respondents.

- The study focus was subsequently broadened from an initial focus on programs to include legislation and national strategies.

- The projected number of interviewees was increased from 30 to 51.

- The interview results then led to selection of 12 policies for more detailed analysis.

- As the data gathering and analysis of interview findings progressed, further avenues of inquiry emerged, leading to a more layered interpretation of environment policy success to include how officials actively pursued specific policy outcomes.

In relation to the broadening of the study focus, programs, as opposed to policies, were initially identified as the focus as funded programs are a common policy tool (McConnell, 2010a, 347). On completion of the interviews, the focus was broadened to include national strategies and legislation. This shift was made for two reasons. First, the interviews confirmed that national environment strategies (ecologically sustainable development, forests, biodiversity, marine and population) were critical underpinnings to many environment programs (Table A4.1). Second, over 30 interviewees profiled the primary environment legislation (the *EPBC Act 1999)* in their discussion of policy success and failure. Of those, 25 had a key role in the genesis, implementation or review of the Act. The study, in its examination of policy success, therefore includes national strategies, protected area management and legislation in addition to funded programs.

In summary, in light of the depth of the responses to the interview questions, the research question was broadened to include a consideration of how the officials went about pursuing success; the timeframe was extended to encompass the full range of policies referred to by interviewees, and the number of interviews was expanded from 30 to 51, in part due to the snowballing effect discussed in Section 3.5 below.

3.4 Approvals and ethical considerations

Ethical considerations being important in this study, this section sets out the ethics approval processes and the approach to the interviews. In regard to formal ethical requirements for a PhD study at UNSW, the study received approval from the Human Research Ethics Approval Panel of UNSW in January 2012 (Approval Number A-66–11). This research was conducted in accordance with the UNSW policies for intellectual property, occupational health and safety (OH&S) and the ethics approval.

Approval from the Secretary of the Environment Department was sought as a measure to strengthen the integrity of the study. The then Secretary, Dr Paul Grimes, was advised in writing on 13 February 2012 of the study and proposed interviews with Departmental officers. This gave the Secretary the opportunity to raise any concerns. In March 2012, he advised that the study had the support of the Management Board, noting that respondents would not be asked to disclose any confidential information and that the anonymity of all interviewees was assured. He also agreed to the participation of Departmental officers (Appendix 3). The interview questions (Appendix 1) did not ask the interviewees to comment on confidential matters. Several interviewees however did volunteer general comments in regard to Cabinet submission and decision-making processes.

Interviewees were asked to formally consent to their voluntary participation, free of duress or inducement. They were informed in writing of the purpose of the study and their consent was collected in writing before the interview, to ensure the ethical requirement of informed consent (Appendix 2). To ensure the confidentiality and privacy of interviewees, all participants were allocated a non-identifying code and are referred to by level or code. Tapes, interview notes and transcriptions are held securely at the UNSW (Canberra). I approached the possible participants by email or phone to seek agreement to an interview. Careful consideration was given to the timing and location of interviews and the comfort of respondents. Taken together, the above approvals, consents and approaches ensured the study met the necessary ethics considerations.

3.5 Approach to the interviews: sampling, process and interviewee characteristics

Interview questions

The interviews canvassed the following questions:

- Which policies were considered to have been particularly successful?

- Whether it is possible to predict success.

- What are the key factors driving policy success and failure?

- Where policy proposals come from.

- What influences policy design?

Interviewees were also asked to describe a policy experience in which they had a key role.

A flexible approach was taken to the structure of the interview. Not all questions were asked of each interviewee. Questions were tailored to their experience and seniority. This occurred where the officer had specialised experience (in a program, central agency or Minister's office) or was very high level. Some interviewees spoke for the length of the interviews without the specific questions being asked. When that happened, the interview questions were still used as a check that all topics had been covered. Interviewees were prompted for more information or clarification when necessary. Impromptu questions to follow up new issues that emerged were also asked. As the interview questions were open-ended, interviewees also drew on their experience in other policies implemented by the Department prior to and during the study period such as water, air quality, ozone protection and park management. The full suite of policies delivered by the Environment Department over the study period is discussed at Appendix 4. These policies (over and above the 12 selected polices) are also referred to in Chapters 4-7 where the interviewee insights in regard to those policies add to the analysis. Overall, the guiding concept to keep the interviews focused was the study aim of identifying how officials predict and pursue policy success.

Administering the interviews

All interviews were face-to-face and lasted from 1 to 2.5 hours. Previous research experiences by Jarvie suggest that public servants may be less forthcoming when recorded (pers. comm., 2012). Respondents were asked if they were willing to be taped and one-third agreed. Willingness to be taped was more common among those who had retired or were just about to. Interviews were either taped, or notes were taken, or responses were keyed directly into a laptop at the time of interview, according to respondent preference. The complexity of the topic and

integrity of the research called for either detailed transcripts of the interviews based on notes, or a recording.

Interviews started with an open question about which environment policies the interviewee considered had particularly succeeded. Questions became more focused as the interview unfolded. Interviews were semi-structured to facilitate uniform coding of responses and to ensure central issues were covered.

Approach to sampling

As this research focuses on policymaking from the 'insider' perspective, respondents needed to be able to provide robust information on their own policy experiences. Accordingly, judgments were made to identify respondents who could speak with genuine authority about the policymaking experience (Bryman, 2008, 458). The final set of 51 interviewees was selected to ensure a mix of experiences in policies assessed as meeting their stated objectives and policies that did not. Environment policy officials were identified as potential interviewees only if they had a primary role in one or more of the 12 selected policies delivered by the Environment Department between over the period 1993-2013. This study therefore adopts a purposive approach to sampling, selecting respondents for their expertise and experience (Argyrous, 2009, 236, Morse and Richards, 2002). Purposive sampling has been used to good effect for example by Kingdon (2003, 233) who selected the interview subjects on the basis of their influence, knowledge and differing perspectives and Althaus (2004, 119) who applied her personal judgment to select the 'best' or 'typical' respondents.

Policy development in the APS is typically undertaken by the more experienced and skilled Executive Level 1 and 2 officers, and by Band 1 (Branch Head) officers. Guidance may be provided by Band 2 officers. The Secretary and Deputies can become directly involved in the process where the policy issues are highly political, complex, problematic or of acute interest to the Minister or Prime Minister. Band 1 through to Secretaries also personally draft policy from time to time. Therefore, the officers initially identified for interview ranged across all levels from Executive Level 1 up to Secretary. The study therefore overcomes the limitations of studies criticised by Page and Jenkins (2005, 180) for an undue focus on policy 'elites'.

The interviews included all five Secretaries of the Department and the majority (nine) of the Deputy Secretaries from 1993 to September 2013. This coverage ensured the inclusion of those officials who had access to Ministers and their offices, and were accountable for the implementation of Cabinet policy decisions through Senate Estimates and through their performance agreements. This study thereby overcomes the limitations of the Page and Jenkins

study noted by 't Hart (2007) of missing issues of power, exchange and conflict by excluding high-level officials.

There is no ideal term for the different levels within the APS. The APS terms have not been used, as several terms are applied to each level and the terms themselves are confusing. For example, the lowest two levels of interviewees are referred to as Executive Levels 1 and 2. However, the term 'executive' can imply a high-level manager. To circumvent the confusing array of terms applied to public service levels but still acknowledge the relevance of an interviewee's place in the APS hierarchy, interviewees were allocated to one of three hierarchical groups: Tier 1, Tier 2 and Tier 3. Table 3.1 allocates these terms to the Departmental classifications.

Table 3.1 Department of Environment employment levels and pay rates at July 2012

Term used in this study	Employment level and terms	Number interviewed	Pay rate at 1/7/2012[14]
Tier 1	Secretary Department Head	5	Over $500,000
	Band 3 Deputy Secretary	9	Over $350,000
Tier 2	Band 2 First Assistant Secretary Division Head	7	Over $275,000
	Band 1 Assistant Secretary Branch Head	10	Over $220,000
Tier 3	Executive Level 2 Director Section Head	12	$115,000 to $134,000
	Executive Level 1[15] Assistant Director Senior Policy Officer	8	$98,000 to $105,000
Total		**51**	

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[14] The rate at July 2012 in the Department's Enterprise Agreement 2011-14 is provided as interviews were conducted 2010-13. Rates include base salary plus benefits such as superannuation. Pay rates above Executive Level are not available publicly. An estimated minimum rate is provided for the Senior Executive Service (SES) levels (Tiers 1 and 2). For the Executive Levels, a range is provided and rates are rounded to the nearest thousand dollar.

[15] Below the Executive Level 1 are the APS Levels 1 to 6. No officers at that level were interviewed for the study although APS 6 officers and graduates do contribute to policy development from time to time.

This approach also facilitates the commitment to the anonymity of the interviewees. To assist comparison of levels with other studies, the pay band for each level is included. To place the interview comments in an organisational context, one needs to simply keep in mind that Tier 1 is the top level, Tier 2 is the mid level, and Tier 3 is the lowest level.

Adequacy of the sample size

Thirty potential interviewees were initially identified as meeting the criterion of extensive experience in the 12 policies selected for attention. As Miles and Huberman (1994, 27) noted, samples in qualitative research are usually not wholly pre-specified. At the 30th interview, a sufficiently comprehensive answer to the research question with a sense of convergence in the findings started to emerge. Each interviewee added at least one unique insight. Half the initial 30 interviewees suggested additional officials for interview, 21 in total. These, in their view, would contribute to the study, and all were duly added. The interview process thus had an unanticipated 'snowballing' effect. By the 51st interview, there was diminishing value in further interviews, and by then all the key policy officials identified at the outset had already been interviewed.

The final sample size of 51 officers is considered sufficiently robust. Thirty-one Senior Executive Service (SES) officers (Tiers 1 and 2) of an estimated 75 SES officers[16] who met the criteria constitutes a sample of 40 per cent of the possible study population at the SES level who held a significant policy development role. In addition, 20 Executive Level 1 and 2 officers (Tier 3) were interviewed. Their inclusion is consistent with the significant contribution that Executive Level officers can make to policy.

In regard to the data requirements to address the research questions, 51 participants is deemed adequate to identify patterns and check divergences and convergences in views. By way of comparison with some Australian PhD theses relevant to this study, Althaus (2004) interviewed 43 departmental officers (and a further 68 politicians, advisors and media figures). Cadman (2009) in his study of the effectiveness of different governance regimes for environmental stewardship interviewed 37 in total. Middle's (2010) summary of findings indicates he

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[16] The organisation charts in the Departmental Annual Reports over the study period reveal a relatively stable set of approximately 75 SES managers (Band 1 Level and above) who had direct and significant policy experience with the 16 policies. This assessment is informed by the researcher's knowledge from holding corporate positions in policy development and budget management. One Tier 2 respondent with an academic background, who had conducted a study into policy official views on the effectiveness in natural resource management programs, volunteered at the completion of his interview that, on the basis of his public policy academic expertise and his knowledge of the policymaking in the Department over the study period, his considered view was around 50 interviews was a sufficiently robust sample size for the study.

interviewed about 20 (State) officials. Palmer (2007, 14) based his study of immigration policy on eight interviews (one Prime Minister, four Ministers and three public servants).

Response rate

All the officials who were asked to participate in the study agreed to be interviewed. The high acceptance rate may be explained by official support for the study, anonymity, the high level of interest in the topic and that the researcher was known to the participants. All interviewees were aware of the support of the Departmental Secretary and Board of Management. That the study had UNSW ethics approval and that responses were treated in confidence and reported anonymously also provided comfort in regard to willingness to participate. Finally, all the interviewees had worked with me in a budget, corporate, program or policy capacity, or whilst in a central agency as a manager, subordinate or colleague. This may have strengthened the willingness to participate.[17]

Summary of interviewee profiles

The interview profile is set out in Figures 3.2 to 3.4 below. The sample incorporated reasonable representation in each of the levels of employment from Executive Level 1 to Secretary.

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[17] It was found the process for accessing participants was instrumental in the response rate. For example, while no candidate declined to participate, no response was received in two instances when a request to participate in a PhD study was made through an Executive Assistant (secretary) via email. In both cases the researcher was not known to the Executive Assistant. Where it was made clear that the manager knew the researcher, an interview time was arranged. This suggests that researchers unable to draw a connection to public servants may be precluded from a high level of access to public officials, underscoring the difficulty of undertaking practice-relevant research from the insider view in policymaking.

Figure 3.2 Administrative level of interviewee at time of interview
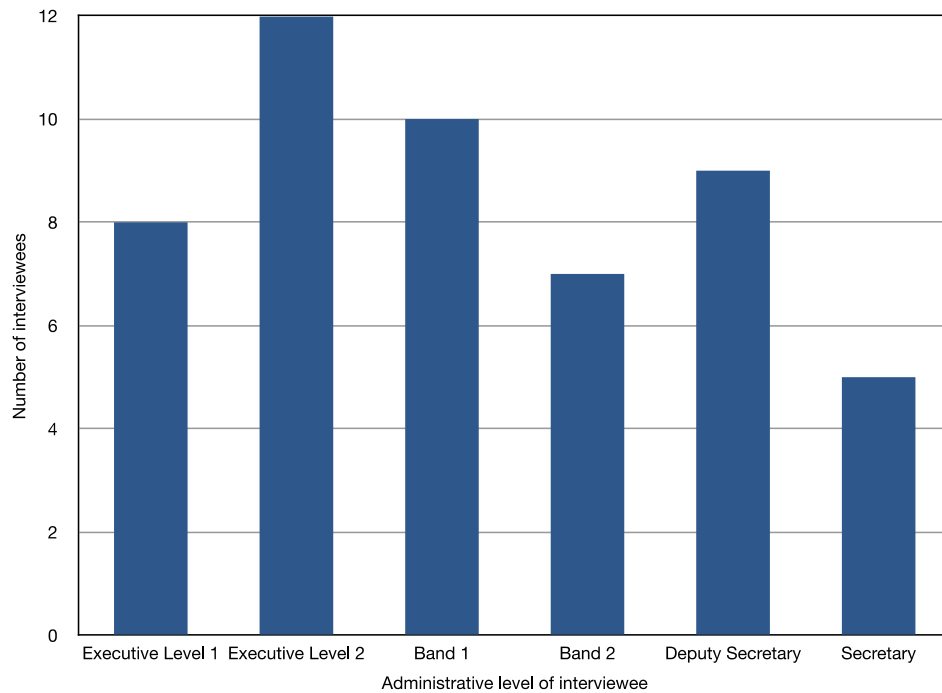
Interviewees did not have to have a specified minimum number of years of experience. However, the requirement that they have significant policy experience meant that three-quarters had been employed in the Department for ten or more years (Figure 3.2). Only seven had less than five years' experience in environment policy. Five of those brought specialist skills, and two were high-level managers who joined the Department after lengthy experience in other agencies.

Most interviewees had lengthy policy experience either in environment policy alone or in environment and other federal policy areas (Figure 3.3). Over 30 of the interviewees held more than 15 years experience in environment policy. Of those 30, six held over 30 years. Figure 3.3 shows the extensive policy experience held by the interviewees.

79

Figure 3.3 Years of experience in environment policy of interviewees
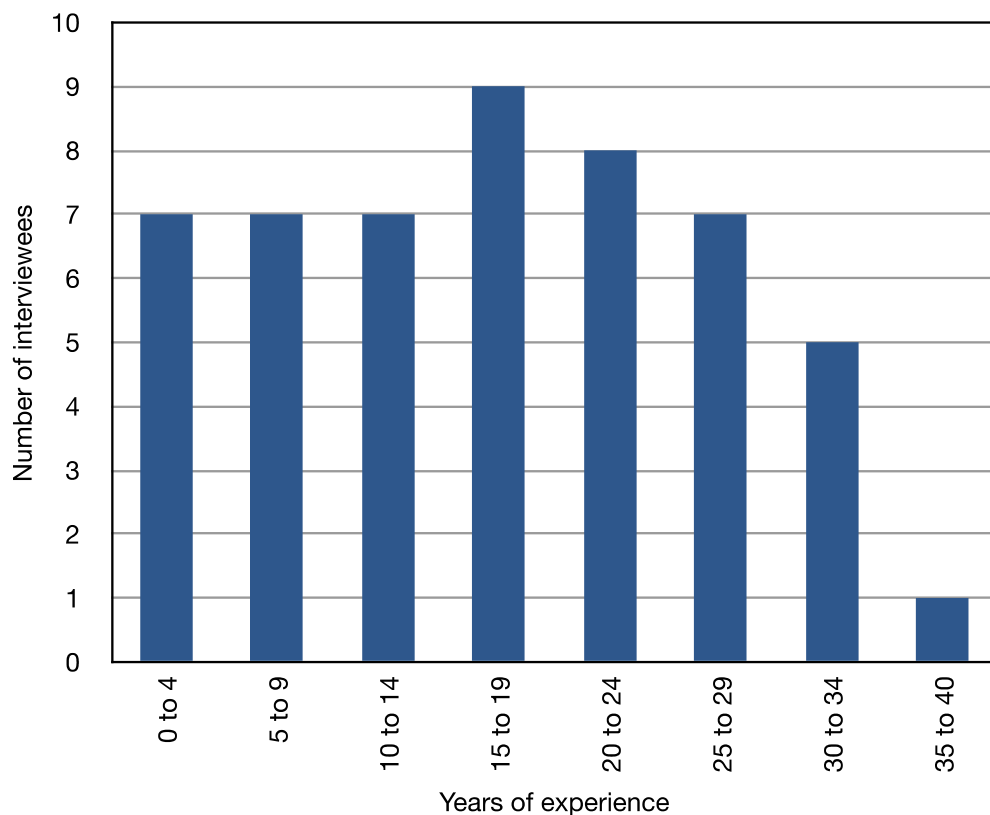
Breadth of policy experience held by interviewees

The majority of interviewees (86%) had worked across a wide range of areas in the Department. Just under three-quarters had experience in Cabinet, budget or ministerial processes. Half had worked for a period in the corporate areas of the Department including the Executive, budget, strategic policy, governance, reporting, information management and public affairs. Half had experience in a central agency. One-third had experience in the Environment Minister's Office. Nine interviewees had experience in both central agencies and the Minister's office.

Ninety per cent of the interviewees also had policy experience in other federal agencies such as health, and outside government in environment NGOs, peak industry bodies, science and consultancy groups, or State and local governments. These policy roles outside government inform their interview responses and to that extent broaden the purview of the study beyond the view of the official.

The environment policies in which the interviewee had a significant role are set out in Figure 3.4.

Figure 3.4 Area of policy experience by number and level of interviewee[18]
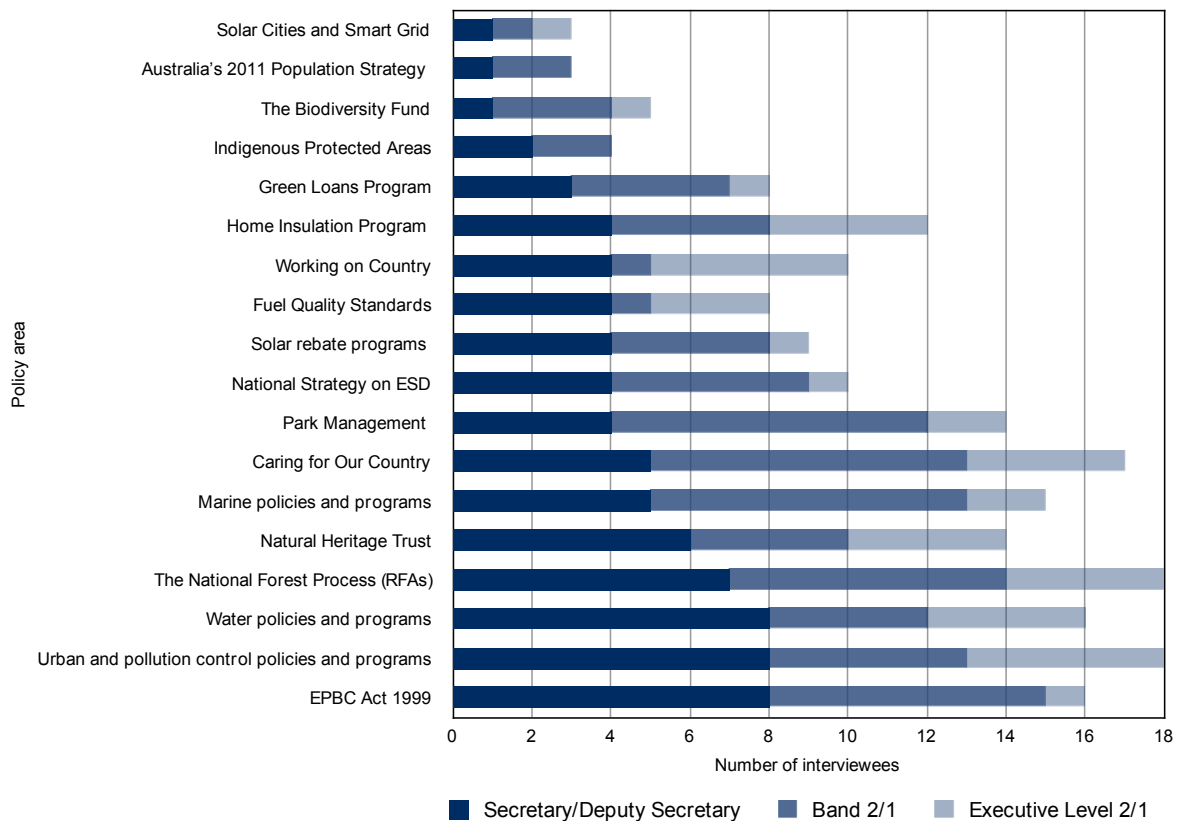
Source: Study interviews

The level reflects the level of the officer at time of interview. Interviewees with five or more years of environment policy experience had typically worked across many areas in the Department. Of the 12 policies, at least 12 interviewees held experience in the larger policies and programs including the *EPBC Act 1999*, *RFAs*, *NHT*, *Caring for Our Country*, *MPAs* and the *Home Insulation Program*. At least eight interviewees had a key role in the *Green Loans, Working on Country* and *the Solar Rebate Programs* and the *National Fuel Quality Standards* legislation.

Only three interviewees had worked on a single program. Figure 3.4 also includes other policy experiences raised by the interviewees in addition to the 12 policies. Taken together, Figures 3.2 to 3.4 demonstrate the combined breadth, depth and length of the environment policy experience of interviewees.

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[18] Water policies and programs include water quality, the COAG water reform process, the Murray Darling Basin initiatives and the National Water Initiative.
Marine includes MPAs, regional marine planning, GBR MPA and fisheries management. Urban and pollution control includes air quality, waste management and sustainable industries.
Apart from the solar programs, the interviewees made little reference to the suite of programs delivered by the Australian Greenhouse Office, as climate change was not identified as a focus for this study.

Employment status and gender of interviewees

Employment status was considered relevant to the analysis, to the extent that interviewees no longer in the Department or the APS may be more forthcoming and reflective. This was also thought to be true, although to a lesser degree, of interviewees no longer with the Department but still working in the APS. Interviewees were therefore placed in one of three employment categories: current employees of the Department (65%); former employees but still working within an APS agency (14%); or former employees of the Department but now retired or working outside the APS (22%). Nearly 80 per cent of the interviewees were still APS employees at the time of interview. At least six interviewees retired shortly after completing their interview. Gender was almost equal with 26 male and 25 female interviewees. Consistent with the profile of the Department, there are more male interviewees at the Tier 1 and 2 levels.

The characteristics of the interviewees are primarily provided as background. Participants were selected to ensure representation across gender, level and employment status. Importantly, participants were selected to ensure the analysis is based on a range of experiences in success and failure across significant environment policies delivered by the Department over the study period. The interviewee characteristics are discussed, where relevant, in the analysis of interview responses in Chapters 4 to 7. In general, the NVIVO 10 analyses showed that the level of the interviewee and the breadth of their policy experience (e.g., whether they had ever worked in the Minister's Office) provide more explanatory power of the differing views of interviewees than years of experience, employment status or gender.

Interview data integrity

Interviewing, transcribing, coding and analysis were all conducted in person by the researcher to build a deep familiarity with the data and to ensure consistency in interpretation and analysis. All interview transcripts from notes and tapes were double-checked for accuracy. Transcripts were then offered to all interviewees for checking, a process Schwartz-Shea and Yanow (2012, 106) described as "member checking". This step ensured interviews were recorded and reported to the satisfaction of the interviewees and each had the opportunity to correct or edit statements. This reassured interviewees that their input was faithfully represented. Overall, interviewees made few changes. Forty made no changes. Eight made factual corrections or minor editorial changes. While several interviewees chose to 'tone down their language', this was not seen to detract from the substance of their contribution. Occasionally, minor editorial changes are made when quoting the interviewees, for clarity or to obscure identity. Careful examination of the essential point of the transcript ensured these clarifying editorial changes did not alter the substance of responses.

Approach to analysis of interview transcripts

Transcripts were approached from an inductive stance so that patterns and themes could emerge from the data. For Janesick (2003, 63), inductive analysis involves an engagement with the data characterised by immersion, incubation, illumination, explication and synthesis. Janesick's (2003, 65) guidance on how to do qualitative research, including the need to look for meaning from the perspective of participants in a study, and to look for points of tension in responses where there are conflicting points of evidence, was followed.

Schwartz-Shea and Yanow's (2012, 33) injunction to interpretive researchers "to retain an openness to the possibility of surprises as well as to resist the 'rush to diagnosis' that prematurely closes down analytical possibilities" was kept in mind throughout the study. The thesis supervisors' readings of the interview transcripts were an additional level of verification of the plausibility of the data, and a check on any omissions or oversights in analysis on my part.

The nature of the research question calls for a nuanced interpretative analysis (Charmaz, 2003, 268). However, in recognition of the benefits of software tools, the scope to use a computer package to organise and analyse the interview data was explored (Argyrous, 2009, Bazeley, 2007, Bryman, 2008, 565-584). Initially, the interview transcripts were analysed using Numbers software to explore relationships between the profile characteristics of the interviewees and their responses. Findings were entered into a database along thematic lines, following the topics covered in the interview guide. As the interviews progressed, themes, patterns and inconsistencies and contradictions in the responses began to emerge. The analysis then searched for similarities/convergences and differences/contractions in the interview responses.

Evolution of the capacity of QSR International NVIVO 10 (2012) software to handle interpretative qualitative data was considered sufficient to warrant its use. UNSW at Canberra provided financial and technical support. Coding references to nodes within NVIVO 10 supported an understanding of the frequency and significance of responses and the identification of unique or alternate views. Compared to the initial 'eyeball' analysis, the use of Numbers software to test relationships between the profile data and responses to questions, and the use of the NVIVO 10 software to group and analyse the data, ensured a systematic consideration of all interview responses. It allowed the exploration of potentially significant relationships through the NVIVO 10 analysis and query facilities.

Throughout the study, the rationale for reporting quotes and comments from the transcripts is guided by the following principles:

- the frequency of the comment, where a significant number of interviewees expressed the same or similar view

- highly pertinent views where one or several interviewees held a view that was not more widely expressed but was deeply informed or particularly insightful

- outlier views, where one or several interviewees held a contrary view, but one which was deeply informed or insightful or based on particular knowledge they held.

Where direct quotes are taken from the transcripts to illustrate a point or support an analysis, the text is verbatim. Consideration was given to paring back the interviewee quotes. However, in the main, the quotes are provided as spoken to capture the full flavour of their comments and avoid misrepresenting the views of the interviewees. The policy experience and level of the interviewee is provided where that information substantiates or helps explain the interviewee's view.

Relationship between researcher and topic

In any interpretivist study, the researcher can be considered an instrument of data collection (Denzin and Lincoln, 2003a). This requires explicit clarification of the role of the researcher. It is particularly important for this study to discuss the relationship between the researcher and the topic. Any study of a subjective topic, such as policy, faces the challenges of balancing access to informants, trust in the researcher and objectivity in analysis.

The research design chosen for this study was made possible because of my role within the Environment Department. I was employed by the Department for a large part of the study period (from 1995 to 2009) in budget, strategic policy and program areas. I therefore had exposure to many of the policymaking processes discussed, including ecologically sustainable development, forests, water, energy, fuel, air quality, ozone protection, marine and coastal policy. I was also involved to varying degrees in programs such as the *Caring for Our Country*, *Working on Country* and the *Solar Rebate Programs* and in the final stages of the *Home Insulation* and *Green Loans Programs*.

The value of prior knowledge of the researcher of the cases under study can serve to strengthen research (Yin, 2003, 160-161). For example, Althaus (2004, 134) found that her experience in central agencies in the APS was a source of practical wisdom to interpret comments made by research participants. Middle (2010, 81-82), drawing on the work of Fontana and Frey (2000), identified similar benefits as a former Western Australian Environmental Protection Agency employee researching the policymaking practices of that agency. However, there are benefits

and drawbacks to a practice-based understanding of the study topic and a prior work relationship with many of the interview respondents. These are discussed below.

The benefits in regard to the study design of my former role are twofold. First, access at the highest level of policymakers was achievable and gaining their trust was facilitated by my prior connection with the interviewees. Second, an ability to understand the context, policies, processes, references to stakeholders and language, including jargon, technical terms and acronyms, maximised the depth of responses that could be achieved in the hour requested for each interview. The drawbacks of my former role relate to the risk of capture insofar as the researcher may tend towards protection of their former organisation and colleagues, or overplay the importance of their role as government officials in the overall policy process.

A willingness to accept the findings of this study requires an acceptance of the integrity of the interview process and my judgment as researcher. Several steps were taken to strengthen the integrity of the analysis. Risks of imposing meaning (or not hearing meaning) in the interview responses were mitigated by a commitment to remain open to new information and to surprises in the data, and by interviewing sufficient respondents until some convergence of the interview findings occurred. The four-year passage of time between my former role and the completion of the study provides some separation between 'inside' and 'outside' roles. This degree of distance, detachment and objectivity reduces the risk of capture and bias. To further address this risk, data analysis software (NVIVO 10) was used to ensure all interviewee responses on matters considered in the research were taken into account. Finally, as discussed below, the study findings were tested with experienced policy officials including those who had participated in the study and several who had not.

In summary, the role of the researcher as research instrument brings benefits and risks. For a former 'insider' who stepped from practice to theory, and from the stance of theory, looked back inside the 'black box' of public policymaking, a key challenge was to do justice to the experiences of the policy officials themselves. Despite the attendant risks of investigating the mindsets of former colleagues, in this study my role of researcher was instrumental in drawing out from officials a richly woven story of the art of policymaking. Overall, I found the interviewees were frank, and revealed themselves as much as the policy process.

3.6 Addressing methodological limitations

This section outlines the methodological limitations of the study and the design strategies employed to address the implications for robustness. A first-order methodological issue is the choice of a single case study (environment) rather than a comparative study across several

policy domains. As early as 1979, George recognised that one of the strengths of single case studies is they allow the researcher to analyse complex events and take into account a multitude of variables precisely because they do not require numerous cases (George and Bennett, 2004, xii). In that regard, the single case study approach is suited to an investigation of policymaking. Having examined the relevant studies into policy and policy success discussed above, I drew the conclusion that the research questions could be sufficiently explored through a single case study, albeit with a rich array of policymaking episodes within the single case of environment policy. Importantly, cross-checking of data across several sources (interviews, evaluations, published case investigations of the same policies) were employed to strengthen the veracity of the single case findings.

In pursuing a better understanding of the empirical world (why environment policies fail), this study starts with the theory as the first port of call to understand the real world of policymaking. As the available literature on policy success is sparse, as established in Chapter 2, an exploratory singular case study is employed in order to garner empirical knowledge. The analysis developed in this study recognises that the single case approach cannot provide causal explanations of policy failure or success and in that regard cannot be employed to directly advance success theory. Rather, the findings are compared against the established theory.

Although not its primary intent, this study does make a modest contribution to the advancement of policy success theory. Of the six different ways in which single case studies can support theory-building discussed by George and Bennett (2004, 76), this study has elements of the first three of the six approaches:

- it provides thick descriptions which can be used to support subsequent studies, but in itself the case study is not designed to directly contribute to theory building

- it discusses one historically important case and aims to shed light on the particular case rather than generalise to all cases (the *Home Insulation Program*); and

- as an inductive, heuristic study it seeks to identify new variables or hypotheses by examining deviant or outlier cases.

Conversely, this single case study approach does not seek to follow the remaining three approaches. It does not:

- test an established single or competing theory

- probe an untested theory or hypothesis, or

- seek to impose a "tough test" for theories of policy success or identify alternate theories.

The study does not claim to follow approaches which use case study to test theory, in part because current theories of policy success are not sufficiently developed, and the dependent variable 'policy success' is highly contingent with complex causal relations which can very across different policy contexts (George and Bennett, 2004, 115-116). Rather, the intent here, as Marsh and McConnell (2010, 581) encouraged, is to contribute to the growing dialogue on policy success rather than provide definitive conclusions.

George and Bennett's (2004, 7, 15) text is useful as their focus was on how to design qualitative case studies (within-case and cross-case) into important policy relevant matters that not only advance public policy theory but importantly, in the context of this study, produce results useful to policymakers themselves. They warn any researcher employing a single case study approach to be clear as to the approach the researcher is pursuing, to clearly define the study boundaries and to not be too ambitious in regard to the scope to contribute to theory building (George and Bennett, 2004, 77). This study follows their (George and Bennett, 2004, 72) procedures for the design and implementation of single case studies. Chapter 1 identified an important research puzzle and defined the remit of the study, while Chapter 2 established the current state of knowledge on policy success and noted the inadequacies in the existing theories.

As a single case approach, this study avoids generalising to all policy from the environment policy specific findings and thus makes no broad claim to a theory-building role although the modest contribution to theory that can be claimed is set out in Chapter 7. The inclusion of 12 cases of environment policy strengthens the scope to make some tentative broader conclusions in regard to the role of officials in policy success (and failure). Furthermore, compared to case study research which grew out of the practice of historians in the 1950s, the very recent developments in qualitative software analysis tools such as NVIVO 10 to some extent provide more secure grounds on which researchers can uncover from case study analysis – including from single case studies – the patterns, outliers and omissions in complex situations such as policymaking which are essential ingredients of theory building.

In summary, a decision was taken to explore the important and intriguing puzzle of policy success and failure in depth in one policy field and forgo any ambition of theory building. In the necessary trade-off in the problem of case selection, a preference was made for richness and internal validity in the particular case of environment policy over the scope to make generalisations that apply to the other policy domains (George and Bennett, 2004, 24).

A second-order methodological issue is the focus on the perspective of policy officials. Such views are not commonly encountered in the literature because of the difficulty of accessing the frank views of officials. As the perspective of the policy official is identified as a shortcoming

in the public policy literature (Chapters 1 and 2), this study delves into the experiences and views of the policy official. Therefore the interviews do not extend to all players engaged in the policy process, such as policy officials in other agencies, environmental groups, industry or community stakeholders, State or local government officials or Prime Ministers or Environment Ministers or their staff.

To balance the focus on the policy officials in this study, the analysis draws on information on the public record and incorporates perspectives beyond that of the policy official gleaned from an examination of the wider literature (reviews, evaluations, inquiries, and other published research findings). The *Working on Country* (Appendix 6) and *Home Insulation* (Appendix 5) case examinations in particular were enriched by the availability of a wide array of documentation on the public record. In the course of undertaking this study the Australian Royal Commission (2014) into the *Home Insulation Program* provided unprecedented public access to Government documents, including Ministerial briefs, and the statements under oath of Prime Minister Rudd, Ministers Garrett and Combet, Parliamentary Secretary Arbib, individuals in the offices of the then Prime Minister and Minister Garrett and officials in the Department of PM&C and the Environment Department.[19] The witness statements and transcript hearings of the Australian Royal Commission (2014) support the statements made by interviewees as part of this study in regard to the *Home Insulation Program*.

In addition to the sources on the public record, the interviewees did discuss at length the role of other policy players (including politicians, other federal agencies, lobbyists, State governments, unions, and stakeholders from environment, industry and the community). A full understanding of the degree to which policy officials are instrumental in a policy process would require further research into the full suite of policy players in order to assess their relative contributions. This would allow competing hypotheses and rival plausible conclusions to be tested. Future studies would benefit from the addition of the views of the full suite of policymakers.

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[19] The Royal Commission was established by the Abbott Government on 12 December 2013 to inquire into the decision-making processes about the establishment and implementation of the program, the regard to risk and warnings, and specifically whether the four deaths could have been avoided, Brandis George QC Attorney-General 14 November 2013. Media Release: Government to establish Royal Commission into failed home insulation programme. Commissioner Hanger was due to report its findings by end June 2014. After 37 days of hearings involving 50 witnesses, inspection of 77,000 documents, and 120 interviews, the Commission extended the final reporting deadline to August 31 2014, Royal Commission into the Home Insulation Program 2014. Transcript of Proceedings. Brisbane: Commonwealth of Australia. The Home Insulation Program case study (Appendix 5) makes reference to documents, witness statements and hearing transcripts up to May 19 2014, where relevant to the study research questions relating to predicting and pursuing policy success and the key factors in policy success. However, as this study was completed before the Royal Commission reported, the study makes no reference to the Commission findings.

The risk of 'elite bias' in sampling, where the researcher over-weights data from high-status informants at the expense of data from lower-status informants, was managed by ensuring a spread of interviewees across all levels (Miles and Huberman, 1994 262). A second step was to ensure equal consideration was given to all responses at the data analysis stage, including through the use of NVIVO 10 to check for any patterns of differences in the response by level.

The question of whether any particular environment program succeeded or failed will always attract a diversity of views among politicians, policy officials, academics and the community. The responses to the interview questions are necessarily a product of each interviewee's values, beliefs, experiences and inherent nature (e.g., whether they are an optimist/pessimist; humble/arrogant; a risk-taker/cautious; a Pollyanna/cynic).

The risk of 'participation bias' in the context of this study may arise where an interviewee had a significant role in a policy they rate 'successful'. Of the total number (200) of interviewee references to policies as successful, 90 were made by interviewees who had worked on the particular policy. However, interviewees were more likely to discuss policies they knew about when asked which policies were successful. To guard against the risk of participation bias in the rating of policies, the Marsh and McConnell Framework (Table 4.2), informed by evaluation, audits and reviews, is used as an external tool to assess the 12 policies.

Data integrity issues arising from the use of interviews as the data-gathering tool are addressed through the adequacy of the sample size, member checking of transcripts and cross-checking information provided at interview where necessary against documentation on the public record. These measures are designed to strengthen the plausibility and coherence of the analysis of interview data. In addition, I undertook training in interview techniques through the Social Research Methods Course at UNSW (Canberra) in 2011 to maximise the value from the face-to-face interviews and ensure the integrity of the process.

The robustness of the findings turns to some extent on the integrity of the researcher as research instrument, and the ability of interviewees to accurately recall and reflect on their experiences. As with all qualitative studies relying on interview material, the veracity of the study findings turns on the truthfulness of the interview statements. Statements of fact were checked against budget and other documentation. NVIVO software was used to ensure common patterns and outlier views were identified.

The basis on which I was selecting some views and not others is important in regard to the integrity of the study findings and is therefore explained. The primary rationale for reporting particular interviewee comments and quotes, and not others, was the frequency and depth of

responses. The level of the interviewee is noted where their position in the hierarchy may have informed or influenced their view. At other times, individual views are quoted where they were particularly insightful. Outlier and converse views are also noted where they progress the analysis.

In analysing the responses, it was necessary to differentiate between fact and opinion, and to take into consideration the available public documentation. However, as established above, the research design is defensible, to the extent that a multi-method approach drawing on interview data and case analysis is a logical and arguably the most instructive way to address the research question. A primary strength of the approach is the access to policymakers and their candid responses.

Other checks and balances applied in the process of sampling and analysis included:

- Taking into consideration the profile data (APS level, status – current or former, years of experience, type of policy experience, exposure to central agency and experience with ministers and their offices) of the respondents when interpreting the data.

- Remaining cognisant of possible researcher effects.

- Paying particular attention to anomalies, outliers, contrary findings and 'surprises' in the data and following these up with respondents where necessary (Miles and Huberman, 1994, 263).

Although these research strategies cannot iron out all methodological risks that arise from using interviews as a data source, they enhance the 'confirmability', plausibility and completeness of the findings.

External ground-truthing

This study adopts what is perhaps the most assured way to test the findings of a qualitative study: it sought feedback on the findings from the interviewees and from practitioners not involved in the study. Miles and Huberman (1994, 263) highlighted the use of feedback as a key tool in providing confidence to the reader that the findings of a study are plausible. Three avenues of feedback were used. First, as noted, all interviewees confirmed the accuracy of their transcript. Second, the analysis of eight of the 12 policies (the *RFAs*, *Green Loans*, *NHT*, *Caring for Our Country,* the *EPBC Act 1999*, *MPA policy agenda*, *Home Insulation Program* and *Working on Country*) were checked for factual correctness by at least one of the interviewees. (A summary of the latter two are included at Appendices 5 and 6 as examples of the approach taken to the case analyses). Thirdly, six experienced public policy practitioners,

three from the Department and three from outside, provided feedback on the plausibility of the study findings. These six readers were selected on the basis of the extent to which the positions they held gave them the capacity to observe first hand the inner workings of government and to develop informed views.

Factual corrections were incorporated, as appropriate, into Chapters 4–7, drawing on the feedback provided from these three avenues. Apart from clarifications and correction of fact, the six readers generally found that the study findings resonated with their personal policy experience. All six made two common overarching comments. First, they noted that the study boundary largely contained the investigation of policy success to the viewpoint of the policy official, and in that regard the study is partial. Second, while the commitment to achieving good public policy outcomes through deliberate actions (as opposed to a self-serving career focus) discussed in Chapter 6 accorded with their experience of the APS, they considered the outside view of public servants was likely to be far less positive than the picture presented by this study's findings.

3.7 Summary

This chapter places the study within an intepretivist research paradigm. The research design responds to calls in the literature to examine policy success through accessing the 'insider' experience of specific instances of environment policymaking. A case study using interviews, supported by an analysis of 12 specific policy episodes ranging from failure to success, was deemed the most fruitful approach. This decision was made following an investigation of international and Australian empirical studies exploring questions relating to policy success and considering the methodological guidance provided by George and Bennett (2004) on the use of case studies in public policy research.

To access a representative and informed insider view, the sampling method ensured all interviewees held direct policy formulation experience in the major policies delivered by the Environment Department over the study period and that high, middle and lower level officers were included. Taken together, the sample of interviewees captures an impressive breadth and depth of experience in federal environment policymaking.

Scholarly and government documentation supported the analysis. NVIVO 10 software was employed to ensure a comprehensive identification of the key drivers of success, and ensure patterns and outlying or surprising responses were analysed.

The chapter sets out the primary strategies to address the limitations of subjectivity, generalisability and validity that qualitative studies invariably face. These strategies include a

large sample size, multiple perspectives on individual policies, ground-truthing the case descriptions and analysis with policy officials, and the use of public documentation to validate interview responses. Benefits arising from the role of the researcher as a former environment policy official were outlined. These were primarily access, frankness and a high response rate. The use of analytical software for qualitative studies was the primary tool to mitigate the risks arising from the association between the researcher and the subject. Finally, the chapter documents the support from the Environment Department for the study, and adherence to the UNSW ethical requirements.

The following chapter briefly outlines the evolution of federal environment policy and the growth of the Department as context for interpreting the interview findings. It then summarises how the interviewees assessed the policies in which they had a key role and how they defined and construed environment policy success. Specifically, the next chapter explores whether policymakers could tell if a policy was likely to succeed or fail and extracts the key factors most likely to drive environment policy success from the set of interview transcripts.

Chapter 4: Defining and predicting policy success: interview findings

Mostly people at the end of their career will give you a summation of what they have learnt and encapsulate it for you (Paul Keating, former Prime Minister, 12 November 2013).[20]

4.1 Introduction

The chapter turns to the question of whether officials have a sense of what policies will succeed and identifies the factors they consider key to success. To do so, it presents the findings from the interview data. Section 4.2 summarises interviewee views on policies that succeeded and policies that failed. Section 4.3 provides my assessment (informed by evaluations, reviews and other public documentation) of the 12 policies against the Marsh and McConnell Framework as a point of comparison with the interviewee assessments.

The divergence of views among interviewees is discussed in Section 4.4, as background to how the interviewees defined policy and policy success and whether environment policy differs from other policy areas (Section 4.5). Section 4.6 sets out how the interviewees construed success, as a precursor to examining if they had a sense at the start of a policy process whether a policy would succeed and, if so, on what basis (Section 4.7). Finally, Section 4.8 extracts from the interview data the primary factors interviewees identified as key to policy success.

Material reported in previous chapters is of value in interpreting the findings reported in this chapter. Appendix 4 (study context) in particular Table A4.2 (Major programs 1993-2013) and Appendices 5 and 6 (the included case studies) also contain relevant supporting material. Chapter 3 explained the basis for selecting particular interview statements included here. At times, the level of the interviewee was deemed relevant to the analysis. Table 3.1 provided a comparative set of terms for APS employees. The key point to recall is that:

- Tier 1 refers to Secretary and Deputy level

- Tier 2 refers to Division and Branch Head level

- Tier 3 refers to Executive Levels 1 and 2.

Taken together, the interviewees shared many years of experience in the policies covered by this study (Figures 3.3 and 3.4). It is therefore possible, based on the interview responses, to broadly classify the policies as succeeding or failing. Howlett et al. (2009, 183) stated that, in many circumstances, the operation of a policy system is too idiosyncratic, the actors too numerous, and the number of outcomes too small to permit clear and unambiguous post-mortems of policy

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[20] http://www.abc.net.au/tv/programs/keating/ (Accessed 30 November 2013)

outcomes. Despite these constraints, Howlett et al. (2009) observed that, in practice, policy officials commonly conduct such post-mortems. They do so in formal and informal ways. In the same way, the policy officials interviewed for this study proved willing to volunteer their assessment of which policies had been successful and which had failed. Section 4.2 groups policies into three categories (towards success, mixed outcomes and towards failure) based on the interviewee assessments.

4.2 Interviewee assessments of policies that succeeded and policies that failed

As a lead in to the more complex interview questions on what drives policy success, interviewees were asked:

> *Which federal environment policies or programs do you think have been particularly successful?*

As the question was open-ended, interviewees referred to a wide range of policies implemented by the Department over the study period. This chapter therefore discusses policies in addition to the 12 identified in Chapter 1.

The full suite of policies referred to by interviewees is set out in Figures 4.1 (all policies identified as succeeding) and 4.2 (all policies identified as failing). For comparative purposes, included in the tables are policies outside the study scope such as the small regional programs, and policies that commenced prior to the study timeframe. Policies that received only one nomination by interviewees are also included in the tables.

Figure 4.1 All policies nominated as successful by interviewees
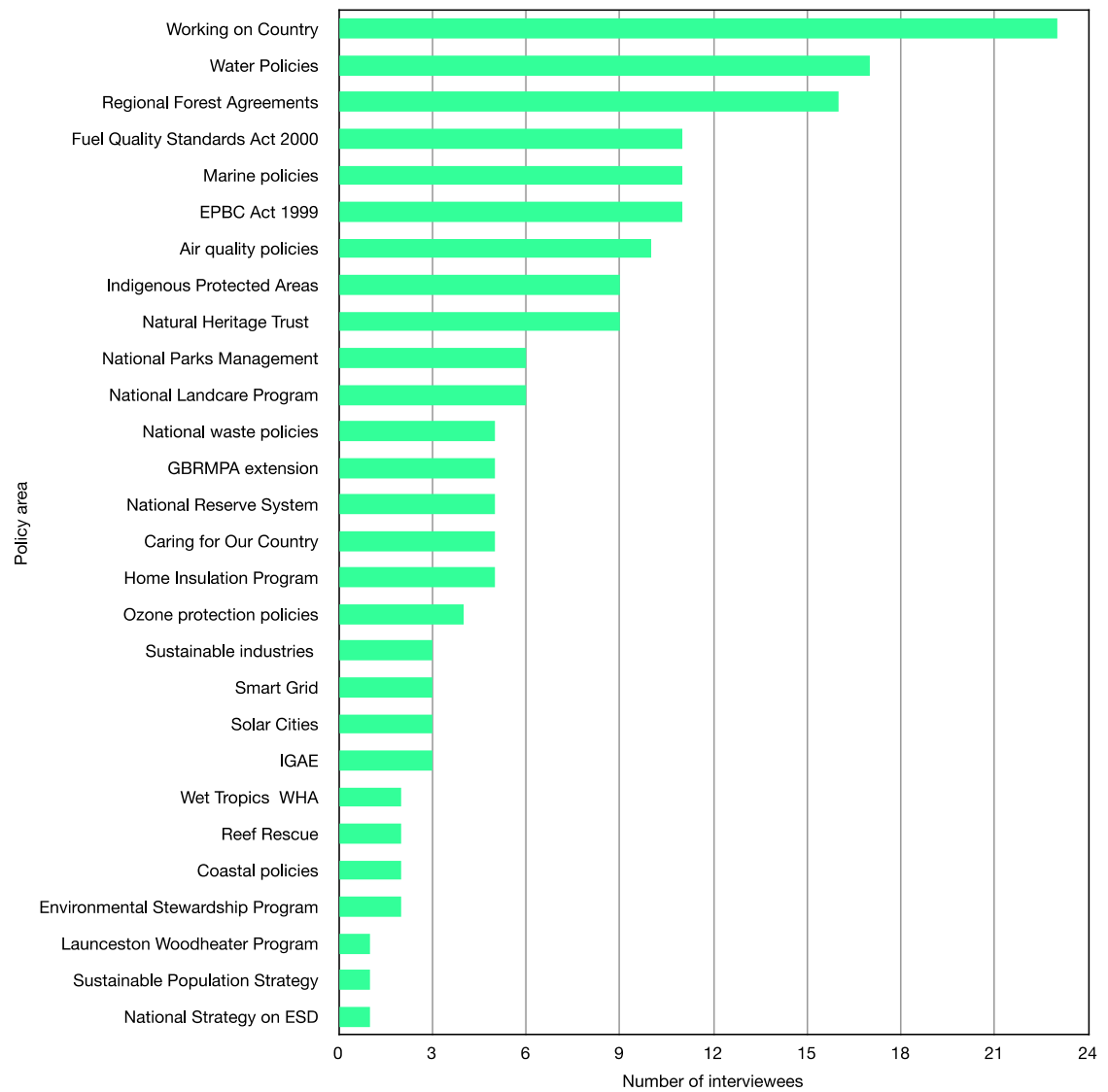
Figure 4.2 All policies nominated as failing by interviewees
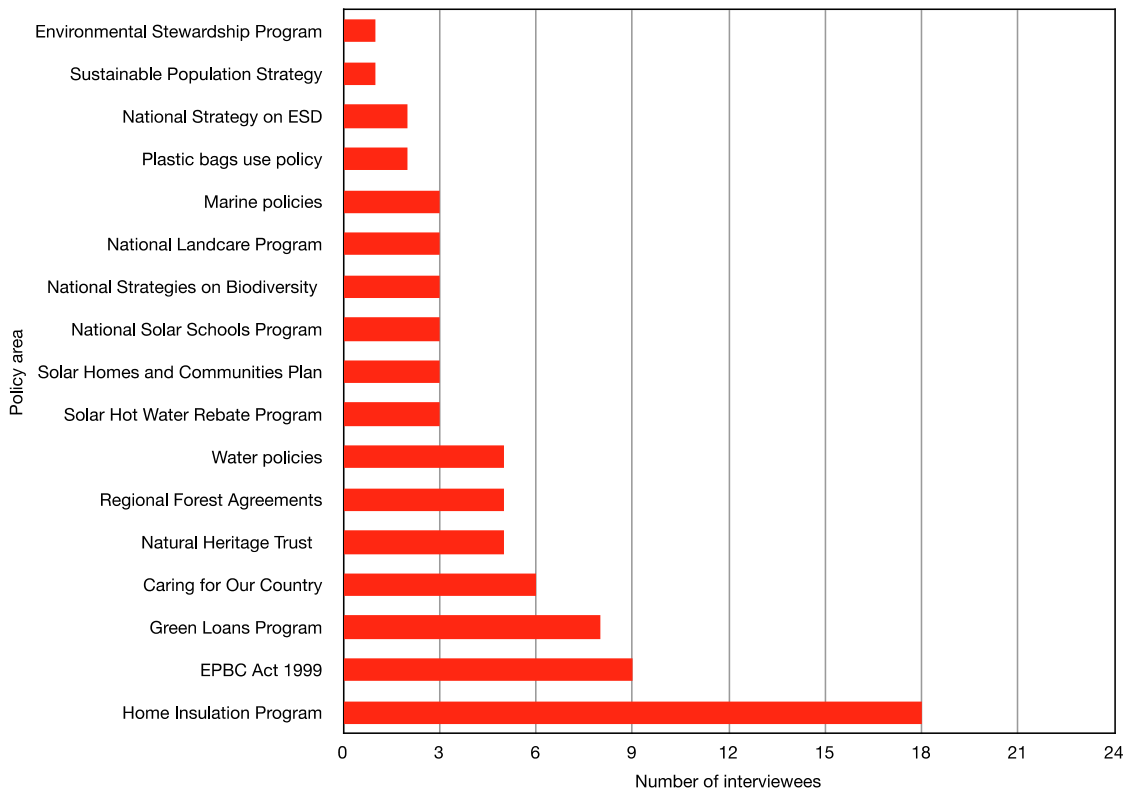
Figures 4.3 to 4.5 below focus on the 12 selected policies and only include other policies if they received comments by three or more interviewees. Interviewee responses were attributed to one of three groups:

- Successful – policies nominated as successful <u>and</u> attracted no negative comment from any interviewee (Figure 4.3)

- Mixed – policies nominated by some interviewees as succeeding and by others as failed (Figure 4.4)

- Failed – policies nominated by interviewees as failed, with no positive comments (Figure 4.5).

Where an individual interviewee expressed an equivocal view in regard to a particular policy, the classification was based on whether they described the policy as mainly succeeding or mainly failing.

96

Successful policies

Figure 4.3 Policies nominated as successful, with no negative nomination
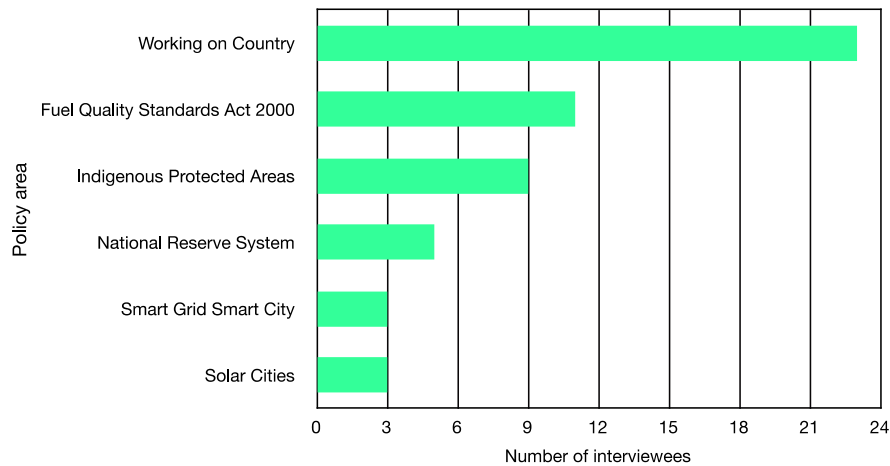
Working on Country was nominated as the highest-ranking successful program with 23 interviewees identifying it as successful. Four of those interviewees were involved in implementing the program. No interviewees identified it as a failure along any dimension. The underlying factors leading to the success of *Working on Country* in a challenging policy context (employment and environmental outcomes on remote Indigenous lands) are examined further in Appendix 6. Its forerunner program, Indigenous Protected Areas (IPAs), was the third most nominated as successful with nine success citations and no negative comments. The *Fuel Quality Standards* policy, an area that was the responsibility of State Governments, received 11 nominations (seven from those who have worked in the area).

Policies receiving mixed assessments

Figure 4.4 Policies nominated as successful by some and as failed by others

97
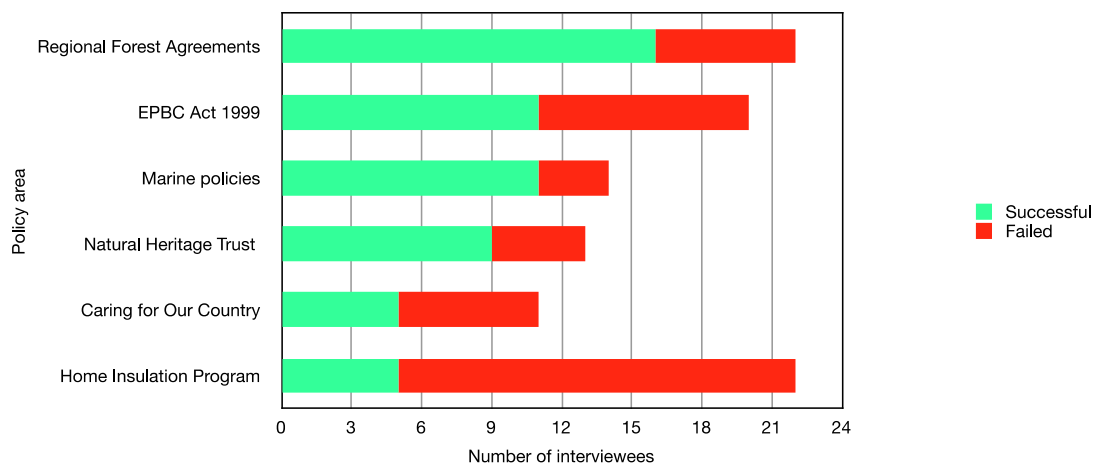
Half of the 12 policies attracted divergent views, as shown in Figure 4.4 above. Notably, all six are large-scale, complex programs.[21] *RFAs*, *MPAs* and the *NHT* received a small number of negative comments but were mainly assessed as successful. Interviewees were also almost equally divided on their assessment of the *Caring for Our Country* program (five successful; six unsuccessful).

The *Home Insulation Program* was the most straightforward of this set of policies in terms of design. Nonetheless, of all policies considered, it attracted the highest number (18) of assessments as failed. Five of the 18 had been involved in development, senior oversight or delivery of the program. Interviewees attributed the failure of program to the unachievable timeframe, insufficient staff at the outset with the right set of skills, an initial lack of sufficiently forensic senior oversight at the critical early stage, an objective to stimulate the economy rather than contribute to an overall energy efficiency strategy, the delay in preparing risk and compliance strategies, and poor handling of stakeholders, including the Environment Minister. From the perspective of the 18 interviewees who considered the program unsuccessful, the safety and fraud incidents provided powerful political ammunition for the Opposition and front page news in a run up to an election. Moreover, the program suffered early termination, damaged the Department's reputation, and led to Senate and coronial inquiries and a Royal Commission. All these events coalesced to spell policy failure in the mind of those 18 interviewees. Conversely, five interviewees assessed the program as a success, on the basis that within 12 months ceiling insulation had been installed in over 1.1 million homes and the program had an assumed contribution to the Government's stimulus objectives. In their view, the policy was implemented as required by the Government of the day. All five interviewees had a sound understanding of the workplace safety regulatory responsibilities of the States. However, only two of the five had any role in implementing the program.

The *EPBC Act 1999* received the second highest number of nominations as failed. Of the 20 interviewees who made an explicit assessment of the Act as succeeding or failing, 9 considered it a failure and 11 considered it a success. The Act displayed the closest correlation between the level of the interviewee (Executive Level 1 to Secretary) and their assessment of success or failure. Secretary, Deputy Secretary and Division Head level officials who regarded themselves as having a guiding hand in the policy process were more positive than Branch Heads and Executive Levels 1 and 2, who were far more scathing in their exposition of the technical and

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[21] In addition to the six policies attracting mixed assessments, many interviewees also commented on water policy and programs. Water is not included in the 12 policies as explained in Chapter 1. Seventeen interviewees considered the water policies and programs to be successful, with five considering they had failed.

administrative failings of the Act. They expressed a palpable sense of frustration and loss at what the Act could have been used to achieve but in their view had failed to deliver.

The consensus of Tier 1 and 2 (Interviewees 49, 50, 51) involved in the instigation, implementation and review of the Act was that the Act was successful to the extent that, for the first time, it gave the Environment Minister decision-making powers, reduced the sudden and seemingly random interventions by the Government in projects that had occurred prior to the Act and focused the Federal Government on decisions of national rather than state or local significance.

Those interviewees who had been closely involved in the original architecture of the Act regarded it as not perfect, but certainly serviceable. They considered that whether or not the Act had been a success was a political rather than a legislative or policy question, in that the answer lay in where the Government had chosen to strike the balance between environment interests and development interests.

All levels saw the Act to have comprehensively failed in one of its primary objects: to protect endangered species. A Tier 1 interviewee involved in the genesis, administration and reform of the Act saw this as its greatest failure. He considered that failure arose in part because of the focus on what he termed "charismatic species" such as the swift parrot and the orange-bellied parrot and a reliance on recovery plans for individual species:

> The focus on those species and on individual species recovery plans was, I thought, conceptually wrong. As an economist I would rather have a triage system, where you acknowledge that some species are in 'God's waiting room'. Much to my irritation [recovery plans for individual species] was a big focus under the Act (Interviewee 51).

In discussing the implications of devolving decisions under the Act to the States, Interviewee 49 captured the essence of the divergent views on why the Act was perceived as a success or failure. He explained that the administration of the Act was confounded by what he observed as the fundamental conflict between a national concern to protect important aspects of the environment and a State imperative for economic development. He ventured that "rort" was too strong a word but described how the States, driven by economic considerations, would weave in and out of the framework of the Act to bias decisions towards economic considerations and away from protecting the environment, paving the way for development. He elaborated:

> This is particularly so in Queensland but less so in WA where there is more of a balanced view. For example, the Queensland Premier made a statement in regard to the GBR – he said "we are in the coal business" so ultimately the economic aspects and the ability to export more coal are more important than maintaining the World Heritage values of the GBR. In that context it was very hard to see how you could accredit State assessment processes under the Act. There would need to be a high level of trust between the Commonwealth and the States if the States were to implement the *EPBC Act* on our behalf. The PM&C could see the challenges of the States

> having a greater priority on economic development but they were greater believers in good public administration in that they thought you could accredit the States and that the States would get on and implement decisions in accordance with the [agreed] terms. I am not naturally skeptical but I was skeptical as to whether the States would do that in the letter or spirit of the agreement.

It is not surprising that the six policies shown in Figure 4.4 attracted a mixed assessment. All were implemented nationally and had significant budgets or remit. Apart from the *Home Insulation Program*, they are all structural change policies that sought to put in place differing elements of the fundamental architecture for reform in environment management. In addition, they consisted of many inter-related elements and strategies. The variation in interviewee assessments is discussed further below, as it has implications for the study in that policy success clearly meant different things to different policy officials.

Failed policies

Four policies were identified as a clear failure, with no nominations by any interviewee as a success, as shown in Figure 4.5.

Figure 4.5 Policies nominated as failed with no positive nomination
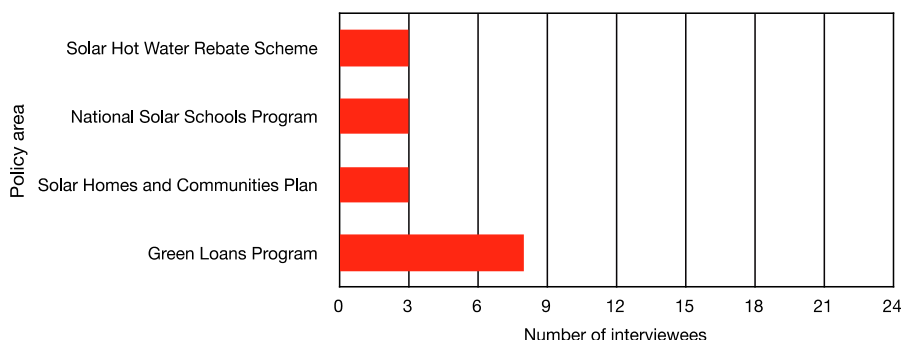
Interviewees assessed *Green Loans* as the deepest failure of all the policies they discussed. It attracted the highest number (eight) of failed assessments (with no positive comments). A Tier 1 interviewee commented that policies rarely fail entirely, but then qualified that by saying the *Green Loans Program* had failed comprehensively (Interviewee 46):

> There is nothing that absolutely and totally fails. That has been my experience. Unless it is such a dog that it shouldn't have got off the starting blocks in the first place. *Green Loans* did actually come close to that.

The *Green Loans Program* was a Rudd Government 2007 election commitment to provide $300 million over five years from 2008-09 for subsidised home sustainability assessments (worth about $200 each), $50 promised to each assessed household to assist with "green renovations" and a payment of around $2,000 for up to 200,000 households to offset the interest cost of a loan for eligible households that had a home assessment completed and took out a bank loan

100

(which could be up to $10,000) to fund the purchase of water and energy efficiency items such as solar panels, water tanks and insulation (Table A4.2, Appendix 4).

Green Loans was not part of the economic stimulus package, a key factor in the failure of the *Home Insulation Program*. *Green Loans* therefore provides a useful comparison for teasing out organisational and other drivers of failure, apart from immutable exogenous factors such as the undue haste and scale imposed by the Rudd Government. The eight interviewees assessed that the program suffered from poor design, was a poor quality product, that there was lack of control over demand for the home assessments and that there was a serious case of financial mismanagement. These all contributed to the failure of the program.

In the view of Interviewee 09, the *Green Loans Program* was a categorical failure even though it was small in scale and not a stimulus measure requiring rapid implementation. She compared the sources of failure in the two programs:

> The *Home Insulation Program* decision was beyond the Department's control. The decisions were coming from PM&C and from the Government and we were doing our best to implement them. I don't think it was necessary in *Green Loans* to have the problems they had because they had about a year to design the thing and they had time to go out and to consult with the stakeholder, but if you look at the design of the program it was completely over-engineered so I think *Green Loans* was very different to the *Home Insulation Program* because for me there wasn't that external impetus to do it in a really hurried way. They don't have that excuse for what happened I guess. Whereas with *Home Insulation Program* they were given an extraordinarily difficult job to do with very little time to do it and did the best they could. I don't think that is the case with *Green Loans*. I think that is the hardest thing about it because that program could have done a lot of good and the problems they ran into were completely unnecessary.

The programs are related in concept. The *Green Loans Program* was managed for a significant period by the same Branch of the Department that managed the *Home Insulation Program*. However, the two programs were implemented as stand-alone policies. The *Green Loans Program* could have, but failed to, provide an overarching policy framework for the *Home Insulation Program*. For example, access to an insulation rebate could have been made conditional on a home sustainability assessment. Such an approach would have allowed the Department to direct the rebates to houses that would provide the greatest emissions reduction and would have provided a mechanism to control demand for the *Home Insulation Program* rebate. This approach would, however, have confounded the stimulus objective.

The three *Solar Rebate Programs,* delivered throughout most of 2009 by the same Division responsible for the *Green Loans* and *Home Insulation programs,* were assessed by three interviewees as electorally popular but failing, with no positive comments. The popular appeal of those programs as a factor in success was over-ridden, in the view of the interviewees, by the inequity, uncontrolled demand and high unit cost inherent in the programs' design. Although

the suite of solar programs increased the uptake of solar technology by households and schools, they did so at a very high cost per unit of emissions reduction. Interviewees perceived the programs as failing to address the underlying structural energy market issues.

Common themes in all four failed policies above were: an overly generous incentive; uncontrolled demand; poor tracking of the budget; and inadequate reporting to the Minister. Interviewee 08 explained in terms of the *Home Insulation* and *Green Loans Programs*:

> The Department let the Minister down in leaving long periods between formal advice about where things were up to. This also happened in the *Green Loans Program*. Also there was a lack of management of the budget for the program. It was entirely demand driven in terms of the number of installers allowed under the program but the budget was limited. That got seriously out of hand. That was a failing that could have been seen – it was a design flaw.

In addition to the above policies, three interviewees saw the successive National Strategies on Biodiversity as comprehensively failing to meet their stated targets or to address underlying causes of biodiversity loss. Two interviewees saw the policy on plastic bags as a failure because of the high level of bureaucratic effort for what they considered a trivial environmental issue.

The low number of policies classed as failure with no positive comments (Figure 4.5) may stem from the observation noted above, that it is rare for a program to fail comprehensively. Nonetheless, interviewees were willing to call a failure a failure and were not overly positive in their assessments. If anything, they had a caustic view of the scope to achieve environment policy success.

No successful environment policies

Notably, seven interviewees, all at the Tier 2 or 3 level, struggled to identify any policies at all that met their definition of policy success of delivering a measurable improvement to the environment. Interviewee 07 explained her thinking:

> The main ingredient to successful environment policy is clarity on who the winners and losers are. I am trying to think of a successful environment policy. I am not sure if there even is one. The system of regulation of pollutants is an example of successful environment policy but that is a State domain. Fuel quality is an example of successful federal policy (the continued use of fossil fuel is bad in terms of climate change but the fuel quality policy was successful). The key ingredient in the fuel case was lining up of social and environment benefits. It cost a bit more to corporations to clean up the fuel but they could pass the cost on to consumers. A key ingredient for successful environment policy, as shown by the fuel example, is clarity on who the winners and losers are of the policy. What brings about a change? The government is meant to represent the interests of the majority. What makes a government act? There is a need for much better leadership on defining the policy agenda.

After nominating the ozone protection and air quality programs as successful, Interviewee 39 who had held key reporting, audit and budget roles conceded:

> I hesitate to add any other programs as successful because of having to coordinate the Annual Report. That exercise shows how difficult it is to actually get significant measures on a year-on-year basis of effectiveness in terms of protection of the environment. I can't come up with any other policies. It is embarrassing. I have to rack my brain. I can't think of any other successes.

The seven interviewees who were hard pressed to nominate a successful environment policy based their view on a comparison across all federal environment policy, an assessment over time and on the data collated for the Departmental Annual Report and SoE Reports. They considered that the suite of biodiversity policies was designed to be popular and appeal to a broad church of stakeholders. They perceived the biodiversity policies as addressing surface matters (such as volunteers engaged in land management) rather than underlying causes (such as detrimental wide-scale land clearing). Interviewee 18 provided the example of the Hawke Government's 1989 One Billion Trees program as a policy intervention that failed to drive systemic change:

> We had the One Billion Trees initiative but there was no fundamental change: who will water and care for the trees once the Government has planted them? You need that fundamental change for success.

Interviewee 14 concluded that many of the biodiversity policies were in reality not meant to deliver protection of biodiversity in a way that halted the systemic or underlying causes of species and ecosystem loss.

Of the many biodiversity policies administered by the Department over the study period, the only ones receiving an unequivocal rating as successful were *Working on Country,* IPAs and the National Reserve System (NRS) (Figure 4.3 above).

The green agenda as failing/the brown agenda as succeeding

An instructive distinction between the types of policies that succeeded and failed emerged from the interview responses. Nine interviewees made a clear distinction between the biodiversity ('green') policies such as *NHT* and *Caring for Our Country* and the pollution control ('brown') policies such as ozone, air and fuel policies.

Tier 1 and 2 interviewees with corporate and central agency experience categorised the green policies as failing and the brown policies as succeeding. The views of Interviewee 34 (Tier 1) and 36 (Tier 2) below were reflective of a widely held opinion among interviewees of the failure of biodiversity policies to stem the loss of endangered and threatened species and effectively manage residual species:

> I have tried to put my efforts into things that will succeed. Threatened species is an area I spent a long time trying to reform – it has not been successful. One barrier to policy success is the level

> of policy inertia. There can be strong residual commitment to an old way of doing something such as protecting threatened species through protected areas and recovery plans. People think if A (protected area) then B (recovery plan) then C (species protection) but that is a simplistic approach. It is hard to find any success stories in environment policy. I think threatened species has been our biggest failure. We sank scarce resources into tiny bits of land or specific species. We needed to focus on big chunks of the landscape to be effective in that area so that we are supporting evolutionary processes that could maximise conservation wins. In the end I got out of that policy agenda – it was going nowhere. I didn't want to stay working on the threatened species framework (Interviewee 34).

> Threatened species has all the hallmarks of failure. There was a lack of clarity around what we were doing and what jurisdiction had the responsibility for the major problems. There was also a scale issue. It has always amazed me that we have the *EPBC Act* with matters of national environmental significance [NES] and then we flicked $6.50 at the problem. This was despite the fact that the SoE Reports show we were going backwards on many of the key indicators. There is a major disconnect between the issue and the response. So if you were out talking with people on the ground it was hard to be taken seriously. The States weren't prepared to engage with us (Interviewee 36).

In line with the above comments, a highly experienced Tier 1 interviewee (45), after a long career in environment policy and close engagement with the 1992 National Strategy for Ecologically Sustainable Development process, concluded that the concept of ESD failed to establish a rationale for protecting biodiversity at the individual species or ecosystem level and, more fundamentally, had failed to make a sufficiently coherent case for environment protection where that protection adversely affected the economy. More broadly, he considered that none of the biodiversity policies, including the *EPBC Act 1999, RFAs,* Regional Marine Planning (RMP), *NHT* and *Caring for Our Country* had been successful in conserving biodiversity, in that there were static or increasing levels of endangerment of species over the past 50 years. Biodiversity policy, Interviewee 45 argued, had been marginal in terms of its overall impact apart from the reservation of areas from productive use. He saw the NRS as the most cost-effective and useful of all the biodiversity programs but usually the only areas reserved were those not useful for production. Further, the impact of urban expansion had been unconstrained by any biodiversity considerations. He explained:

> People chase patches and remnants. The national parks are the areas that are of sub-economic use; the leftover areas that no one wanted. That may be a harsh judgment, but the NRS was developed within those constraints. We may well have achieved the set percentage targets of ecosystem types but what is the relevance of those targets? Do they relate to species management? What are the real ecological drivers in managing patches of land? It changes the tenure of those patches but not much else. Perhaps this is a very caustic view of biodiversity but there are no clearly identified sets of objectives. There is no sense of alignment between the targets and the outcome and no real sense of what is actually achieved in environmental terms if we reserve x per cent of different types of ecosystems. For example, percentage targets were set for RFAs, for species, for ecosystem types in the NRS and for marine ecosystem types in marine planning. But they are all random targets. There is no real sense of what is achieved through them or what they do for biological evolutionary purposes or what role they have in the ecosystem (Interviewee 45).

Interviewees provided the specific example of the failure by the *EPBC Act 1999* to protect endangered species. They saw this as the result of an accumulation of several forces. These included the focus on listed species rather than ecosystems; the use of project-by-project assessment; and the limited implementation of species recovery plans. Finally, interviewees expressed reservation about the 'offsets' policy under the Act whereby proponents could barter with the Government over where environmental values could be sacrificed.

A Tier 3 officer (Interviewee 03), who had been directly involved in the development of threat abatement plans and recovery plans for EPBC listed species, found that in his experience hundreds of plans were written but never implemented due to lack of funding or commitment at the federal and state levels. Interviewee 49 concluded that the Act ran the risk of "winning the battle and losing the war" in that site-specific impacts could be addressed but not the cumulative impact of decisions.

The view expressed by the majority of interviewees of the failure of biodiversity policies to actually make a difference to levels of biodiversity protection, as compared to simply meeting arbitrary targets for species representation in protected areas, is supported in the scientific literature. For example, Jóhannsdóttir et al. (2010, 139) reviewed the successes and failures of international governance of biodiversity. They concluded that despite the development of international biodiversity law, national target setting, action plans, strategies and programs, the state of biodiversity continues to decline. They found that the current collection of international conservation tools is not protecting biodiversity and is providing a sense of false security (Jóhnnsdóttir et al., 2010, 149). In the words of Interviewee 45, "the emperor has no clothes".

Pollution control policies as succeeding

The brown agenda policies and programs (air and water quality, fuel quality, ozone protection) were considered by interviewees to be far more successful than the biodiversity policies in that they had delivered enduring, measurable and far-reaching benefits, including health benefits. These measures generated significant, but largely unnoticed, environmental and health benefits for Australia. Although much environment funding went to the biodiversity programs, these unheralded pollution control measures were arguably the first major policy successes of the Department. Nine interviewees made the point that the most significant environmental gains, at the state and federal levels, had been made in pollution control policies. Until 2000, that policy agenda was primarily delivered by State and local governments, with the Federal Government becoming involved through a push for consistent national standards in air and fuel quality or through international policy commitments.

A Tier 1 interviewee identified the fuel quality program as the single most beneficial program, as it had delivered environmental benefits and over $20 billion in health benefits to Australia through improved air quality. That automotive technology in turn led to reduced greenhouse gas emissions. Interviewee 45's view below is representative of the comments made by Tier 1 interviewees on the *Fuel Quality Standards* policy:

> The most successful environment programs in terms of actual outcomes were the areas that are less flamboyant. The *National Fuel Quality Standards* work was the single most successful program. Managing air quality and improving fuel standards provided the most beneficial effect of all programs. Improved fuel quality allowed the vehicle engines used in Australia to be more efficient/less polluting. It had the greatest impact of all environment programs but most people don't know about it. It is close to invisible as an environment program.

A Tier 3 officer involved in the delivery of the fuel quality standards policy explained why the fuel policy was so successful yet not widely recognised as such by the Government or the community:

> The biggest policy success delivered by the Department in terms of objective outcomes was the fuels program. It leveraged enormous positive outcomes both in health/well being and air quality. It provided benefits in hard numbers for a really tiny injection of hard cash, most of which came because we were able to work with Treasury (to calculate the monetary benefits of avoided health costs compared to the cost to industry to improve the quality of fuel). The fuels policy had a clear driver. Australia was becoming an island of dirty fuel and we would be faced with importing fuel. Before the change to fuel standards we couldn't bring efficient cars or trucks in because of the low quality fuel. The program has had positive spin-offs that will be felt for years and years. It is possibly not mentioned often as a successful environment program as it was a very technical program and people are often thrown by technical details. It shows the 'tin ear' of Government. The Government didn't realise the good success story that they had in the fuels program (Interviewee 24).

Interviewees considered that the policy rationale for the brown agenda could be clearly articulated and it could be often justified on cost-benefit grounds. They compared this to the green agenda where the rationale was poorly articulated and it was difficult to design biodiversity policies that had logical links between issue and outcome. This resulted in vague and unrealistic objectives that were difficult to defend. The way key factors of success played out differently between the green and brown policy agendas is discussed in more detail in Chapter 5.

4.3 Assessment of selected policies against the Marsh and McConnell Framework

The characterisation of interviewee views on whether the policies had succeeded or failed, as set out in Figures 4.3 to 4.5 above, is broad brush. The assessments are not a verification of actual failure or success. The assessments, however, broadly accord with my assessment using the Marsh and McConnell Framework, informed by Portfolio Budget Statements and Annual

Reports, ANAO audits, evaluations and academic assessments (Table 4.2). As success occurs along a continuum, the policies are classified into three categories as set out in Table 4.1.

Table 4.1 Categories along a success–failure continuum

Towards failure
• failed across all three dimensions (process, programmatic and political) with possible success along one dimension; for example, failed to meet stated objectives but was electorally popular
• was terminated prior to the planned end date
Mixed outcomes
• neither particularly successful or unsuccessful on any one dimension
• met at least some objectives to some degree
• had a generally robust process
• no major failings but not seen as particularly successful
Towards success
• broadly successful across all three dimensions
• particularly successful on at least one dimension
• no significant flaws

Table 4.2 below has two functions. It groups the 12 policies into the above three categories by applying the Marsh and McConnell Framework. Secondly, it shows the number of interviewees who discussed their experiences of the specific policy in depth. The assessments are not derived from the interview comments but rather provide a point of comparison with the interviewee views.

As the aim of this study is to explore the prediction and pursuit of success, rather than to derive a definitive assessment of success or failure, the assessments in Table 4.2 are broad brush. The workings to derive the assessments are not included. By way of example, the detailed work sheets to derive the assessment for two of the case studies (*Home Insulation Program* and *Working on Country*) are included at Appendix 5 (Table A5.2) and Appendix 6 (Table A6.3) respectively.

Table 4.2 Selected policies and programs: assessment and number of interviewee mentions

Policy	Number of detailed responses by interviewees[22]
Towards success	
Working on Country	22
Fuel Quality Standards Act 2000	8
Mixed outcomes	
The Natural Heritage Trust (NHT)	21
RFA process	22
The EPBC Act 1999	20
Marine Protected Areas (MPA)	20
Caring for Our Country	18
Towards failure	
Home Insulation Program	32
Green Loans Program	8
Solar Homes and Communities Plan	3
Solar Hot Water Rebate Program	3
National Solar Schools Program	3

Interviewees also ranked two biodiversity policies (IPAs, the NRS) and two energy efficiency policies (Smart Grid, Smart City and Solar Cities) as successful, but these were not included in the table above as they are not one of the 12 selected policies.

The key difference between the interviewees' assessments in Figures 4.1 to 4.5, and my assessment in Table 4.2 above, occurred in regard to the *Home Insulation Program.* Five interviewees classed that program as successful (Figure 4.4) in that it did insulate a large number of homes, deliver energy efficiency results and contribute to the stimulus objectives, although only one of those five were involved in its implementation. In contrast, I placed the *Home Insulation Program* in the "towards failure" group in Table 4.2 on the basis that it was poorly planned and executed and failed to meet the environmental objectives. Further, on the

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[22] High-level and experienced officers drew on their broad experience to discuss in detail more than one policy area.

political dimension, by March 2014 the program continued to have serious political ramifications for the Labor Party, a full five years after its termination (Table A5.2).

4.4 Divergence in interviewee views on success and failure

The interview findings demonstrated clear agreement at either end of the spectrum of policy success (*Working on Country*) and failure (*Green Loans Program)*. Policies addressing biodiversity loss were assessed as less likely to succeed than policies addressing pollution. However, the responses also reveal some divergent views, in that the same policy was identified as a success by some policy officials, and as a failure by others (Figure 4.4). This warrants further explanation. Some possible explanations for the diversity of views are discussed below.

The diversity of responses can be explained in part by the type of policy experience held by the interviewees. Three specific groups of interviewees provided more comprehensive and critical assessments: Tier 1 interviewees; those with experience in the budget, communications/media, the Environment Minister's Office or a central agency; and those who were retired.

Secondly, in considering the interviewee assessments of policy success, it is prudent to be mindful that we are good at "narrating backwards, at inventing stories that convince us we understand the past" (Taleb, 2010, 1355). That is, interviewees may have created backward-looking narratives that paint the policies they had responsibility for as successful. Almost half (97) of the total number (200) of assessments of a policy as successful were made by an interviewee who had been involved in the development or delivery of the particular policy.[23] However, it is not surprising that interviewees discussed policies with which they have familiarity. It may also be indicative of the commitment expressed by many of the interviewees, and discussed further in Chapter 6, to working on policies that aligned with their personal values of seeking to deliver good outcomes on behalf of the public.

The diversity in views may be explained by the way the interviewees construed the notion of policy success. For example, the 16 interviewees who listed the *RFAs* as successful cast their responses in terms of the effectiveness of the process in addressing the political tension between the conservationists and the logging industry over forest use. That tension escalated in January 1995 when over 200 logging trucks circled Parliament House (Parliament of Australia, 2014). Interviewee 47, who had lengthy experience in the *RFA* process, underscored how policy success can be construed differently from different perspectives:

> The overall objective of the *RFA* process, unstated by the Federal Government, I always thought
> was to get the issue off the front pages and get the Commonwealth Government out of day-to-

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[23] Although there were 51 interviewees, most referred to more than one policy in their responses.

> day management and so in that sense it was spectacularly successful. But that is not necessarily an outcome for an environmental purpose. In harnessing that objective we were able to get better environmental outcomes for forests but that (political resolution) really was the driver for the policy.

Conversely, the six interviewees who assessed the *RFA* process had ultimately failed thought the process had delivered a political outcome at the cost of sound environmental outcomes.

The *Home Insulation Program* attracted a mixed assessment, but for diametrically opposed reasons to that of the *RFA* process. Eighteen interviewees assessed the program, from a political perspective, as an unmitigated disaster. Conversely, the five interviewees willing to cast the program as a success considered it could be presented as meeting the Rudd Government's macro-economic objective of stimulating the economy by quickly pumping a large amount of funds through low-skilled labourers' hands into the economy and insulating a large number of homes in a short period. Interviewee 25 summed up their collective view:

> *The Home Insulation Program* was not a failure. This is not a common view but it was not a failure. It was a success. It met its objectives. The economy was stimulated.

Interviewee 08 elaborated:

> At one point I had to read all the briefs on the *Home Insulation Program* that had been provided to the Minister. I actually think the program was a success in terms of all that it was designed to achieve … The deaths were bad and wrong and a tragedy, but the installers were employed by contractors, not the Department. The Government and the Department's implementation of the program had actually led to improvements in protocols and standards in the industry in which the installers were employed. In the end, the program collapsed under the weight of politics. The policy objectives were achieved but it was a political disaster as people died and you could have avoided that.

The five interviewees who assessed the program as successful were able to consider the program in the wider context. For example, Interviewee 24 described *Home Insulation* as the type of program the Government should be supporting, as it had the interconnected and worthwhile objectives of stimulating the economy, achieving energy efficiency, reducing greenhouse gas emissions and benefiting households. Further, those five interviewees held a strong view that the Government was not directly accountable for the deaths. They pointed out that State regulatory agencies, rather than the Commonwealth, were responsible for OH&S matters. Installer businesses were responsible for ensuring safe work practices. Moreover, the training manual, known as the 'Pocket Book' (Construction and Property Services Industry Skills Council, July 2009), which was available prior to the four fatalities, covered worker safety matters. This included the need to understand OH&S regulations and employer and employee legal responsibilities for duty of care to protect themselves and others from harm. The Pocket Book stated that risks for the installer can be life threatening if live wires are cut or

covered and to turn the power off while installing. It also covered the need to wear appropriate clothing and how to avoid risk of death from heat stress.

Interviewees argued that statistically the rate of house fires from ceiling insulations was proportionally lower than the pre-program rate.[24] At the same time, 18 interviewees viewed the program as a failure, from the perspective of delivering proven environmental outcomes in a safe and cost-effective way, and in view of the political and media strife it caused the Government.

Finally, the divergence in views of what is successful and what has failed may be indicative of a systemic issue in Australian federal policymaking in that individual opinions of policy outcomes are not always tested in robust debate or lesson-learning exercises. In this study, for many of the participants, the interview was the first time they had the chance to discuss their experience of policy failure in the *Home Insulation Program*. The pace of policymaking provides few opportunities to reflect on which policy actions worked and which failed and why.

The divergence in interviewee opinions on which policies succeeded and which policies failed raises first-order issues of how the interviewees defined policy, whether they saw environment policy as different to other policy areas, and how they construed policy success. Before turning to the question of predicting success, the following sections discuss the difficulty interviewees had in defining policy and their views on what constituted environment policy success.

4.5 Defining policy

In light of the range of definitions of policy explored in Chapter 2, the way interviewees define policy was considered a necessary backdrop to explore whether they had a prior sense of success in the policymaking ventures in which they had a key role. At the close of the interview, the following question was asked:

> *We have been talking about policymaking – and the factors involved in policy success or failure. How would you define policy?*

All 51 interviewees knew how to 'do' policy but they had not often thought conceptually about policy. A Tier 1 interviewee with 30 years' environment policy experience stated:

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[24] This assertion was confirmed by research by the CSIRO comparing the extent of insulation-related fire incidents that occurred prior to the program and the rate with insulation installed under the program. Source: Department of Industry. 2014. *Fire incidents linked to the Home Insulation Program* [Online]. Available: http://ee.ret.gov.au/energy-efficiency/homes/home-insulation/key-statistics [Accessed 27 January 2014].

> I always struggle to define what policy is. I think I know what it means but I can't articulate it successfully (Interviewee 47).

For those who were able to venture a definition, policy was described as "nebulous", "ephemeral" and "abstruse".

Several observations relevant to the research questions can be drawn from the breadth of responses on the question of defining policy. Despite their extensive policy experience, one-third of the interviewees, all of whom were able to quickly articulate concise and insightful responses to more complex questions, struggled initially to give a definition of policy. The following quotes capture how those 17 interviewees stumbled:

> I haven't done Government 101. I can kind of see what policy is but I can't articulate it (Interviewee 27).

> I was thinking about that: how do you define policy as opposed to program? Policy is the thinking around ... it is really hard to define it in my head without looking up the definition. I am really struggling to define it (Interviewee 32).

> How do you define policy? Oh, that is an interesting question. [Pause]. It is … hmm, what is policy? (Interviewee 34).

> I am glad you saved that question for last (Interviewee 36).

Many were eventually able to derive a sound definition 'on the spot' from their own policymaking experiences, rather than offering a definition from policy theory. There were sufficient commonalities in the responses to draw a picture of their shared understanding of policy. Their definitions aligned with the definition put forward in Chapter 2. It incorporated the following elements:

- providing a framework and mandate for government to take action

- establishing the intent and objectives of government

- articulating a decision to take actions to address a problem

- ideally, providing a benefit for the public.

Just under half of the interviewees (23) saw policy as defined through doing, through implementation, as it is in implementation that an outcome is achieved. A Tier 1 had a straightforward definition: "policy is just really deciding on what you want to do; the actions you want to take" (Interviewee 21). These responses resonated with Dye's (2008, 1) definition of policy as "whatever a government chooses to do or not to do".

The second most common attribute of the definitions offered by 25 per cent of interviewees was that policy required some kind of mandate by government. Those 12 interviewees considered

that the policy framework set both the potential and parameters within which they could then operate as officials. To them "policy is where you have the political wherewithal and imprimatur of Cabinet" (Interviewee 14).

Ten interviewees drew a distinction between written down, mandated policy, or "big 'P'" as they referred to it, and policy that arises through small incremental administrative decisions and changes. Policy could be set through practice and was not necessarily documented. Although big 'P' policy can be exciting, interviewees acknowledged that much of what policy officers do is actually the small 'p' policy, the day-to-day work. The accumulation of the small decisions made in the course of delivering legislation or programs was often where the significant policy gains were achieved. Interviewee 04 gave the example of bioregional marine planning, where new pieces of the "protection pie", as she called it, were achieved through the many small incremental policy changes that occurred throughout the lengthy RMP process. In contrast, the big 'P' exciting policy change came when a senior manager had the policy insight to invoke the provisions in the *EPBC Act 1999* which required Commonwealth fisheries and export fisheries to have strategic assessments completed under the regulatory provisions of the Act.

For Interviewees 17 and 50, policy was constantly being made and remade in the act of implementation. Interviewee 17 cited the iterative development of the policy on IPAs, through lessons learned from individual IPA projects, as a positive example of policymaking informed through implementation, and the *Home Insulation Program* as an example of where it had failed. Interviewee 17 stated:

> There is a big mythology about policy: that is, the split between policy is brains work and program implementation is grunt work. Policies have failed because the policy was not aligned with how you actually needed to implement it. How you implement a policy gives you really useful information on how you need to refine the policy. So the policy/implementation divide leaves out a really big part of the equation. The policy developers need to talk to the implementers – they need to have the vision, the purpose behind the program. You can go: "these are my guidelines, I am just going to implement; churn out the money". You saw that with the *Home Insulation Program* – the pressure to get the money out the door quickly. You need people working together – asking and understanding what is the bigger picture? Asking "why is this important?" The *Home Insulation Program* just became a job creation program.

Big 'P' policy was seen to occur in instances where a policy official is able to line up fiscal and constitutional powers to achieve policy shifts of significant magnitude, as in the case of water policy. Small 'p' policy gains, however, such as securing funding for the early work on mapping forest species were identified as an important forerunner to the National Forest Policy which underpinned the *RFA* process.

Interviewee 47 understood policy, ideally, to be advising the Government to make informed choices about the best way of responding to problems. However, he struggled to define policy

because of the tension he saw between policy as a response to a problem and policy as politics. In responding to the question *"How would you define policy?"* he had observed the increasing politicisation of policymaking over his 32-year career:

> That is one of the hardest things to answer because within Canberra the word 'policy' is seen as this magic thing that very smart people from PM&C and the co-ordinating parts of departments do. For me policy is thinking about the best way to handle a problem, but I think in Canberra policy has got a meaning that it is not to do with delivering programs, it is not to do with administering regulation. It has got to do with coming up with what the Government stands for.

Interviewees 47 and 44 struggled to define policy because of the tension they felt between a theoretical definition and their actual experiences of policy as political. For them, the hallmark feature of a highly complex policy issue was the need to address the political realities of appeasing community concerns, without threatening the economic gains from extractive industries or the finely-tuned division of federal and state roles and responsibilities. Interviewees, therefore, partly struggled to define policy because in their experiences environment policy had become increasingly politicised:

> Big 'P' policy to me is about working out what to do to fix a problem (a market failure) in a way that is politically palatable – you want to do it in a sensible and efficient way, but big 'P' policy always needs to be politically palatable so it is changed to less sensible, less efficient, so policy is always compromised in the beginning (Interviewee 18).

Although interviewees were able to offer a broadly-agreed construct of environment policy success as policy that made a measurable difference to the state of the environment, they also recognised the highly contingent and political nature of success. "Success from whose perspective?" was a common refrain in the interview responses.

Tier 3 officers who had come into the Department from an NGO background regarded the making of policy as intrinsically political. For example, a Tier 3 officer involved in the *RFA* process, with 32 years of engagement on the protection of native forests in the government and community sectors, had come to view policy as a set of criteria that was sufficiently malleable for the Government to be able to remain within the policy parameters and yet deliver politically palatable outcomes. He stated:

> I would define policy as the development of a set of benchmarks or criteria to deliver flexible policy outcomes for the Minister and Government – based on my experience. So in that definition the point of environment policy is not necessarily to deliver environment outcomes (Interviewee 06).

Interviewee 15, after 22 years working in the Department, eventually came to accept that policy was the mandated framework of government to take action. In his personal view, however policy was more correctly thought of the other way around; that is, the policy official talks with stakeholders and figures out what to do and then develops the formal policy:

> You figure out and talk and then craft. Part of that is being surreptitious about it. If you think you have a good idea, and you think you can make it work and you have some engagement with the Minister or the Minister's office and if that works out, then you do your policy framework and then you have your policy. You do the policy at the end, not the beginning (Interviewee 15).

The above view is quite important in terms of understanding not just policy as politics but also how some policy officials construed their role in policymaking. Interviewee 15 accepted that ultimately policy is what government mandates. However, as a seasoned policy official, he tried to lock in the policy parameters only after he had the full picture figured out through deep engagement with the stakeholders. From his point of view, the overriding aim was to avoid locking yourself into a written policy position until you have the agenda up and running and all the "wrinkles ironed out" (Interviewee 15). For him, policy success came from setting the policy parameters at the end of the process. This is in sharp contrast to the normative literature (Table 2.3). Much of that calls for the policy objectives and parameters to be clearly defined at the outset. It should be noted, however, that this official was highly effective in achieving significant environment policy outcomes across several policy agendas. How his approach to policy played out in the early phase of the *MPA policy agenda* is discussed in Chapter 6.

Interviewee definitions of policy as a clue to understanding policy success

In summary, one-third of the interviewees struggled to define policy. A common theme in the responses was that policy is defined through action. Small incremental changes were considered to be potentially as important in achieving policy success as big 'P' policy mandated by Cabinet. Several definitions revealed the extent to which the interviewees worked to generate and steer the Government's policy agenda. Finally, for some, policy was a compromised and politically tainted concept, and in that sense success was always conditional on the level of political will on the part of the Government.

The profile of the interviewees did not correlate closely with the ease with which they could define policy or the way they defined it. Tier 1 and 2 officials who had worked on highly contentious policies understood policy as political, as did Tier 3 officials who had worked as environmental activists prior to joining the Department. The most significant attribute of the interviewees that influenced how they defined policy was the way they positioned their role within the policymaking process. The way the officials inserted themselves in active roles within the policy process is explored in more detail in Chapter 6.

How the interviewees defined policy emerged as an important plank from which to explore how they went about the business of policy. That the interviewees struggled to define policy suggests an instinctual and experienced-based approach rather than a theoretical approach. For example,

the one interviewee able to provide a ready definition of policy had completed a Masters of Public Policy. Most of the remainder took some time to think through how they would define it.

The interviewees considered the art of policymaking to be intuitive, perfected through a mix of policy nous, judgment and experience. They were highly qualified in areas such as law, economics and natural resource management, but most held few or no formal qualifications in public policy. How they went about policy was for the most part learnt on the job, by observing or by osmosis (Interviewee 18).

This suggests Colebatch et al. (2010) and Wanna et al. (2010) are right in concluding that the practice of policy is not typically informed by policy theory (Chapter 1). The interviewees' conception of policy was pragmatic. Policy was built up from and informed by implementation. In the interviewees' collective view, policy failure was more likely where the overarching policy framework was not informed by the lessons of implementation. Successful policy called for an unambiguous link between problem and action, and making a measurable difference to the policy problem of benefit to the broader public.

The question *'How do you define policy?'* was initially intended as a device for determining the shared understanding of 'policy' as a launch pad for more searching questions about policymaking. The responses, however, led directly into the heart of the research questions. Interviewees concurred that a failure on the part of bureaucrats to understand the essential quality of policy as an expression of a defensible rationale for government intervention, matched by a solution that addressed the environmental problem, was a key factor that constrained the scope to achieve environment policy success. Interviewee 45 captured that shared view:

> In terms of success or failure of environment policy, and knowing whether we are looking at success or failure, we face the problem of the lack of going to the basic policy objectives and asking why are we intervening or not intervening.

If this study is to inform the theoretical understanding of policy success through an exploration of practice, it is useful to know the extent that practitioners' definitions of 'policy' accord with theoreticians' definitions. As Colebatch (1998, 3) noted, practitioners and academics use the term in different ways. This may be a particularly Australian phenomenon. There may well be more alignment in the practitioner and academic presentations of 'policy' in the European or North American contexts.

Does environment policy differ from other policy areas?

Before turning to the question of how the interviewees construed success, their views on the particular characteristics of environment policy are discussed. Interviewees were asked to define

116

policy generally, rather than environment policy specifically. As one measure to assess the wider application of this study's findings, interviewees were also asked:

> *Do you think the making of environment policy faces different challenges to other federal policy areas (such as employment, health, education)? If so, why?*

Forty-eight of the 51 interviewees considered environment policy intrinsically different from other policy areas. Their reasons accorded with those in Chapter 2 provided by the policy theorists. Interviewees considered environment policy objectives were treated as subordinate to economic, education, health, defence and other national policy objectives. To them, environment policy was always political because the outcome invariably changed the balance of interests.

Protection of the environment was seen by the majority of interviewees as usually only arising on the Government's agenda when there was a crisis or intense community pressure that could be translated into electoral pressure. For that reason, it was difficult to attract a sufficient level of funding and commitment from government to make the fundamental long-term changes to address underlying causes such as unsustainable rates of population growth, consumption and natural resource use.

The second reason interviewees saw environment policy as differing from other policy areas was that the long timeframe necessary to achieve ecological and landscape change was usually well beyond the electoral cycle. As one Tier 1 interviewee commented:

> Politicians always find it difficult when they realise the thing they want to implement is going to take longer than they have in the electoral cycle (Interviewee 41).

Finally, Interviewee 24, who implemented policy in areas as diverse as species protection, water, waste, fuel and energy, thought that environment policy absolutely differed from other policy areas because it is so "visceral", it impacts on everyone and yet it is difficult to communicate the outcomes to people. He elaborated:

> People really care about what we do. People can have highly emotional responses to national icons such as places or species like koalas or kangaroos. Managing that emotional attachment is important but it is hard to try to explain the complexities of ecosystem management. That is more challenging.

Only three interviewees (one at each Tier), all holding prior experience in social policy areas, considered that environment policy faced similar political pressures and challenges as other federal policy areas such as health, education and employment. All these policy areas typically involve on-ground delivery, the need to prioritise the use of limited resources, lack of evidence and the need to reach agreement with States and interest groups to progress any policy action.

117

The three interviewees considered that the difference between environment and other federal policy areas was narrowing, in part because they considered a central agency economic paradigm was increasingly coming to dominate environment policy and the Department. In addition, the Government now had many more triggers to engage in environment policy compared to the 1970s. Their view is consistent with Walker's (1994) observation noted in Chapter 1, that environment policy requires the same analytical approaches as other policy areas.

Environment policy may share characteristics with policy areas that are subordinate to the mainstream policy agenda. These marginal policy areas are likely to include humanitarian aid policy, preventative health policy and early childhood education policy. Whether environment policy differs in nature from other policy areas has implications for the wider relevance of this study and is discussed in the concluding chapter.

Having explored the particular policies the interviewees assessed as succeeding or failing, and teased out their definition of policy and the particular characteristics of environment policy, it is now possible to examine how the interviewees understood policy success.

4.6 Construing success

Policy officials do not typically construe their policy work in terms of 'success' or 'failure'. Interviewee 28 stated:

> I don't think about it very often – why has a policy succeeded?

However, the word 'success' is now starting to appear with increased frequency in the lexicon of the organisation, including in the departmental Annual Report, corporate and strategic plans, in the Department's Sustainability Framework (April 2012) and in the SoE Report (State of the Environment 2011 Committee, 2011). It is appearing in individual performance agreements. A Tier 1 interviewee commented that now he was often asked in Senate Estimates whether he considered a particular policy to be successful.

Although the term had only recently acquired currency, interviewees converged in their thinking on what constituted success in environment policy. Their two primary dimensions were a measurable outcome that made a difference to the environment and whether the issue was addressed to the satisfaction of the Environment Minister. These are discussed below. The 2011 Sustainable Population Strategy is discussed as an example of the two ways in which policy success was construed by interviewees. An alternate construction of policy success is then outlined, presented by the sole interviewee who regarded policy success as simply a product of good project management.

Environment policy success construed as a measurable environmental outcome

All interviewees agreed that policy success required making a difference to the environment, a difference that could be measured and had been achieved in a cost-effective and efficient way. Interviewees 47 and 25 reflected the shared view that it was essential to have the data to demonstrate success:

> Success in terms of impact on the ground and actual outcomes that made a difference to the state of the environment, to me, I would list *Fuel Quality Standards,* the Ozone Protection Program, protection of wet tropical rainforests in Northern Queensland in the mid 80s and then the one I have spent most time on and I am not sure it remains successful is the *RFA*s (Interviewee 47).

> I am not sure how to define success in the context of environment policy. That is a hard one to answer. Hopefully it is measurable. So much goes unmeasured. So you need to know what the policy is meant to do and then whether that is measurable. For environment policy it is important that it is not seen as just a handout if it is to be seen as a success (Interviewee 25).

Environment policy success, in the interviewees' view, was therefore more likely where the issue and response were tangible. In Park Management, the NRS and *Working on Country* the activity is dealing with real estate. It can be seen and dealt with. Conversely, interviewees considered that success in marine policy was elusive as lines on marine maps to separate protected areas from economic use areas are conceptual rather than tangible, and their impact is difficult to observe and monitor.

Interviewees emphasised that success was not easily won. Notably, Interviewee 49 offered that success should be about ESD but argued that SoE Reports are showing, although there are successes in some areas, overall the goal of ESD is not being achieved. He therefore considered that Australia is going backwards in terms of the environment objectives vis-à-vis the social and development objectives:

> The evidence suggests we are actually losing the environment or various aspects of it in a way that can't be recovered.

For the majority of interviewees the concept of policy success was elastic. Success can be claimed in the design phase, during implementation or after completion. If the reality of the unfolding of the policy does not support the claim to success, then the parameters for measuring success can be adjusted. This occurred for example in aspects of the *EPBC Act 1999*, where the weighting between the three pillars of sustainability (economy, environment, society) could be adjusted. The economic pillar could be reweighted against the environmental pillar. The *Home Insulation Program* is another example where the measure of success emphasised in the public arena shifted towards the program's contribution to avoiding recession in Australia during the GFC and away from the environmental objectives, once the safety and fraud consequences of the imperative for rapid implementation became increasingly public.

Success was regarded as elusive, as the signs of success are so diffuse and so far out in the future, making it difficult to provide the measures of success within a three-year electoral timeframe. For interviewees it was important that policy not be seen as a handout or as green or industry welfare. Additionally, it was recognised that declaring success was vexed, as the benefits often accrue to those who do not bear the costs (Interviewees 21 and 25). More broadly, interviewees considered that much environment policy is amorphous in terms of the actual outcomes sought, and therefore success is harder to define and grasp.

Environment policy success as meeting the political needs of government

Although interviewees were able to offer a broadly agreed construct of environment policy success as policy that made a measurable difference to the state of the environment, they also recognised the highly contingent and political nature of success. "Success from whose perspective?" was a common refrain in the interview responses.

Interviewee 22 captured the contingent nature of the definition of success. For her, policy success in an environment context required that the policy intervention addressed the actual issue and resulted in a better outcome. At the same time, she understood that from the view of the Government, policy success in an environment context may simply occur when the policy process has not created a political problem for the Minister or the Department.

The 2011 Sustainable Population Strategy for Australia: a success and a failure

Here the perspectives of two interviewees on whether the Australian Government's 2011 *Sustainable Population Strategy for Australia* (2011c) was a policy success or a failure are discussed. A Tier 1 interviewee viewed it as a success, albeit in a narrow sense, as drafting officials were able to moderate the more negative aspects of the policy for the environment; the other (a Tier 2 interviewee) was deeply disappointed that the policy, in his view, was a lost opportunity to seriously address unsustainable population levels as one of the underlying causes of environment degradation.

These divergent views highlight the two ways policy success is construed: as a real change in environmental outcomes; or as delivering for the Government a palatable solution to a political issue. Both interviewees held extensive environment policy experience but construed success in different ways.

The Tier 2 interviewee considered much environment policy to be "mutton dressed as lamb". He gave the *Sustainable Population Strategy for Australia* (Department of Sustainability Environment Water Population and Communities, 2011c) as a prime example. He considered that it met a political need but made no on-ground difference:

> [In October 2009] Rudd announced 'A Big Australia' and there was an explosion in the number of boats arriving at the same time. It was a perfect storm. Rudd didn't go through Cabinet with the policy. At the same time people were concerned about traffic congestion in western Sydney, in outer Melbourne, in Perth, in Brisbane. There were concerns about migration pressures on the urban fringes. People felt Rudd with his call for 'A Big Australia' was ignoring their one and a half hour drive to work and that schools were "filling up with non-English speakers".

> Then [in June 2010] there was a change in leader and Julia Gillard came in and the policy direction and the objectives changed, but that was never made clear or public. The change in policy direction was never stated. We had so many submissions of a vitriolic and racist nature. There was no policy justification for 'A Big Australia'.

> [The officers involved in developing the policy] did some excellent work. They had a fantastic process of three panels with divergent views. The actual process was really well thought through. There were three panels in July 2010 looking at divergent perspectives. The process deliberately sought very divergent views. But all that work was buried. An issues paper was put out. Just prior to that the Department of Citizenship and Immigration had put out a paper with 700 words and 20 pages – that is, it had a lot of pictures and not many words. PM&C said we want the Population Paper to be like the immigration paper but shorter so they cut the Population Paper back to 600 words.

> The aim was to get the population issue off the agenda and it worked. I feel it was a wasted opportunity in terms of the final product. The final paper was mind-boggling, mind-numbing crap. It was worked on by the Prime Minister's Office. The Government was going to have to address the population issue. The view was the population is 'changing' but so what? They knew the population would increase but the paper couldn't say that. The question was really, how do we get it off the agenda? The objective was to get the population issue off the agenda. So some funds were given to Burke for work as a thank you for doing that. So the constraints were partly due to the politics and the time constraints.

> You know the bad policy. Population policy was one of them. It should be quickly buried in a dark, dark corner of Australia's public policy history. It was a bitter pill for me to have to swallow as compared to being able to do it properly. There was never any attempt to do it properly. Therefore you know it wouldn't be successful. But what is the measure of success? Some stakeholders celebrated the outcome. It was a success for the Government.

His view contrasts with the Tier 1 officer who considered that:

> The sustainable population strategy was successful but I think very few people would see or acknowledge that. It is a bit of an 'inside the beltway' comment. The Government's intent was to broaden the debate and I think we did that in a policy-legitimate way. We basically said as a public policy issue the rate of growth and the size of the population are not the only things you should be looking at. You should also be looking at location and composition and that document did that. It avoided setting a population target. That was a good thing. So sometimes policy is successful in that it avoids 4th or 5th best outcome and it helped to defuse the public debate around population, although that could arise at any point in time. As a policy document and as a set of initiatives it is lacklustre and it was criticised as such, and it could have had more rigour in terms of the data. I don't consider it a crowning achievement but I consider it has been successful in the context. Thinking about what could have been some of the worst-case outcomes, I think it was very successful.

For that officer, the policy was successful to the extent that it transitioned out of Rudd's call for 'A Big Australia' to meet the political objectives of the Gillard Government. In his view, given the focus of the Government on economic growth, productivity, regional development and jobs,

it avoided what could have been an even worse population policy from an environmental and ecological sustainability perspective.

These two views of the Australian Government's *Sustainable Population Strategy* (Department of Sustainability Environment Water Population and Communities, 2011c) underscore how the way success is construed can mediate the interviewees' assessment of whether a particular policy was a success or a failure. The Tier 2 officer always held the view that Australia's population level was a fundamental driver that needed to be addressed if environment policy were to make a difference, and so saw the politicised crafting of the final document as a lost opportunity. The Tier 1 officer had a more pragmatic and politically attuned view that the best course of action for the Environment Department in the policy process was to seek to minimise the worst excesses of a population policy which had begun with a call to significantly increase Australia's population to support continued economic growth. Although population growth in 2012, the year following the release of the strategy, was 1.8 per cent, higher than the long-term average, the policy could be assessed as a political success for the Gillard Government in that it took the 'heat' out of the issue and it may well have avoided an even worse outcome than the 1.8 per cent increase.

There is one final construction of success: success as a function of sound project management. That view, expressed by a Tier 3 officer, is discussed below.

An alternate construction of the notion of policy success

The Tier 3 interviewee considered that policy success was a linear function of sound project management. She had a background of 30 years in military project management and was a member of the Project Management Institute of Australia. She was employed as a contractor to assist in the implementation of the *Home Insulation Program*. In her view:

> Policies would have a better chance of success if there were a better understanding of project management – that would increase the chance of success. This is all set out in project management theory. The key issue is understanding the governance arrangements – in the departmental Executive – who 'owns' the program, who is the sponsor and do they fully understand who the buck stops with. The governance model needs to be neutral – it needs to be role specific not person specific. The role needs to be tightly defined right up front. If project managers are not aware of the lines of accountability/governance, things go wrong – this is what happened in the *Home Insulation Program* (Interviewee 16).

To Interviewee 16, sound project management systems with clearly defined roles and accountability conferred a strong chance of success. No other interviewee regarded success as a linear function of good project management. She was one of five interviewees who (based on their responses to the interview questions) were neutral in their approach to policymaking; that is, they did not express in their interview a desire or intent to shape environment policy.

In summary, interviewees did not often think about their policy work in terms of success or failure, although they noted that success was beginning to enter the lexicon. They recognised that what constituted success could be recast depending on the circumstances, including the narrative that most suited politicians. In the main, however, the majority of interviewees defined environment policy success as a tangible outcome that made a measurable difference to the state of the environment. At the same time they understood that what success meant for the Environment Minister was of critical importance. The divergent views of two high-level interviewees on the Australian Government's 2011 *National Population Strategy for Australia* (2011c) exemplified how success could be construed in contradictory ways depending on whether the criterion was a measurable outcome or the satisfaction of the Environment Minister. The outlier view of success as sound project management was discussed, as it brings into sharp relief the layered and political understanding all other interviewees had of environment policy success.

The disparate views interviewees held in regard to which policies succeeded and which failed underscore the importance of searching for a better understanding of policy success, given the importance of successful outcomes to politicians, officials and the community. What is particularly revealing in the interviewees' responses is the way they understood policy and how they construed success. If success is understood to be about achieving measurable on-the-ground environmental outcomes, then the categorisation of the *RFA* process, the *NHT* and *Caring for Our Country* as failures becomes less mysterious, given the difficulty in achieving measurable outcomes with such long-term large-scale policies. If success is understood as delivering on the political agenda for the Government of the day, then the assessments of the those policy processes as successful need to be assessed in that light.

Finally, interviewees recognised that environment policy success came at a cost. This was seen to be particularly true in contexts where the policy was developed in response to a crisis. Interviewee 47 pointed out that while in his view the *RFA* process was robust and had been politically successful in reducing, at that time, the debate over logging of old growth forests as an electoral issue, that success came at a cost. The Commonwealth's preoccupation with the forest issue through the 1990s meant that policy action to address issues such as climate change and water management in the Murray Darling Basin was postponed. He explained why:

> ... because you have got essentially what is a small talent pool of bureaucrats and industry people and ministers all being chewed up worrying about forests while the problems in the Murray Darling Basin didn't go anywhere really despite people trying to do something about it. There was no action really until the early 2000s because of the drought. The 30 years of warnings from academics, bureaucrats, industry and the greenies were all subsumed by the forest issue. I reckon governments can only do three or four things well in a particular policy area at the one time so the opportunity cost of forests was bad outcomes down the track on water (Interviewee 47).

Similarly, any success that could be claimed in the *Home Insulation Program* came at a high financial and reputational cost (ANAO, 2010c, 27) in terms of the price paid by the four installers and their families, the many house fires and a loss of political credibility for the Rudd and Gillard Governments. Secondly, any success of the program came at the cost of reputational damage for the Department and a high toll on staff. Interviewee 19 reflected on the high personal cost from her point of view:

> I got through it. I learnt a lot. I dealt with the pressure. I have different priorities now. It was hugely toxic. I would go to bed with my heart pumping and wake and it would still be pumping like that, so I would get in at 7.30 and deal with the next crisis meeting. It was heart attack territory and toxic and I would never put myself in that situation again.

This section has examined how the interviewees defined policy, their view of the particular features of environment policy and how they construed policy success. The following section turns to the first question of this study: whether the officials had a sense of what might succeed.

4.7 Predicting success

Prediction, not narration, is the real test of our understanding of the world (Taleb, 2010, 133).

To explore the question 'Do policy officials have a prior sense of whether a policy is likely to succeed?' Interviewees were asked:

> *Looking back, do you think you had a prior sense that the policy might succeed or fail? If so, why?*

Although they were not asked explicitly about prediction, their responses to the question are discussed in terms of the scope to predict policy success.

It was clear from the responses to the question that interviewees across all levels had not often thought about the question of whether they could predict the outcome of a policy process. A Tier 1 interviewee gave a typical response:

> ... maybe it is hard to judge and make those calls when you're looking back. So at the time did we know those environment policies were going to work? I don't know. I don't think we gave it too much thought. You just do it (Interviewee 47).

A Tier 3 interviewee, after retiring from his 27-year environment policy career, stated when asked if he has a sense of what would work:

> That is a hard question. If you have enough resources, the community is engaged and has buy-in, and provided it doesn't alienate or disadvantage more people than it actually advantages, then, yes, you can probably predict. In the forest process, I didn't really think about whether it would work. You are borne along on the current of the day. I am not sure that happens as much now, not in the same way. There is not the same brash enthusiasm (Interviewee 48).

When presented with the question above, the great majority of interviewees (90%) considered it possible to predict policy success or failure. Tier 1 and 2 interviewees, after some thought, approached the question relating to prediction from differing angles. Their responses are instructive.

They usually began a policy process with questions around 'will this policy work?' They observed that often where environment policies were successful, either the policy officials or the interest groups had foreseen the risks, thereby allowing the officials to undertake the necessary anticipatory steps to manage them. Where such anticipation of problems and preemptory steps were not taken, the likelihood of failure was readily apparent:

> When I was in the central agency I was always taught there is a whole range of things that you check out when you are reviewing a policy. We used to always debate whether those skills are innate or learnt. Ultimately, you are looking at your diagnostic. I place a lot of weight on who pulled it together. What is the case for change – how has it been made, has it been done in detail and thought through. The warning sign in half-cocked policy is very easy to identify in terms of these hallmarks of the analysis and whether the risks aren't properly identified and addressed. Ultimately, even the best policies can fail in implementation. Any proposal that doesn't spend as much intellectual grunt looking at its 'implementability' means it won't work. That would be my viewpoint. You can smell a stinker without much problem at all.

A Deputy Secretary said he hadn't thought about his work in terms of predicting but, when asked if he had a sense of what succeeded, considered that senior officials are constantly asked to predict in the sense that they undertake risk analyses. In addition, they are required to sign off on 'traffic light' reports. These management reports assess the level of implementation risk that policies face. As a high-level manager, he considered his work was defined by anticipating and managing for success.

Although the above interviewees did not explicitly think in terms of predicting the likelihood of success, on reflection they considered they constantly ran diagnostics, either formally or in their own minds, to scan for flags that signified the possible emergence of threats that could derail the policy. They did this from multiple perspectives, including the point of view of the Minister or the Government. Indeed, several made career choices on the basis of their sense of likely success or failure.

Caveats the interviewees placed on their view that they could predict success included the serendipitous nature of policymaking (Interviewee 01) and the impact of uncontrollable external factors (Interviewee 16). Interviewees acknowledged that it is difficult to isolate what you were thinking at the time, observing that foresight differs from hindsight. For example, none of the interviewees involved in the development of the *Working on Country* program had a prior sense of the degree of success of the program although, in hindsight, they were able to offer explanations (Appendix 6).

The 20 interviewees who commented on the *MPA policy agenda* were reluctant to make a definitive call as to whether the policy was successful overall. Interviewees 30, 37 and 38 held back (in 2012 and 2013) from offering an assessment of that agenda as succeeding or failing as they considered it had taken a long time to reach fruition, it was hard to see what the practical environmental benefits were, and it remained too early to make a definitive call.

Notwithstanding that reluctance to make a call on whether the Environment Department's policy efforts on the *MPA agenda* were successful or not, interviewees considered that the most tangible conservation outcome achieved through the Australia's Oceans Policy (AOP) and bioregional planning was the declaration of successive MPAs:

> I think the recent announcement [November 2012] around the network of marine parks, after an extremely long gestation and some heavy detours and some heavy weather, [will deliver] conservation outcomes (Interviewee 38).

Although the interviewees did not think in terms of prediction, and noting the caveats above, for the 46 interviewees who considered they could predict success (or failure), the scope to manage vested interests and the strength of the mandate for action emerged as the two primary indicators of success or failure. They are discussed in turn below.

Scope to neutralise vested interests

Overall, the most common predictor of success was whether the policy would impact powerful vested interests. Interviewees holding this view had a sophisticated understanding of the politics of environment policy. If after consultation, negotiation and compensation, there were any vocal opponents to a policy, success was far less likely. The degree of compromise was a significant factor in the capacity of the interviewees to predict whether a final policy outcome could be classed as a success.

Half the 51 interviewees had been involved in the *RFA* policy process. That intensive policy experience coloured their conclusions about the way the forest industries could dilute the scope for environmental outcomes. In that context, Interviewee 07 was quick to answer the question of predicting:

> Yes I did have a prior sense. I thought the forest and water policies would have limited success because of the powerful interests in maintaining the status quo. And yes my intuitions were right in both cases.

A Tier 1 interviewee with extensive experience in highly contested policy issues, including forests, water and marine policy, thought that you can predict whether a particular policy is likely to succeed when you have a sense that the public will accept the impact of the policy and that the policy has been positioned in a way that is sellable to the public:

> I think you get a feel for it. You get a sense of things that will be more difficult than others; you get a sense of how they will work. Part of it is a sense of public acceptability, how hard is this going to be for the public to accept (Interviewee 43).

After the impact on vested interests and the degree they had been 'bought off' or neutralised, the next most common set of predictors in the view of the interviewees related to whether the Environment Department held a clear mandate to implement the policy.

Strength of the mandate for Commonwealth intervention

The extent to which the Commonwealth was straying into matters the States traditionally considered their responsibility was the second most common indicator officials took into account when assessing the prospect for success. For example, in the case of the *EPBC Act 1999,* the deep and seemingly irreconcilable chasm between Australian Government interests in environmental protection regarding matters of national significance and the provincial economic interests of the States, compounded by a fundamental lack of trust between the Federal and State Governments in environment matters, led Interviewee 50 to conclude that:

> I didn't think the *EPBC Act 1999* would work I have to say, initially, when it was being developed. When you think about it, it was extraordinary in the sense that Hill had convinced the States to effectively hand over their power to the Commonwealth and then, within the Commonwealth, effectively got his colleagues to hand their power over to him. I remember at the time we were talking about it and I said, "Well, it won't happen in my lifetime".

The link between predicting success and a strong mandate was particularly salient for the interviewees involved in delivering the *Home Insulation Program* and the *MPA agenda*.

The question of prediction is important in the context of the *Home Insulation Program* because it related to questions of who knew what when, the handling of risk, and ministerial and official accountability. Interviewee 19 linked the implications of the Government's requirement for rapid rollout with how warning signs and identification of risk were dealt with:

> PM&C were all over us like a rash. Every time we raised a risk they said "just get the money out the door".

In the case of the *Home Insulation Program,* officials failed to foresee the implications of the key OH&S regulatory responsibilities lying with State agencies rather than the Environment Department or the Federal Government. In regard to the research questions driving this study, the *Home Insulation* case gave the least clear result of the scope to predict of all policies discussed. The intense focus from media, politicians and high-level government inquiries may have coloured interviewees' reflections.

In regard to the *MPA* policy experience, Interviewee 44 explained how the officials involved in the AOP phase of the *MPA agenda* between 1998 and 2004 were attuned to the unfolding

failure, in part because of their growing realisation of just how the lack of support from other federal ministers was undermining Minister Hill's mandate to establish MPAs:

> Our instinct was telling us we were in trouble because once we actually started to roll out the agreed governance arrangement, it wasn't working. We were up against opposition which was unrecognised and unstated at a political level but had the potential, and in reality did hamper, and ultimately destroy, what we were supposed to do. So that was pretty early on that it felt like that to me. Pretty quickly we were aware that the Environment Minister didn't have the support of the other ministers (Interviewee 44).

The officials involved in the *MPA policy agenda* under the AOP quickly recognised the policy was doomed to fail in the initial timeframe. Their prediction was based on the weak legislative and constitutional mandate. Officials involved at the time recognised that an Executive Agency reporting to five ministers (each of whom pursued their portfolio interests at the cost of broader whole-of-government aims) worked against success. The location of the National Oceans Office (NOO) in Hobart under a leadership inexperienced in the art of strengthening the policy mandate by brokering compromise across jurisdictions and industries, and physically remote from the primary government and industry stakeholders, added a layer of unnecessary difficulty.

In summary, the majority of interviewees thought it possible to have a clear prior sense that a policy might succeed or fail. They acknowledged that the prediction could be wrong. However, they considered that on balance, with experience and exposure, an instinctual sense of early warning signs develops. Interviewee 25 explained:

> Yes I do think you can tell if a policy will work but it comes with wisdom. It is not something that you can quantify or develop a quantitative analysis for. You can't measure it. Only people with that wisdom that comes from judgment and experience can predict. You can understand policy more if you have sat through years of the Expenditure Review Committee and years of Cabinet meetings. Then you are in a much better position to judge what will work and what won't.

The 90 per cent of interviewees who thought it possible to predict policy outcomes were more likely to see themselves as deliberately seeking to have a direct role in orchestrating the policy process. For example, two respondents who had designed and implemented the same policy for over a 30-year period (the *IPA Program*) considered they could predict success because of their own role in setting the strategy. From their point of view, they knew their policy would work because they drove it: they (Interviewees 11 and 15) made it work:

> I think as a policymaker you need to have a vision, be a schemer, be sneaky. You need to road test your ideas on the ground first. Then get others to take your idea forward. I think you can predict what will happen in the sense that you have a strategy of how to get there and you have to drive it and believe that it is going to work – so you do predict your policy will succeed because you drive it and believe in it. You make it work (Interviewee 15).

Several interviewees revealed that they had such a strong sense of likely failure of a program that at the outset they self-selected out of a role in implementation in areas including protection

of endangered species and the *Home Insulation Program*. Tellingly, three of the officers closely involved in developing the home insulation proposal for PM&C not only predicted that the program was going to run into serious headwinds, they chose not to take on the role of implementing the program. The official who crafted the Environment Department proposal in January 2009 (five-year roll out, regional delivery, less money) had the following reaction on hearing that home insulation had been added to the stimulus package:

> When we heard the Department got the program and how much money it got, I remember because we were located up on the fifth floor, we just felt so sad. We knew it wasn't going to work. We just felt really sad that we got the money. We didn't want it.

> I was working on that proposal and all the other energy efficiency and climate change proposals and I was asked to take the job to implement it [the *Home Insulation Program*]. But I turned it down because I knew it wouldn't work. The design decisions had been made and there was no scope to change it. Also I was exhausted. We had been working on policy for weekends for months and I was exhausted. So there wasn't the time or energy to change it. I 'self-selected' out of implementing it.

For other interviewees, the essence in predicting then was not so much getting it all right at the start, but rather, identifying the pitfalls early on so that corrective actions could be designed into the process to improve the chances of success (Interviewees 35, 41 and 44). As a Secretary-level interviewee explained:

> You do have a sense early on of where the risks are going to lie. The policy process is not so stable that policy comes down to you on a tablet. You are not so bounded in how to implement the policy. There is scope to give form to the design. You know how to shape the policy for success.

They tried to anticipate such problems so they could prepare for or reduce their impact.

Interviewees 20 and 26 were equivocal on the scope to predict. For Interviewee 20, predicting success was hampered not by the absence of a sound basis for prediction or a lack of foresight, but by the very nature of environment policy. Success itself was elusive, while the scope to predict was hampered by the inherent chaos and complexity of environment policy:

> You need to watch for the accumulation of unmanaged political problems so you can do as much prediction and anticipation as possible of those political problems and try to prepare for, and have strategies, for managing them. It is risk management. You can try to reduce the risks of things going wrong, not working or stopping but you can't anticipate everything. There is chaos in the system – in dealing with big complex issues across a big complex country, and in dealing with environmental issues.

Interviewee 20 gave the example of the *Home Insulation Program* to underscore his point – that policy failure was not usually a lack of political will but more the vastness of the environment policy challenge, the limitations of the federal level of Government and the inherent chaos in any policy process:

> Most policy has a genuine intent. There is not so much tokenism. People working in politics do want to solve problems and get things done. It is more about capacity. The problems are huge. You can contribute to reform, but especially at the federal level it is really difficult. For example, the *Home Insulation Program* had a time imperative and so was not well planned. Some of the problems were identified and dealt with quickly. The analysis showed that some of the problems that arose, such as house fires caused by the installation, were not any worse than before the program. The number of installations was scaled up under the program so the number of problems scaled up. The media made the problems appear worse than they were. This is part of the chaos. You can't always predict for everything – which issues will be political footballs and which ones won't. These are assessments you do all the time, of everything, in a well-functioning Minister's or Prime Minister's office. You look for the consequences and the political mileage in everything (Interviewee 20).

For Interviewee 26 the scope to predict depended on the policy area, as they had differing complexities and subtleties:

> It is not often that you are in a policy space that you are starting from scratch. With fuels and water quality I had the feeling it would work. We used the national standards approach and we drove the policy from the start and there were environment and health benefits. There is more chance of success where there is a clear link between environment and people and where there is a human and environment benefit, i.e. where there are links to health outcomes for the community. Then there is more ownership and understanding. But usually there are more subtleties in the issues and challenges in biodiversity policy. In the wetlands policy I did it was often much harder. People didn't relate to the issues in the same way as people did in the air/fuel quality policy (Interviewee 26).

One factor interviewees paid attention to in assessing the scope for success was the experience and skills of the policy officials involved in the development and implementation of the policy. Interviewee 07 reflected a common view:

> The role of staff is key. You shouldn't give a major or complex program to a weak or inexperienced operator. You need to give delivery to the ace team.

In making this point, interviewees made reference to their observations in regard to the role of individuals in the *Home Insulation Program*. They reflected on the policy competence and moral judgment of some of the policy officials responsible for functions, such as advising Minister Garrett on design parameters and implementation risk, managing complaints from householders and industry, and advising on a compliance framework.

For most policies discussed in this study, officials had a clear sense of the policies likely to succeed. In the case of the *Home Insulation Program,* however, interviewees were less certain of the likely outcomes and few predicted the ultimate depth of policy failure. Several officials had such a strong foreboding of likely failure that, as noted above, they quietly chose not to be involved in its implementation by moving positions. The risk of failure was also observed across all levels but to differing degrees. Officials at the Tier 2 and 3 levels responsible for communications and risk management, and those with extensive State Government environment policy experience, had a strong sense of likely failure.

In early 2009, the Departmental public relations staff allocated to support the program were alerted to the potential risks. They realised that neither a risk nor compliance strategy had been prepared, contrary to the Department's own project management guidelines. They quickly developed a list of 20 potential risks. These were provided to the external consultant (Margaret Coaldrake) commissioned by the Department to prepare a risk strategy. The Departmental staff had also prepared messaging relating to a death of an installer if it were to occur, as a Tier 2 interviewee explained:

> We did the risk analysis work in the comms area. We came up with 20 things (that could go wrong) and they all happened – every single one, including the rape. So the comms area was at the coal face. We did have media strategies on how to handle the risks, including possible deaths. We had done the media messages. We knew it was possible. It was so upsetting reading the letter from the first boy's father. They were young boys. When the consultants [PriceWaterhouseCoopers] were brought in, the consultant [Margaret Coaldrake] nearly went insane trying to get the Department to take risk management seriously. She fed off the work [20 things that can go wrong] that we had done to start her work.

A Tier 3 officer involved in oversight of the management of risk stated:

> In May 2009, when I first started there, I thought 'I don't know how this is going to work – in terms of getting it rolled out on 1 July 2009'. In simple practical terms of the short timeframe I couldn't see how it was going to work (Interviewee 19).

When asked at interview if there were any signals or flags early in the process that the policy or program would not work, a Tier 3 interviewee identified a raft of signals:

> One flag was PM&C and the way they bulldozed us. Our senior manager wanted hurdles put in front of the installer businesses before they were signed up to the program. He wanted the capacity to pull claims and payments out randomly and in a targeted way and check for fraud. He wanted to be able to do a risk assessment of the installer businesses. PM&C's point of view was 'you are over-reacting'. In hindsight we should have called them on all of this and we didn't.

> Medicare and PM&C said the installer businesses had the same risk profile as their GPs (general practitioners) so they said the same fraud control processes for GPs could be applied to our the installer businesses – they had a level of confidence that the installer businesses had the same risk profile as GPs. Medicare had PM&C pushing with them [against us] on that assumption. The Australian Tax Office (ATO) also pushed the same compliance framework that was used by the ATO for the tax system. We didn't buy the PM&C and Medicare view that the installer businesses would have the same risk profile as GPs, and felt we were being done over and that we were being bullied by PM&C. Fairly early on – in May and June 2009 – I realised there would be problems.

Interviewees not directly involved in the program but with deep experience working with the States and with industry had a sense of foreboding as Interviewee 24 intimated:

> The policy was a good idea. It you look for the top five energy efficiency ideas that are the most cost effective, insulation and pelmets come up as two. Insulation gives you the biggest bang for your buck. The proposal for the *Home Insulation Program* came from one sheet of paper with 7 to 8 proposals on it. But it had the smell of death.

However, not all the officials involved in January 2009, prior to the industry warnings, had a sense of impending failure. For example, a Tier 1 interviewee stated that he didn't predict the eventual result of fatalities, house fires and extensive rorting. The data and briefing provided to him didn't lead him to believe that it wouldn't succeed.

Fatalities were discussed, but the extent of the risk that eventuated from poor supervision, training and work practices, inappropriate insulation material (foil) and the poor quality of electrical wiring in many homes was not fully appreciated:

> In the original days in May or June 2009 someone said at a meeting [in the Department], "What if an installer dies?" A [manager] responded, "I don't know how many installers will die but that is a State problem not our problem because the States deal with OH&S not us. That risk would not rebound on the Commonwealth. We are on about how many installations." The view persisted that we were only providing a subsidy.

> This was before any deaths did occur. We all thought a death was unlikely. There was PR messaging around the possibility of a death but it was minor … It wasn't really until the second death that the gravity of the situation was realised. The first death became an issue [for the Department] because it blew up in the media. There was no recognition it would be put back on the Minister. It was seen as a State jurisdictional issue. But there was a big flow on impact on the reputation of the Minister, the Government and our reputation internationally. If we were funding the installation, the Minister was going to have to wear it (Interviewee 19).

Whether officials had a sense the *Home Insulation Program* was likely to fail to the extent that it did raises questions of ministerial and official accountability, and in particular how risk was handled.

Interviewees 36 and 38 explained why a traditional risk analysis failed to identify the implications of the risk of electrocution:

> Probably no one was thinking really early on 'what if someone gets electrocuted in a roof?' Part of the problem is the way risk analysis works. There was a low risk of that, and the consequence was [statistically] small. But the problem was the [political] impact was not small. If the Government can be linked to a death through the spending of program funds, then the concern is much greater. For example, the risk of a car accident driving to install insulation is much greater than the risk of electrocution installing the insulation, but the Government is not responsible for the car death. So the risk differs, as the Government was paying for people to go into roofs. So while the likelihood was lower, the consequence was much, much greater (Interviewee 36).

The issue of how risk was managed was a focus of the many inquiries into the program.

Overall, the majority of interviewees had a strong sense of which policies might succeed. As discussed above, they based their assessment largely on the likely impact on vested interests and the strength of the policy mandate. However, the link between prediction and policy success is complex. The interview responses and case studies suggest the strength of the link turns to a large degree on whether officials take any action in response to either their own instinctual policy antennae or evidence-based warnings. The Royal Commission into the *Home Insulation*

Program, for example, spent much time examining the risks witnesses were either concerned about or had prior information on (such as risk of death from foil installation) and why they did not take preemptory action such as informing their manager, the Office of the Co-ordinator General in PM&C or the Environment Minister.

The following section briefly discusses the significance of the Government's political leaning and the perceived attributes of the individual Minister, in the scope to predict and achieve success.

The skill and will of the Environment Minister as a predictor of success

One-third of the interviewees specifically referred to the level of support by the Environment Minister, including in initiating policy ideas and driving proposals through Cabinet, as a key predictor of success. Interviewees with a high level of exposure to the Environment Minister and his Office considered that all the Environment Ministers over the study period (Table A4.4) were committed to protecting the environment, although to differing degrees. A Tier 1 interviewee observed:

> I worked under five Environment Ministers (Kemp, Campbell, Turnbull, Wong and Garrett) over a five-year period and I think overall the Liberals have had a better record on delivering on environment policy – but it does depend on having a good Minister. Hill was exceptional. He delivered on *NHT*, the *EPBC Act 1999* and *RMPs* – on the big block issues.

Hill and Richardson were singled out by the 7 of the 17 interviewees who made reference to the role of the Minister, as the Environment Ministers who made significant advances during their terms, but in different ways. Interviewees compared Hill's passion for systemic change in the way the environment was managed to Richardson's focus on the short-term electoral politics in marginal seats, that is, on the 'numbers' (Appendix 4).

The interviewees, although they did not all necessarily warm to working with Minister Hill, universally regarded him as instrumental in driving success in a wide range of policies. They provided as examples his drive to involve Indigenous people in protecting environment values on their lands, his concern to deal with the environmental impacts of the high levels of water extraction in the Murray Darling Basin, his push to protect marine areas, his desire to achieve systemic reform through the leverage provided by the *NHT* funding, and his driving legislative reforms leading to the enactment of the *EPBC Act 1999*.

However, as evidenced by the different but key roles of Ministers Richardson and Hill, the political affiliation of the Minister was not seen by the interviewees as a predictive factor. Dovers (2013) is one of the few academics to notice that political ideology is not such a useful predictor of what gets onto the national environment policy agenda. He points to the

incremental, taken-for-granted, non-controversial nature of much environment policy. The interview transcripts and the chronology of federal environment policy (Table A4.3) suggest that the degree of power held and wielded by the minor parties, or by an individual Environment Minister (up to end of 2013) had at least as much influence on the scope to achieve successful environment policy outcomes as the party in power. The significance of the green vote and later the role of minor parties, firstly the Australian Democrats and then the Australian Greens, in marshalling the electoral power of the green vote, is evidenced for example by Senator Richardson's actions in the Hawke Government in 1987 on the Wet Tropics (Wilkinson, 1996, 289-291) and the Democrats' 1997 negotiation to secure $1 billion for the *NHT* as part of the Telstra sale negotiations.

Interviewees who had worked in or closely with the Minister's office viewed the question of prediction from a political vantage point. Generally, policies originating from a passion or political commitment by the Prime Minister or the Environment Minister, such as *Green Loans,* tended to render the prospect of success unpredictable. Policies that arose from an unusual level of political interference driven, for example, by the implications of a policy decision for a marginal electorate, by a vested interest or a personal passion were slated for likely failure.

A Tier 2 communications officer pointed out that 'comms people' (i.e. the staff responsible for communications, media management and public relations) constantly ask the question 'will this policy succeed?' In asking it they keep a keen eye on the political agenda of the Government and the Environment Minister. She commented in relation to the *Home Insulation and Green Loans Programs:*

> It was obvious with *Home Insulation Program* that you could predict at the beginning that it wasn't going to work but no other policies or programs jump out at me where my sense of whether it would work or not was so strong. Politically, I could see the *Home Insulation Program* was going to be a can of worms. The policy was not built from the ground up. It was the same thing with *Green Loans*. It came out of the Minister's Office from one of the advisors (Interviewee 32).

Some background to the relationship between the political leaning of the Government and the approach of individual Environment Ministers provides important context to interpreting interviewee comments on the scope to predict and pursue policy success. In short, the commitment and capacity of the individual Minister explains in part why the political leaning of the Government can be a poor indicator or influencer of environment policy success. Moreover, as Interviewee 33 noted, all Environment Ministers held a finite number of 'political credits' they could use in Cabinet and whether they supported a policy idea was in part a function of their willingness to trade one priority against another in cashing in those limited credits.

134

Conversely, a disconnect, or worse a loss of trust, between the Minister and the Department, irrespective of the former's political leaning, as occurred in the case of the *Home Insulation* and *Green Loans Programs,* was seen as terminal for environment policy success.

A minority view: prediction is not possible

Only 10 per cent (5 of 49 responses) ventured that it was not possible to predict whether any particular environment policy was likely to succeed. Three of those five cited the lack of control they held as an Executive Level 1 to guide the policy to success and the weak line of sight between their position and the decisions made at the senior management and political levels:

> You can't really tell if a policy is going to work. I don't think you can fully understand the likelihood of success because the capacity to influence will vary (Interviewee 34).

The other two of the five were both Secretaries of the Department at different times. They considered a large part of their time as Secretary was spent minimising the worst outcomes. They shared a strong view that environment policy occurred in highly constrained and ambiguous contexts characterised by lack of clarity over why the Government was intervening or not intervening on any particular issue, compounded by the need for trade-offs between economic and ecological concerns and between Federal and State concerns. One of the Secretaries considered that while you cannot predict, you can set yourself up for success:

> You can't predict but you can stack it more favourably. Who would have thought that you would get the Queensland Government, the fishermen, both sides of politics, everyone agreeing to the extension of the GBR MPA? It was a comprehensive process. Where you know it is fraught, you need to do that. So no, you can't predict but you can set yourself up [for success]. It is like a sporting team. You will never know if you are going to win the grand final, but you can set up the administration and the group of players and the succession plan such that you have got a good chance. If you don't set up the processes and be very strategic, then you have got no chance at all. So you till the soil, you have a good sense of strategy, you are aware of the terrain. It sounds a bit like a general going into battle but it is like that.

In addition to the five interviewees above who did not consider it possible to predict success, five Tier 3 interviewees considered that, although it was possible to predict success, it was easier to predict failure.

While the above caveats and contrary views were expressed, the majority of interviewees were confident in their ability to predict policy success. That is not to say their predictions always proved to be correct. Rather, the finding reflects the grasp the interviewees had on what was likely to work and what was likely to fail in environment policy. Their diagnostic focused on two key matters:

- the absence of uncompensated or unmanaged opponents to the policy

- the degree of political and legislative mandate for intervention.

Summary

The following summary provides a composite view, in the words of the interviewees, of the main factors they took into account when assessing the scope for success.

You can have a sense of whether a policy is most likely going to be a success or not <u>if</u>:

- you are aware of the politics and what led to the policy

- you have had time to develop the idea and get the information base so the policy does not have to be implemented as some woolly, unrealistic idea

- the politicians actually want the policy to succeed

- you know where the Minister is coming from

- the policy objectives are clear at the start

- you have time to 'tweak' the policy parameters early in the design stage

- you have agreement on the rules

- you have anticipated and managed the conflicts you think are likely

- you know what you want to achieve, and you can convince the public it is worthwhile.

The above list reflects the factors key to policy success extracted from the public policy literature in Table 2.3. The way the interviewees expressed how they tell if a policy is likely to succeed or not, captured in the above list, provides useful clues to likely success factors. The following section extracts from the interviewee experiences the key factors in success, as a foundation for the discussion in more detail of selected factors in Chapter 5.

4.8 Factors driving success identified by the interviewees

The first research question for this study revolved around whether policy officials have a prior sense of whether a policy is likely to succeed and if so on what basis. The analysis of interview results in regard to that question showed three primary findings:

- policy officials did not explicitly think about success

- they primarily sought to avoid failure rather than pursue success

- the bases on which they predicted success, in their own assessment, were more intuitive and instinctual than derived from an orderly, systematic framework.

In order to grapple with Mayntz's (1983) call for a more systematic approach to understanding what works in policymaking, the following section presents the interviewee responses to the more direct question:

> *What are the key factors that need to be in place to achieve a successful environment policy?*

The interview findings reported above in regard to predicting success reveal something of the nuanced, wily and subterranean aspects of environment policymaking, over and above the idealised conditions documented in Chapter 2. Over and above exogenous factors, and the critical role the Environment Minister can play in the scope to achieve policy success as discussed above, a consistent set of key factors necessary to achieve policy success can be extracted from the responses to the above question.

Only one interviewee (35) gave an almost textbook response to the question of what drives policy success: the problem to be solved is clearly defined and understood and supported by solid information; the policy response is carefully designed to address the problem; and the policy response can be adaptively adjusted in implementation. Interviewee 35 emphasised the importance of ensuring the policy instrument did not create perverse or unwanted consequences. For the other 50 interviewees, Table 4.3 captures the breadth of information in their responses. Factors are ranked by the number of citations.

Table 4.3 shows that of all factors mentioned by interviewees, the most commonly cited related to the need to build a coalition of support for the policy among stakeholder interests. Those interests went beyond those directly impacted by a specific policy, to encompass the degree of support from politicians, the departmental Executive, other Commonwealth agencies including the central agencies, and State Government agencies. The next most common set of factors related to a clear understanding of the issue, and clear objectives supported by evidence. The third most common related to the strength of the mandate to implement the policy. This included not just the jurisdictional or legislative mandate but also the case for Commonwealth intervention and the level of commitment within the Government and the Department to the policy.

Table 4.3 Factors in policy success identified by the interviewees

Success factors	Number of citations
Securing stakeholder buy-in and support	30
Ensuring clarity of rationale and objectives	29
Having sufficient time to create policy opportunities and for implementation	20
Securing the evidence to support and defend the policy	16
Understanding the level of political and departmental Executive commitment	14
Securing support from the other agencies, including central agencies	13
Carving out a clear role for the Commonwealth and with the States onside	12
Securing the right personnel to develop and administer	12
Link the environment policy to economic benefits	11
Developing a clear, simple, compelling narrative for Ministers and the public	10
Engage in policy design as early as possible	9
Securing sufficient resources including for structural adjustment and for staff	9
A robust process to identify all dimensions of the issue and options	8
Developing a sound policy or legislative framework with consistent principles	6
Measuring visible outcomes to demonstrate a difference has been made	4
Identifying any unintended consequences	4
Trialing at smaller scale first to test and tailor policy settings	4
Understanding of the political motivations and constraints in the context of the electoral cycle	3
Understand what policy levers you have at your disposal	3
Developing robust processes for planning, data and project management	3
Securing strong Executive leadership in the Department	3
Securing funds for structural adjustment if needed	2
Ensuring clarity over winners and losers	2
Building in the potential for adaptive management in implementation	2

In order to tease out the factors considered by the interviewees to be most critical to their capacity to predict and pursue success, a second strategy was to ask the interviewees:

> *Drawing on your experiences, if you had to identify three lessons for new graduates in how to craft environment policies that succeed, what would you say?*

High-level officials commonly give a presentation to the annual intake of graduates into the Department. Interviewee 24, although not a graduate himself, observed that graduates are in a

privileged position as they are often invited into the "court of the great and wise" to observe and learn. The intention in asking the question was to have the interviewees articulate how they went about success. The following table summarises the responses.

Table 4.4 Interviewee advice to graduates on how to craft policies that succeed

Key lessons for graduates	Number of responses
Engage the stakeholders - Identify, respect, listen to and involve all relevant stakeholders - Understand the impact on the stakeholders - Be willing to test the evidence provided by stakeholders - Be careful of vested interests when consulting	31
Clear objectives - Be clear about, understand and articulate the environment policy objectives - Be clear about the problem and what is driving the need for the policy - Test the objectives against the real world - Don't compromise too early - Don't lose sight of the outcomes	25
Understand the broader context and impact of the policy - Understand the scale: global, national, regional, state and local - Link to other policy agendas - Don't work in a political or policy vacuum - Develop a framework to inform the policy - Look beyond the prism of Canberra - Identify the co-beneficiaries and losers from the policy - Look through an economic and a social as well as an environment prism - Understand the central agency view - Develop peripheral vision – watch for derailments	23

Key lessons for graduates	Number of responses
Develop policy nous	16
- Be ready to act on policy opportunities	
- Don't expect the traditional policy cycle	
- Foster political savviness (but be careful)	
- Learn from how the Secretary and Executive relate to politicians	
- Maintain rigour and discipline in the face of politicised policy	
- Find a champion for the policy	
- Pick likely winners	
- Learn from successes and failures of other policies overseas, in Australia, in the States, in other portfolios	
Build a strong evidence base	12
- Don't claim to do more than the evidence would support	
- Trust the data you do have and don't hide behind lack of data	
Understand the policy mandate	10
- Understand the Constitution and how it supports or limits federal action	
- Understand the role of the Commonwealth and the States	
- Work with the States	
Attention to design	9
- Carefully design the policy instrument to avoid perverse or compromised incentives	
- Seek views in collaborative forums to get different perspectives on the design	
- Recognise the need to understand how the policy will be implemented	
- Don't raise expectations too high; be realistic in the design	
- Build scope for adaptive management into the design	
- Acquire experience in program implementation before you try to design one	
Adequate resources and timeframe	7
- Make sure you are properly resourced with administrative and program funds	
- Be realistic about what you can achieve with the resources and timeframe	
- Build extra 'fat' into the budget for contingencies	
- Avoid short-term political fixes for long-running problems	
- Have a 20-year time horizon for the outcomes and impacts	

Key lessons for graduates	Number of responses
Develop strong knowledge of government and policy processes - Understand and develop good and transparent policy processes - Understand how the system of government works - Understand how to secure a policy decision - Understand the range of possible policy tools such as legislation, programs, incentives - Understand the corporate context within the Department	6
Develop a clear, simple, coherent narrative - Distil the simplest statement that encapsulates the policy change - Explain why the change or reform is a public good - Communicate to the public how the response will address the policy problem - Adapt the narrative to changing political, economic, social and environmental circumstances	4
Measure the outcomes - Establish clear review, evaluation and monitoring processes - Develop measurable and achievable performance indicators	4
Strong personal attributes - Trust your gut feeling - Operate with integrity - Be fearless - Be adaptable and flexible - Don't be insular	4
Lessons specific to the graduate level - Identify a good mentor - Get your hands dirty by working in implementation - Don't get discouraged if your ideas are not picked up in the first instance - Question everything – ask why - Look beyond surface issues to understand deeper institutional and behavioural factors - Identify the key players in the policy process and how they can be influenced	4

Tables 4.3 and 4.4 above have much in common in identifying the key drivers of success. The additional drivers in Table 4.4 focus on the importance of knowing the players, their aims and behaviours. The advice offered by the interviewees in Table 4.4 is peppered with sensitivity to the context, political nous and personal courage, suggesting that environment policy can take place in a hostile context calling for the need to be tactical. Such skills are learnt in the crucible of policymaking, for example, when the first loss of program funds to a savings round occurs, or the first time a policy agenda is hijacked by another agency. This concept of the need to be tactical speaks to the notion of agency and is developed further in Chapter 6.

Although Tables 4.3 and 4.4 present the factors driving success as a list in order of frequency of citation, the interviewees did not discuss the factors in the sense of a checklist. In describing specific policy episodes, interviewees revealed how they adapted to circumstances as a policy process unfolded. Strategies included seizing policy opportunities, biding time, linking to other reform agendas, and marshalling support within the departmental Executive and the central agencies.

The following observation by Interviewee 38 shows how inextricably linked the factors in success can be. In discussing the origins of policy, the scope to engage in the policy design, the limited mandate and evidence base of the Environment Department, he provided two examples where the scope to achieve policy success differed because of the differing scope and capacity to negotiate the final design. He stated:

> I do think where a policy comes from is significant in whether the policy is going to be successful. I think the Environment Portfolio gets 'done to' by Governments a bit, in the sense that it has its agenda set by others and in conditions that it wouldn't normally choose. That is for a range of reasons. Maybe it is because we don't have as strong an evidence base as some of the economic and even social departments, so it becomes a contest of values rather than a contest of evidence and in a contest of values you get washed around a bit and buffeted from one view to another. To give you two examples: Measures for a Better Environment (MBE) was a deal done with the Democrats and given to the Department. For some of the initiatives that came out of the MBE package, I don't think our heart was into it and we didn't necessarily see it as good policy. The other one was the Multi-Party Committee on Climate Change. The Biodiversity Fund was an output of that but I think we were in better shape on that to negotiate the design.

The diversity of experiences discussed by interviewees highlights that it is not possible to prescribe set steps to success. The combined insights of Interviewees 22 and 24, summarised below, show how they approached the drivers of success listed in Table 4.3:

> Take the time to work out what the problem is so that you can be absolutely clear on what you are trying to solve. Work out what *in reality* the objectives *should* be. Work out beforehand how to tailor the program or policy for the particular circumstances of the community or geographic region and get the buy-in of the constituents, stakeholders or clients. Consult on the design, consult on the program guidelines and then consult again. Build in all the differing positions of stakeholders on an issue to deliver palatable and timely solutions to government and the public

> so by the time you get the tick off on the final design and you are up and running, you have ironed out a lot of the risks.

Both interviewees exhibited a highly practical bent to their policy development practices, but the elements of their success strategy were echoed in the responses of most of the interviewees.

4.9 Summary

This chapter has set out interviewee views on which policies were successful and which were seen to have failed. In their summation, few policies are clear failures such as the *Green Loans Program* and few are clear successes such as *Working on Country*. The majority fall along a continuum from failure to success. Interviewees saw policies with an economic base (such as fuel and air quality, ozone) as more likely to be successful than policies with biodiversity protection as their core rationale. The larger national policies and programs such as the *NHT,* the *EPBC Act 1999* and the *Home Insulation Program* attracted divergent views. This divergence provided scope to tease out interviewees' varying perspectives on policy success, and their varying weightings on which factors were more important in securing policy success.

Interviewees struggled to define policy. Over 94 per cent considered that environment policy did differ to other federal policy areas, due to the dominance of economic over environment imperatives and the mismatch between political and environmental change timeframes. The chapter then explored how the officials construed success. The majority of interviewees cast policy success primarily in terms of whether or not the policy had addressed the actual issue and had made an enduring and measurable improvement in environmental outcomes. A clear message from the interview responses was that meeting the stated objectives is a narrow construction of policy success. Interviewees understood that success also required meeting the political agenda of government and compensating in some way those negatively impacted by a policy. Whether stakeholders were satisfied with a policy outcome, and within the group of stakeholders, which ones held the most political clout, were key considerations in assessing policy success.

Over 90 per cent of interviewees had a strong sense of what policies would work and why. In predicting success or failure, they primarily took into account the extent to which the policy threatened economic interests, and the strength of the policy mandate. The scope to predict and pursue policy success was found to be limited in biodiversity policy, compared to the pollution control agenda. Achieving policy success in biodiversity required the convergence of a sound rationale, compelling evidence, political will and financial compensation. The Wet Tropics World Heritage area and the extension of the GBR MPA were provided as examples of this alignment, at least for a period. In the main, however, this alignment was absent.

The key factors driving success derived from the interviews (Tables 4.3 and 4.4) broadly accord with those identified in the literature in Chapter 2 (Table 2.3). The key to success was an understanding of how to mesh stakeholder demands with political imperatives, while delivering soundly based policy informed by evidence. In assessing the prospects for success, interviewees put great store on which particular policy officials were given the tasks of design and implementation. Finally, an important lubricant for securing success was the capacity to sell the policy in a clear and simple way that gave prominence to its economic benefits. This explains in part that, although environment policy issues were understood to be complex, in the factors for success 'simplicity' was a common theme. Sheer error, luck and serendipity were seen to play a part in policy success. Tier 3 interviewees were more likely to emphasise the level of chance involved, reflecting their lack of control. Some issues thought to be significant to policy success from a reading of the public policy literature were not emphasised by the interviewees, in particular the origins of a policy and the policy design.

The interview transcripts provide an insight into policymaking in one organisation over a 20-year period, from the stance of 51 policy officials. However, policymaking is characterised by unpredictability and uncertainty and there is a multitude of pathways from policy issue to policy outcome. Nonetheless, the interview transcripts do reveal that the experiences of the interviewees have much common ground. The findings reported in this chapter suggest that it is possible to codify, to some degree, the key factors driving policy success in the federal environment policy context. The following chapter addresses the second research question: **what are the key factors likely to drive policy success?**

Chapter 5: Key factors in policy success

How do you know something will work? I think you just don't know – you can only hope a policy will work. To me it all comes back to having objectives that really address the issue in an efficient and cost-effective way … You always come up with the same people who are sought out to do the hard policy development work … if you could define that set of qualities or capabilities and assess them – you would have your ingredient for success. Right now we do it by gut instinct – I am not good at it. It is all hit and miss (Interviewee 18).

Environment policy is often about trying to work out the best thing to do when you don't know what the right answer is. You make some hypothesis about it, you do certain actions and hope that this will be the outcome but you don't know that (Interviewee 40).

5.1 Introduction

This chapter discusses the ways the interviewees approached the factors they identified as key to success in the previous chapter. The wide array of drivers nominated by the interviewees in Table 4.3 highlights the complexity of dissecting the key factors in policy success.

The factors the interviewees rated as most significant were captured in Table 4.3. This chapter concentrates on a comparison of the way in which the interviewees engaged with three particular success factors, and the treatment of those factors in the literature. Not all factors are discussed in this chapter. Stakeholder consultation, clarity of objectives and the use of evidence are afforded priority (Sections 5.2 to 5.4) because they were deemed to be of significance by the interviewees and also because their responses to the interview questions reveal stark differences, in the way they approached the factors, and the treatment of those factors in the policy literature discussed in Chapter 2. Policy mandate (Section 5.5) is then discussed. Although it was not accorded high significance in the literature, interviewees found it particularly relevant to predicting and securing success in environment policy. Three factors (origins, design, resources) identified from the literature (Table 2.3) but not deemed highly significant by the interviewees are briefly discussed in Section 5.6. Finally, an overarching theme common throughout the interview responses in predicting and achieving policy success – the importance of time – is discussed in Section 5.7.

Where there was a strong convergence on success factors between the literature (Chapter 2) and the interviewee responses (Chapter 4), for example, the importance of robust and transparent policy processes, sound project management, performance measurement and evaluation, and adaptive management, such factors are not discussed in this chapter.

The basic conclusion by chapter's end (Section 5.8) is that the interviewees confirmed the suite of factors in success found in the policy literature. However, the analysis of how the officials went about pursuing policy success revealed some key differences between how normative

145

policy theory suggests policymakers *should* go about the business of policy and the self-reported behaviour of officials in this study. Genuine stakeholder consultation, clearly defined objectives and EBPM were more the exception than the rule. Rather, the interviewees over long periods of time kept an eye on opportunities to pursue what they considered to be good environment policy outcomes, often on a weak evidence basis. To be successful, interviewees were particularly alert to the importance of securing a strong mandate.

The statements by Interviewees 18 and 20 above are selected to introduce this chapter for two reasons. They reflect Mayntz's (1983) observation that policymaking is as much trial and error and instinct as a coherent and systematic exercise. Second, they capture the unassuming tenor of the interviewee reflections in that none professed to hold the answer to policy success. Just how the officials engaged with the factors of success is discussed below and is informed by specific policy episodes raised by the interviewees in order to tease out how the interviewees approached those factors in their efforts to avoid failure and pursue success.

5.2 Stakeholder consultation – deep engagement or a veneer?

Stakeholder consultation was the factor most cited by interviewees as a critical driver of policy success (Table 4.3). Their reasoning accorded with the emphasis placed on the importance of stakeholder consultation in the public policy literature. Interviewees listed genuine consultation inside and outside government and the fostering of long-term networks as principles of good stakeholder consultation.

In terms of consulting within the Government, interviewees regarded a broad coalition of support from their Departmental Executive, the central agencies, and other federal agencies as essential. Sound stakeholder management involved working out who the key players that the Department needed to influence in a policy issue were.

The Australian Government was regarded as having relatively strong whole-of-government consultative processes compared to many other countries. Interviewees considered the Australian Cabinet and legislative processes as (generally) a sound way of developing policy. They viewed the confidentiality requirements of the Budget process as a primary but necessary barrier to consultation on new policy proposals inside and outside Government.

Consultation outside Government was seen as having several important functions. When stakeholder engagement was used to gather information, as part of the scoping, diagnostic and design processes, success was more likely (Interviewee 46). Consultation that corralled support from those affected by the policy, especially where shared responsibility and shared accountability was embedded in the design, also improved the chances of success.

146

The policies assessed by interviewees as successful were built on collaborative relationships with the people affected. Interviewee 04 expressed that sentiment in the context of NRM policy:

> I find if you sit down with a farmer or fisher and ask do they want their grandchild to be able to farm or fish – as their grandparents may have done – they say 'yes I do'. So you start to have a discussion on common ground about protecting resources.

Interviewee 30 articulated the importance of intensive stakeholder engagement with the opponents of MPAs in order to minimise the conflict with economic interest and any political backwash:

> Another success area is marine bioregional planning and the MPA work that the Division Head is doing. That is very, very good in its policy development and program implementation. It has all sorts of potential for failure. It is a political process. In the last election you could say two seats were lost on the Queensland coastline on the issue of local recreational fishers' response to the policy. They were concerned the Commonwealth was taking away their fishing rights. So the policy had the potential to blow up quite a bit.
>
> Success came through very deep stakeholder engagement with the commercial and recreational fishers and the environment conservation interests and the close involvement of the Minister and the really good work by the Division Head's team – they were able to keep moving ahead in a fraught environment. So the conditions for success turn on understanding the stakeholders are deeply engaging all the way through, not just at the end. But we need to wait and see. For success you need a strong evidence base and strong technical information. We have that in the marine work, as there was a long history of collecting the scientific information.

Interviewee 30 proved to be correct in his prediction. Seven months after the interview Minister Burke (November 2012) announced the final National Representative System of Marine Protected Areas (NRSMPA).

Interviewees recognised that stakeholder support, secured through consultation, was often necessary for successful implementation, as the Government often had to rely on third parties such as the States, firms or community groups to deliver a policy. Interviewee 31 explained:

> There needs to be a willing constituency over and above the bureaucracy because successful environment policy has to happen through people doing stuff on the ground. Unless you have a mechanism for mobilising or harnessing that you are more or less stranded. That is a key measure of success as the Commonwealth is not the primary land manager.

Unlike social policy, where the negotiation is often about agreeing on priorities within limited budgets, in environment policy the negotiation was often between "sharply divided and competing sets of interests and they are all at the negotiating table" (Interviewee 30). Policy success was therefore contingent on bringing powerful opponents on side. A threat to success was the emergence of uncompensated "losers" who could cause problems at the political level. Interviewee 41 emphasised that a key aspect of stakeholder engagement was ensuring that a policy generated no 'unhappy campers' or disaffected parties:

> One of the key flags is where are the winners and losers, and therefore where are we going to have to concentrate our efforts to try and get outcomes we want? How can we try and mitigate the impact on those who miss out?

The failure to understand the implications of disenfranchising a stakeholder group forced the Rudd Government to reinstate funding for small regional groups that had previously received *NHT* funding but could not meet the more stringent guidelines of *Caring for Our Country*. Interviewee 20 described how, from his vantage point in the Minister's Office, the failure to understand who won and lost from the shift forced the policy about face:

> We didn't get an analysis of who the losers were going to be [from shifting from *NHT* to *Caring for Our Country*] and that was the start of a whole set of problems. Under *NHT* there was a lot of *ad hoc* one-off grants for small and larger individual organisations. Some of the losers we anticipated, but there were lots of little losers. We didn't have a comprehensive review of that – the losers – they were lumped as 'other' but they kept popping up. There were many who didn't fit the *Caring for Our Country* model. We didn't have a sense of that. The losers were louder than the winners and we had to reinstate funding for small grants.

Interviewees revealed three main tactics to ensure those negatively affected by a policy were accommodated in some way:

- through information, as in the example of the Secretary of the Environment Department exposing central agency senior Executives to the work of Indigenous ranger groups in the Northern Territory (NT) (Appendix 6)

- through compensation, as in the case of the Wet Tropics and GBR expansion

- through regulation.

Several interviewees drew a clear distinction between engagement and agreement. Rather, consultation provided an efficient avenue for testing the veracity of information provided by different stakeholders with varying interests; testing the policy idea outside the realm of the Canberra public service; and uncovering the potential risks, negative impacts and likely opposition. As Interviewee 48 pointed out, consultation was essential but achieving consensus was not:

> Make sure you cover off the losers; that you effectively engage with those affected. You need to have sign-off by all the relevant parties and stakeholders. You need to at least have the buy-in by those most affected. They don't have to all agree, but they have to be engaged and have had an opportunity to have their say. You can't develop policy in splendid isolation from within the Canberra thought bubble (Interviewee 48).

For policies that were highly contested, interviewees discussed how they used the consultation process to understand extreme resource exploitation positions or extreme green positions, so that the stakeholder could be outflanked by demonstrating that their position was not credible or defensible (Interviewee 43). Some interviewees had a deliberate strategy of engaging with the

most vociferous opponents of the policy as a way of understanding the opposition and creating a space to neutralise their position. This occurred for example in engaging with fishing interests in the marine policy, where interviewees adopted three strategies. Firstly, they amassed a body of sound evidence to demolish the fishing industry opposition to aspects of the *MPA agenda* where that opposition was not based on science. Secondly, they brought the opponents within government into the policy process, as Interviewee 42 explained:

> Bring your enemy into the camp, for example, the Industry Minister, so they can see what you are doing (Interviewee 42).

Thirdly, several interviewees explained how they pursued deep engagement with those impacted by the policy. Although, as Interviewee 15 explained in the *MPA* policy context, authentic consultation with a policy opponent could lead to accusations of "letting the fox into the hen house".

Interviewees acknowledged consultation processes could be counter-productive, and were attuned to the risk of too comprehensive a consultation. In the early phase of the South-east RMP process, stakeholder consultation was excessive, to the extent that engagement became unmanageable and unproductive.

In regard to the risks of open and comprehensive consultation for the policy official, Interviewee 03 found that:

> The role of networks and alliances [within government and within stakeholder groups] in my experience of policymaking and implementation can be your downfall. It is a vexed issue. Networks and alliances can be useful but many existing networks will use information to their own advantage. It is hard to balance that. There can be misuse of information across forums. There is a risk in terms of government confidentiality, so providing information that comes from within the government can be used against the policy developer. Networks are limited in the policy development sphere because of confidentiality issues in developing policy within the Federal Government. You can have very open, public consultation processes using established consultative mechanisms to get around this, rather than using informal networks, which can be risky. You do need to be careful of vested interests when consulting.

In summary, all interviewees considered that the role of stakeholders is key, and that a policy official should always consult. Interviewee 50 underscored the importance of stakeholders when he expressed success as conditioned by the extent to which the Commonwealth was able to "buy" the States' co-operation or "bully" them through regulation. At the same time, the interviewees themselves recognised that 'stakeholders' is a misused term.

One of the enigmas revealed in the transcripts was the emphasis on the importance of stakeholder consultation (as outlined above) as a principle of good policy, juxtaposed with the lack of actual engagement with the real-world stakeholders in around 60 per cent of the

interviewee responses. In those cases, stakeholder engagement was undertaken from a distance. Where consultation occurred, it was not always with those directly affected by a policy.

A leading Australian policy theorist, on reading the de-identified interview transcripts, observed that the references to the importance of stakeholders lacked substance because the references to stakeholder consultation were generic, abstract or vague. They were rarely specific, or were through a third party such as a peak body. An NVIVO 10 analysis of the stakeholder references confirmed this observation.

A surprisingly low number of interviewees, 19 or around 40 per cent, spoke of stakeholder consultation in specific terms. For example, they referred to actual industry or community organisations and face-to-face interaction.

Two examples are provided of where consultation was observed by interviewees to be less than genuine. In the case of *Caring for Our Country*, consultation outside the Government occurred after a decision was taken and thus was regarded by the policy officials as tokenistic. Interviewee 40, when asked what involvement external stakeholders had in the policy idea and design of *Caring for Our Country*, explained:

> The stakeholders came in afterwards. They had been involved. There had been lots of negotiation with stakeholders before Garrett came in but in that period between him coming in and saying he wanted something completely different and us having sorted out his line, we didn't have any engagement with the stakeholders at all. After it was decided we had to go out and talk about how we could tweak the delivery and the design to meet concerns (Interviewee 40).

The Caring for Our Country Review (2012, 7) of the program found that the program design would have benefited from broader consultation with the community on the setting of targets and outcomes.

A Tier 2 interviewee gave the policy process leading to the *EPBC Act 1999* as an example of failure to consult resulting in, in her view, a weaker policy:

> I think the policy intentions behind the Act were right but I have actually seen the original Minutes from 1998 that said we have got our policy and we have drafted the law and now we are going to go and consult with people on the design of the administration and putting in place the systems we need to get the data. They did it in a linear way and now I think we are seeing the fruits of that approach … in an Act that is now inefficient and ineffectual.

Among interviewees with deep experience outside the APS and outside Canberra, there was a clear recognition that authentic consultation with stakeholders is rare. Interviewees at the Executive Level 1 who had joined the Department after close engagement on environmental issues outside Government held the view that – in the Department and in the APS more broadly – there was a reluctance to genuinely consult. For example, Interviewee 46, who had lengthy

State Government experience, compared the immediacy of the nature of engagement in those experiences with the more removed nature of Commonwealth engagement with external stakeholders:

> I had observed before I went to the Commonwealth that, from the State perspective, the Commonwealth didn't actually engage with the stakeholders. In a State Government, if you are the one issuing water licences it is hard not to have a detailed set of engagements at that level. You are caught up with stakeholders in flood, you are caught up with them in drought.

Interviewee 44, who also had high-level experience in State Government, strongly cautioned against thinking the answers to a policy conundrum could be found within the walls of the Environment Department or in Canberra:

> One of the downsides of Canberra for me is the second and third generation who have been bred, born and schooled in the most privileged city in Australia. Their university experience may have been at one of the best universities in Australia, all within their hometown. So their world experience is limited to this place and I don't think that is very helpful in public policy. This increases the risk of a centralist, 'Canberra knows best' view. I think that is the very thing that people outside Canberra hate. So get out of the walls. The Commonwealth works to deliver across all of Australia.

The interviewees who commented on the distant or remote nature of stakeholder consultation by the Department attributed the lack of authenticity to a reluctance of Canberra-centric officials to engage beyond Canberra or beyond peak bodies. This aloofness was compounded by the constrained timeframes for many policy processes. In the Howard Government era it was also compounded by that Government's preference for consultation to be contained at the peak body level.

Interviewee 02, who had joined the Department from an NGO background, spoke of taking her senior managers, both long-term Canberra policy officials, to remote Indigenous country to be "bloodied"; that is, to be exposed to the stakeholders. Interviewee 22, who had presaged the failure of the *Home Insulation Program*, also observed how front-line consultation with the program target was a key to success in the *Working on Country* program:

> *Working on Country* is successful because it can be calibrated to suit the local area. It is regionally specific to meet local needs. Consultation occurred with those affected by the program. The right stakeholders were consulted with and the program has meaning for the community (Interviewee 22).

Interviewee 02 contrasted her experience of consultation when working in an NGO with her observations and experiences of the narrow approach to consultation by the Government generally:

> Land Councils are the primary stakeholders: they own half the land in the NT; they are closest to the people on the ground. They are at the coalface. No one sits down to chew the fat in a genuine way with the Land Councils to say as government, 'these are the resources we can bring to this issue' [although *Working on Country* did]. With NGOs you learn that change comes through

151

> strong partnerships to achieve policy outcomes. In the APS the process in more unilateral whereas in NGOs, because you have to garner broader support, you end up with something that is ground-truthed, negotiated and more fully formed. Public policy in the APS ends up being a bit half-baked and lacking in rigour, a bit tunnelled rather than expansive because of the more limited consultation.

Overall, interviewees subscribed to the principle of stakeholder consultation but in practice their descriptions of specific policy episodes revealed they were at times risk averse and defensive in the way they actually engaged. At other times, they were highly tactical.

Three common themes in their approach to consultation were a desire to:

- limit the risk (from the Minister's point of view) of surprises from disaffected stakeholders

- ensure that negatively affected stakeholders were sufficiently financially compensated to limit opposition to an environment measure

- garner ammunition to neutralise unfounded, unjustified, or extreme opposition.

Interviewees acknowledged that the Government did not always genuinely consult. They saw genuine stakeholder engagement as an indicator of likely success, but the interviews revealed that engagement with 'stakeholders' was superficial and process-driven. There was a disconnect between the Canberra perspective and the on-ground 'rubber hits the road' perspective, with a paramount need to ensure any 'losers' from an environment policy were adequately compensated.

Where solid stakeholder engagement did occur, the driver was not necessarily to provide for community or industry engagement or to improve design, but rather to guard against the possibility that ministers find out later that a key constituent or stakeholder had been alienated (Interviewee 04). The approach to stakeholder consultation exhibited by the officials in this study appeared to be guided more by an intention to minimise the risk of sources of policy derailment through controlling stakeholder engagement than by any good public policy principles of stakeholder engagement. This perhaps is one of the "dark corners of public policy" McConnell (2010b, 234) spoke of (Chapter 1).

In summary, an analysis of the transcripts suggests that much of the theoretical presentation of stakeholder consultation as a factor mediating policy success requires some refinement, at least in the environment policy context. This disingenuous element of stakeholder consultation identified in the transcripts has been observed by public policy theorists such as Stewart (2009a, 19). In discussing the forms and styles of consultation in the APS, Stewart noted that, although engagement improves the likelihood of successful policy, many federal public servants express a degree of ambivalence in opening up the policy process to outsiders. She observed that an

understanding of the differing stakes for politicians, officials and communities is required for APS policymakers. They need to balance the rewards of engagement (enhanced legitimacy and better information) with the risks of capture (backlash and confused accountabilities) (Stewart, 2009a, 75). Stewart (2009a, 1) argued a case for public servants to be adventurous in applying their judgment to balancing these rewards and risks. Echoing Stewart's understanding about how stakeholder consultation should be handled in the APS, Lindquist et al. (2013) compiled recent examples of a more open approach to engaging with citizens in the formation, design and delivery of policy in Australia.

5.3 Policy objectives – clearly defined or blurred

A logical link between issue and solution, expressed through a clear statement of objectives, is axiomatic for success in the view of both the theorists (Chapter 2) and the interviewees (Chapter 4). In particular, for the interviewees, the scope to predict and secure success depended on the robustness of the rationale for intervening or not intervening. Interviewee descriptions of their policy experiences reveal how this simple injunction – have a clear rationale and objective – is vexed in environment policy.

Some of the examples of policy objectives raised by the interviewees were clear and achievable. For example, the national policy on *fuel quality* aimed to harmonise the multitude of standards in the States with international standards, so that Australia could benefit from cutting-edge vehicle technologies that reduced air pollution and greenhouse gas emissions. In a small regional example, the Launceston Woodheater Program aimed to remove wood heaters to improve air quality and associated health outcomes in a local airshed by reducing particulate pollution from wood. Conversely, the *NHT* (Table A4.2) and the *EPBC Act 1999* were provided as examples of ambitious, vague and unachievable objectives.

Within the wide range of objectives in the policies discussed by interviewees, two main patterns can be extracted:

- environment policy objectives are intentionally masked behind economic or social aims, or there is a blurring, to favour overriding economic or social aims

- there is an unintentional lack of clarity, arising from a lack of intellectual rigour in the crafting of the objectives.

These patterns are discussed below.

Deliberate masking or blurring of policy objectives

Government can be reluctant to invest significant budget funds for protecting the environment. Reasons can include the lack of short-term electoral appeal of environment measures and the real or perceived dampening effect of environment policies on economic growth. As a consequence, policy officials, by their own admission, 'dress up' environment policy objectives as employment, productivity, community engagement, health, welfare or other more saleable objectives.

Where there was a lack of concordance between the underlying and stated policy objectives, there was often a parallel weakening in the logic underpinning the policy rationale. This disconnect required fleet footwork on the part of the policy officials to drive the policy towards success. As Interviewee 28 stated, "you need to be a bit oblique about it". That is not to say that linking an environment agenda to a broader related agenda is necessarily a questionable approach.

The deliberate conflating of policy objectives is demonstrated in the interview responses. For example, the architects of the *Working on Country* program were motivated by a desire to protect biodiversity values in large tracts of remote and regional Australia. They identified the 2006 Indigenous welfare and employment reform process of the Howard Government as an opportunity to secure funding for environmental purposes. Interviewee 43 explained that the underlying rationale for the *Working on Country* program tapped into the deep culturally rooted way in which Indigenous people connect with and care for country. At the same time, it provided a way of managing environmental values on Indigenous tenure in remote areas. The policy narrative presented to government, however, gave the program a rationale of providing employment for Indigenous people in remote areas where few job opportunities existed, at a time where government policy aimed to shift people from the former Community Development Employment Projects (CDEP) program into mainstream welfare payments or paid employment. The Government's underlying political aim of minimising a negative community response to the staged abolition of the CDEP program was consistent with the stated objective of providing employment to Indigenous people in remote areas to undertake environmental work. The primary objective of jobs was measurable and was met. This allowed the more difficult secondary objective (protecting environmental values on Indigenous land) to be pursued, provided the primary objective continued to be met.

This intentional diffusion of the objectives of a policy across several policy agendas, as exhibited in the case of *Working on Country*, is perhaps a subtle yet significant finding. Policy

officials imbued the *Working on Country* policy concept with sufficient breadth, thus allowing a flexible interpretation in implementation to meet several policy agendas simultaneously.

Lack of clarity in objectives commonly arose where a political agenda influenced the framing and phrasing of the policy objectives. For example, Interviewee 45 argued the *real* objectives of *Caring for our Country* related more to community engagement than the stated objective of biodiversity protection. In that way, the stated objectives of a policy were at times deliberately conflated by politicians. Interviewee 48 observed, after working on biodiversity policy for 27 years, that arguments for new environment measures were increasingly being cast (by 2013) in terms of objectives which reflected community, electoral and political concerns at the time. He stated:

> Surprisingly, environment has moved down the pecking order of public concern from one of the top five to one of the bottom eight or nine policy issues. It is not front-of-mind. Climate change has become a number one issue and 'environment' has come to equal 'climate change'. If a policy idea (such as threatened species or biodiversity) is not about climate change no one is interested.

Where the political intentions behind a policy were not reflected in clearly stated policy objectives, the policy had less chance of success, as in the case of the *EPBC Act 1999* and the *Home Insulation Program.* In the case of the *EPBC Act 1999*, Tier 1 and 2 interviewees interpreted the lack of clarity in the objectives as a political rather than a policy failure. Their reasoning was that the decision in each controlled action on where to strike the balance between conservation and development lay with the Environment Minister. The Minister could apply the Act to give greater consideration to development (with conditions) than genuinely protecting environmental values of importance to Australia. The Hawke Review (2009) sought to address this confusion of objectives in the Act by recommending that the Act be renamed the Australian Environment Act. Hawke's intention was to give, through the very name of the Act, clear prominence to environment protection in the objects of the Act. That recommendation was rejected by Government (Department of Sustainability Environment Water Population and Communities, 2011b). For Interviewee 49, this failure to bring clarity to how environment and development imperatives were to be balanced in the implementation of the Act was a core issue.

Several interviewees (12, 16, 18, 45) observed the same conflict between economy and environment in the objectives for the *Home Insulation Program*. Interviewee 12 summed up that view:

> The *Home Insulation Program* was absolutely a failure – the primary flaw was that it was focused on job creation, not on the environment benefits of home insulation. From the point of view of the environment, it certainly failed. It didn't fail in that it did stimulate the economy and the funds were spent and it created the original jobs, the retrofit/fix up jobs and jobs for public servants. It was highly successful for job creation but for all the wrong reasons.

155

A Secretary-level interviewee with extensive environment policy and central agency experience observed that the *Home Insulation Program* had both unclear objectives and a hopeless mix of objectives.

Unintentional lack of clarity arising from a weak intellectual framework

The second pattern in the definition of policy objectives observed in the interview responses was an unintentional lack of clarity, which arose from unclear thinking on the part of the policy officials, combined with a lack of evidence to support a case for intervention. This pattern became apparent in the comparisons interviewees made between the clear objectives of 'brown' pollution control and the more opaque objectives of the 'green' biodiversity agendas discussed in Chapter 4. They considered the underlying rationale of much biodiversity policy to be unclear, because the issues and technical solutions are difficult to define with any precision and multiple variables are at play. As a result, often the need for intervention lacks a broad consensus across government, industry and community (Interviewee 11).

Several interviewees attributed the failure of the suite of biodiversity policies to the lack of clear thinking around the underlying rationale. Interviewee 31 considered the underlying rationale of biodiversity policy needed to shift from the traditional focus on protection of individual species and fragments of the landscape as special places to a broader rationale which links the protection of biodiversity to water and climate change policy.

Interviewee 45 argued that the stated rationale of biodiversity policy (protection of genetic, species and ecosystem biodiversity for genetic evolutionary purposes) was scientifically sound and consistent with international and domestic agreements on biodiversity, but was not a realistic objective. In his assessment, biodiversity policy based on a more immediate, tangible anthropogenic or practical rationale, that the general public could relate to, say the importance of individual species such as the koala to Australia's national identity, would have more scope for success than a science-based rationale. He concluded:

> We need to be dealing, in the end, with policy drivers that are a lot closer to public values than the underlying unstated objectives of biodiversity policy. It would be better to accept that and articulate the policy in a way that aligns more closely with where the public is (Interviewee 45).

Interviewee 45 was not questioning the scientific basis of the current biodiversity objectives. Rather, he was making a case for weak political logic, combined with a lack of honesty and a limited evidence base, in the way the Government persisted in stated biodiversity policy objectives. He elaborated:

> Is all biodiversity important or is the issue around individual species survival? In the absence of any other rationale we fall back on the expert advice of a random x per cent protection of a

156

> certain type and hope that means some benefit to genetic diversity and evolutionary biology. But that is a weak argument and in a constrained political and resource context completely unfounded. But we have in biodiversity policy no other basis than that. We don't have an alternative policy basis. The whole basis of biodiversity policy is poorly thought through. Often the articulation of the objectives is not to do with biodiversity but with other cultural values. For example, why we want the mega fauna preserved – they hit a cultural nerve. We would be better off being more overt about our objectives than I suspect we are (Interviewee 45).

Similarly, Interviewee 06 identified the questionable policy logic (widely observed by interviewees closely engaged in the *RFA* process) in expressing biodiversity conservation objectives in terms of arbitrary reservation targets:

> There were a whole lot of problems in that policy development process. Everybody talked about science and how the process would be science led – but in reality it was politically driven. So the reservation benchmarks were the result of negotiations, not empirical science – so the result was an arbitrary 60 per cent protection threshold for Old Growth forest. In the context of only 10 per cent of Old Growth forest left, I argued 60 per cent was clearly an abuse of the science and should have been 90 to 100 per cent. This however was not politically possible so a set of arbitrary thresholds was agreed. For example, a 15 per cent overall threshold, because a report the Worldwide Fund for Nature had written ten years earlier said that is what adequate representation looked like. Within the constraints above, the Environment Department actually did a very good job maximising the possible environmental outcome from the forest reservation criteria. There was enough creative ambiguity within the criteria to ensure that the outcomes could go either way. There was enough in the first draft to predetermine this creative ambiguity.

Interviewee 06, however, saw the poorly defined objectives as an opportunity rather than a constraint in terms of protecting forest values.

The *Green Loans Program* is another example of lack of clarity in articulation of policy objectives. The very name of the program reflected this. The name was a misnomer, as the bulk of funds were to support home assessments, rather than for the so-called 'green loan', which was actually more of an offset (up to about $2,000) for the interest cost to the home-owners (Table A4.2). Further, the objectives of the program conflated welfare and environmental objectives. The program aimed to assist households that might not otherwise afford the up-front capital costs of water and energy efficiency measures, but access to the program was not means tested. The lack of clarity in the program objectives led to fundamental design flaws resulting in the program's termination.

In summary, interviewees recognised that a careful definition of policy goals required clarity around why the policy is going to make a difference to the environment, and why the Government would want to carry it forward. They were acutely aware that a policy rationale based on ecological grounds may be of little consequence to politicians. Selling the policy therefore required it to be 'dressed up' as something other than an environment policy.

The normative theoretical literature and practitioner guides to effective policymaking discussed in Chapter 2 are unequivocal on the importance of the clarity in objectives to policy success.

157

The analysis of the interview transcripts above exposes mixed messages, compared to the literature. The two approaches for specifying policy objectives explain in part why it is difficult to analyse environment policy success. Environment policy objectives were at times masked within a more palatable national policy agenda such as employment, industry, welfare or health. At times, politicians were perceived as presenting a policy goal as an environment agenda, but in reality the policy aimed to support an economic or vested interest. Objectives could be obfuscated through a lack of intellectual rigour on the part of policy officials, compounded by weak or absent data.

Interviewee 18, musing over the case for linking environment policy objectives to non-environment objectives, identified the underlying key to success: the actual intent of the Government:

> It does make you wonder whether environment programs should solely be about the environment or if they should have other non-environment objectives in order to be successful. The *Home Insulation Program* had a single objective: stimulus and jobs. It wasn't really about the environment. That was what just happened to occur, a bonus, an accident. It was not a genuine intent by the Government. Surely, there were more efficient, cost-effective ways to deliver the energy efficiency outcome, than spending that sort of money.

5.4 The role of evidence – EBPM or 'flying blind'

Consistent with policy theory, there was a consensus among interviewees that the use of evidence strengthened the prospects of Cabinet support for a policy proposal and successful implementation. Within that consensus, however, there were many nuances in how the interviewees approached the principle of evidence-based policy.

A first consideration for interviewees was the difficulty of securing a decision by government on a policy matter. That step was considered by Interviewee 01 as being far harder than amassing sufficient evidence to support the case for change. In the Murray Darling Basin, Interviewee 47 identified how a crisis was necessary to secure a decision to act, even though the case for action could be made on the basis of the evidence:

> You can get the evidence to figure out a policy change but getting that policy change introduced in a systematic way can take years. If you establish the facts you are halfway there, but if you have no evidence base it is very rare that you will get a policy change up that will actually stick. In the Murray Darling Basin, there was 100 years of inaction when everyone knew that the water was over-allocated 20 to 30 years ago. Despite that clear evidence, there was a lot of talking and processes but no real policy action until we had the 10-year drought and then suddenly we had to do something.

Setting aside the difficulty of securing a policy decision in the first place, evidence was considered fundamental because environment issues can be highly contested, emotional and ideological and can affect economic interests. Opponents in Cabinet could cast sufficient

uncertainty on a policy proposal, as had occurred in climate change and water policy, by questioning the science or the modelling, or by ignoring environment values even in the presence of robust data (Interviewee 46).

A Tier 1 interviewee, on arrival from PM&C, compared the relationship between evidence and the scope for policy success, in environment policy and other policy contexts where the evidence base can be more robust. Interviewee 30 quickly came to the view:

> In terms of data, we are thin on the ground in environment compared to health and education policy where there are much richer, deeper data sets and more research institutions.

Interviewee 49 noted that evidence to support environment policy was costly and time-consuming to secure:

> If I was trying to solve environment problems as quickly as possible, I would make a significant investment in gathering and assessing and analysing the data. I am skeptical about how far we have come – I think we are pretty much flying blind. Evidence is absolutely important. We need a lot more evidence otherwise we are flying blind – like driving in a fog.

A new policy proposal had more chance of making the passage through Cabinet considerations if a strong case could be made on the economic benefits of a policy. Interviewee 04 gave the example of *Fuel Quality Standards*:

> Where we have had success in environment policy is where we have had good economic data about the benefits of the policy, for example, in *Fuel Quality Standards*. That is a classic example. We could quantify the health benefits of improved air quality and so the policy got approved. The inability to argue the economic value of the environment is a primary barrier to policy success. Public policy discourse is dominated by economic thinking and because environment values are largely intangible and difficult to quantify economically, the arguments in favour of continuing to damage the environment win out, because protecting the environment will affect a sector of business or industry.

In making policy decisions, the Government was observed to place more weight on Treasury economic evidence and modelling than ecological scientific evidence (Interviewee 07). This preference was compounded by the cost and difficulty of amassing environment evidence. Interviewee 21 mused on how the policy case can be based on intuition as much as hard scientific evidence:

> We do use blunt policy instruments. For example, we aim to remove a specified level of fishing effort. For now, the level is set down intuitively. Often the rule of thumb is good enough to go by, but it is hard to defend. That is where we are in water policy. We don't have the evidence to determine how much water should be left for environmental flows. We don't know if what is provided really makes that much difference. Peter Cullen[25] had a rule of thumb of two-thirds for environment; one-third for human use. You can look at success at that level. Often the intuitive/rule of thumb measure is surprisingly right. We do have small pieces of the information and a good understanding of aspects, such as the ecological response to changes in the

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[25] The late Professor Peter Cullen was a preeminent Australian water science expert who provided extensive expert guidance to the Department on water issues over a long period.

environment flow. In terms of theoretical biological conservation, we can assume a certain volume will make a difference.

Interviewees also took a flexible approach when marshalling hard evidence to substantiate policy outcomes. Interviewee 11, a policy official with over 25 years' experience, considered the capacity to measure the outcomes of a policy the first predictor of success. However, he saw the nature of that evidence as elastic. For him, the most telling gauge of success was whether the Environment Minister would be able to stand up and state, based on the evidence, that the program had worked.

In the case of the *IPA Program*, Interviewee 11 did not try to measure outcomes in terms of changes in biodiversity. The timeframes were too long, the variables too many and the $5 million per annum scale of the program too small to warrant the cost of measuring changes in biodiversity. He did, however, provide a compelling story of success for successive Ministers, by adopting measures defined by the Productivity Commission relating to overall measures of Indigenous disadvantage instead. In his view, his approach measuring outcomes of an environment program in terms of quantifiable social outcomes was the one reason for the success of the *IPA Program:*

> You do need some kind of pseudo measure of environment change but I was more cunning than that. I was working within a conservative Government. The Productivity Commission had done a report on Indigenous disadvantage (*Bringing Them Home*). We framed the *IPA Program* in their framework and language, as it was a language (efficiency, effectiveness) the Government could understand and appreciate and support. So this was one reason for the success of the *IPA Program* (Interviewee 11).

Examples of the varying degrees to which evidence was used to make a policy case ranged from a lack of evidence, to an excess of information leading to policy paralysis. In crafting the *Working on Country* policy case, officials found, at the time in 2007, there were no scientific health research findings to support the rhetoric around the social and health benefits of Indigenous people caring for country.

The forest and marine regional plans were based on the extensive collation of industry and conservation evidence, but in both cases the overly long data-gathering phase meant hard decisions on access to forest and marine resources were delayed. The RMP process in particular became paralysed by the collection of extensive information on the marine estate. Interviewee 04 summed up why an alternate approach may have delivered success earlier:

> The RMP process was diabolical with zero delivered (except the one plan in the South-east through the efforts of Mark Tucker). It started in 1998-99 with only one plan completed (the South-east RMP) [by 2004]. The RMP model was back to front. It required the data first and then the profile (the big story) and then with all that information the plan was to be written and then the MPAs put in place. I would have gotten a Cabinet Decision for the MPA first. Then I would have written the template for the plan and used that plan to fill the data gaps later.

The comprehensive scientific evidence collected in the *RFA* and *MPA* policy processes supported the negotiations between governments, industry and conservationists, although final decisions were often based on political judgments rather than the ecological evidence. On balance, however, the interviewees regarded success as more achievable when there was sufficient hard evidence to defend a policy case.

In other examples provided by interviewees, the policy was so rushed that there was insufficient time to gather evidence, apart from what the Department already held, or what could be gathered from industry but remain unchecked. The policy development to support the case for the *Home Insulation Program,* for example, was finalised over a three-day long weekend in January 2009. Mary Wiley-Smith, a Band 1 officer, stated at the Royal Commission hearing of 17 March (2014, 39, 43, 105) that the costings were done quickly by her and another Department of Environment official who together crafted the initial proposal. They were asked not to contact the insulation industry or other parts of the Environment Department in that timeframe. Further, there was no published analysis of just how funding short-term contract work for unskilled labourers on a scale that required imported product would contribute to economic stimulus. Information available at the time on safety risks associated with laying foil insulation was not given sufficient weight. Ultimately, 30 per cent of all of the 58,281 foil installations were removed (Office of the State Coroner, 4 July 2013, 63-64). Finally, the initial estimates of the environment benefits of the program were poorly based and the actual environment-related benefits were never measured.

Interviewees identified further challenges in achieving evidence-based policy, even where the evidence is available. Interviewee 39 exposed how poor and uncoordinated handling of environment data confounded effective implementation of the *EPBC Act 1999*. She explained how the absence of a structured data system to record and monitor decisions taken under the Act made it impossible to measure its effectiveness:

> There is a complete disconnect between the *EPBC Act* and the SoE Report. Under the Act we give approval for six months to 20 years for an activity, subject to conditions. The data on the conditions of the permit is coming back to the Department on pieces of paper. Some finds its way into species databases to produce maps: those data bases held are more than five years old. So, if we get a new referral, for example, that says my proposal is going to affect the orange-bellied parrot, we can't supply the information electronically to the assessing officer and it is five years out of date anyway. So how can you have an effective monitoring regime with that? The chapter authors for the next SoE will not have current or dynamic data to measure the state of the environment. It is a gigantic job. There are decades of work ahead.

Although the *EPBC Act 1999* is the primary tool to protect biodiversity, its potential as an effective policy tool is constrained by the lack of integration of data systems across policy instruments. This lack of policy coherence was raised by many of the interviewees working at

the coalface of administration of the Act. They observed case after case of the failure to capture synergies between the Act and grant programs such as *NHT* and *Caring for Our Country*.

> I wouldn't say the *EPBC Act* has been good in protecting the environment. I think it was a good idea to bring all various pieces of legislation together in the one spot but when you look at it, having worked in the *EPBC* area and in *NHT* you are really conscious of the fact that on the one hand you are spending millions of dollars rehabilitating a hundred hectares of a native ecosystem and then in one decision under the *EPBC Act* you are allowing 10,000 hectares of the same ecosystem to be wiped out (Interviewee 40).

In addition to the problems created through lack of data and lack of integration across existing data systems, where evidence is available, a further challenge arises in that evidence is never neutral, it always comes with one hue or another – a fact that was widely understood by the interviewees. For example, ministers sometimes 'telegraphed' the parameters of a policy and officials then tailored evidence to suit. When appointed as Environment Minister, Burke 'telegraphed' his intentions in regard to the *National Population Strategy*.

Evidence is also viewed differently by policy officials and ministers. Ministers can require quick and visible outcomes delivered within the three-year election cycle. As Interviewee 24 stated, "Evidence is crucial for me but not for Government". Interviewee 07 explained why:

> Bureaucrats have nothing else to go on but evidence, so it is really important. They are not experts in the politics – that is the role of the politicians. The bureaucrat needs to be aware of how the politics and the policy intersect and to know what the limits are for them as an official on the political side. The bureaucrat can marshal the evidence but if there is no political traction on the issue there is no point putting effort into the issue on the bureaucratic level.

Interviewee 42 explained how the politics of a policy issue can override the evidence:

> In the end we weren't making much progress with Minister Garrett [in 2007]. We had all these policies swirling around. But they were useless; they weren't good policy. I didn't want to be around for them. I thought they were bad policy. For example, providing rebates for households for water tanks was completely bad policy. It is a lot cheaper and better to build dams. To fund household water interception devices is inefficient. Same with photovoltaic panels on roofs. Liberal and Labor governments have funded these. It is a ridiculous policy at a ridiculous cost and for bugger-all emissions reduction. Having the evidence and data to support a policy is so critical.

Interviewees explained that their task was to synthesise the available evidence into a coherent case that is as watertight as possible. In gathering evidence, the policy official is always running up against the time available. Interviewee 33's approach to dealing with sparse evidence, tight timeframes and the different approaches between ministers and officials to evidence, is enlightening:

> I could draft Cab Subs quickly because I probably had a good sense of what the case was, as opposed to gathering lots more information that the Minister needed to make the case to his colleagues to get a decision on the Submission. I knew to focus on how the Minister was going to explain the policy to his colleagues and get the outcome he wanted. I focused on the information we had rather than trying to get hold of more information in a short timeframe.

> Rather, I looked at, how can this information be presented in a way that is convincing? So I focused more on the presentation of the material. It is often the case that ministers in Cabinet don't read a whole lot and don't go into a lot of detail. They do need to understand the rationale and the benefits for them. And I was able to be succinct.

> The submission needs to be credible. How succinct and clear a Cab Sub is can make a huge difference as to whether a policy gets up or not. It turns a lot on the selling of it. Having a bit of understanding of how to present the ideas in a way that is attractive to the Ministers is important in getting policy up.

> You might have a strong case for a great environment policy, which will have a great outcome, but in environment policy that is not always enough. It would help if the Department has more experience in how to present the ideas to Government and to understand that the ideas need to be more attractive than just the environment outcome.

The interviewee responses outlined above give a sense of the nuanced way they approached the calls to base their work on evidence.

In the realm of theory, Howlett (2009, 168) and others asserted that better evidence could minimise policy failure (Chapter 2). Contrary to Howlett's conclusion, the interview findings suggest EBPM is a useful but not a sufficient step to avoid policy failure or secure policy success. Although interviewees regarded evidence as important, having a policy based on sound evidence was not a key predictor of success. The transcripts indicated several reasons for this finding.

First, the absence of conclusive evidence was rarely taken by policy officials as a reason for not pursuing a policy agenda, as Interviewee 25 explained:

> Trust the data that you do have – for too long environment policymakers have hidden behind lack of data and shielded behind what is unknown. We need to work out what we think, and stand behind it. The forecasts of GDP should have five pages of caveats but they have none. But we caveat our environmental forecasts all the time. We lead with the caveats. We need to put our hand on our hearts and say this is what we think.

Second, there was wariness among interviewees, if the call for more evidence was going to be used by opponents to delay or derail a policy proposal. Interviewee 34 argued:

> I don't think we need more evidence to support environment policy. We know what we need to do. It is Geography 101. Calls for more evidence can dissipate the policy effort by extending the timeframe. When a door opens you need to be ready to step through it straight away. The first thing you should do at that point is not go off and gather more evidence. Going off and searching for more evidence can risk losing that opportunity.

Furthermore, evidence could be gathered through implementation:

> Even though all the evidence might not be in, you have to go ahead. Implementation can't wait for perfect evidence. By implementing you start to build evidence (Interviewee 30).

These seemingly contradictory views between EBPM proponents and the interviewees participating in this study, as to the importance of evidence to policy success, can be summed

up in the following way. Environment policy does benefit from robust data sets, and a wealth of environment data is available. However, policy officials must often locate and synthesise evidence in tight timeframes. As a result, they are caught between substantiating a policy case in the absence of sufficient evidence, and garnering sufficient evidence to win the support of the central agencies and the agreement of Cabinet. Moreover, ministers have differing capacities to absorb comprehensive material in short timeframes. The flexible approach to the use of evidence discussed above was in a sense the 'adjustment factor' that allowed officials to seize a policy opportunity and deliver a policy proposal within the allocated time. For example, Interviewees 04, 07, 08 and 33 explained that they took an extremely pragmatic approach to collating the evidence – doing a quick scan of what was available and selecting what supported the policy case. They regarded the role of the policy officials as a necessary go-between, analysing and translating the evidence from the subject matter experts for use by the politicians.

Although interviewees were not thwarted in their policy efforts by a lack of data, they were attuned to the implications of the disconnect between research and policy. The interviewees saw researchers as struggling to provide policymakers with timely, definitive, easily digestible data. Their observation lends empirical evidence to the observation by Williams (2010, 206), the public policy theorist, that it is difficult for researchers to produce findings of sufficient succinctness and relevance to policymakers.

At the same time, the interviewees were aware that relevant academic research findings were at times ignored in developing policy options, and funding for policy rarely provided appropriate amounts to support relevant research (Interviewee 07). Interviewees recognised that researchers themselves were frustrated by the inability of policy officials to clearly specify their requirements, or translate scientific knowledge into policy action (Interviewees 31, 36, 41, 48, 47).

Interviewee 31, who had moved between the academic research and public policy sectors, explained why he left what he saw as the strictures of scientific precision and confirmability for the productive inexactitude of public policy. To him, policy was the art of the possible, where risks were necessary, and judgments "to test the policy depth to see how deep you can go" (Interviewee 31). He warmed to Head's (2008) formulation of the three lenses of EBPM, as they provided for traditional and practitioner knowledge alongside science-based evidence.

The above observations in regard to evidence may be particularly applicable to environment policy, where the complexity of the issues and the limited ability of science to provide objective and independent evidence conspire against EBPM as a failsafe step to policy success.

Recent rapid improvements in public access to electronic information have implications for the currency of any analysis of the use of evidence in policymaking. More public access has required policy officials and politicians alike to be clearer about the policy issue, the facts and their analysis. This change calls for more capacity for speed in accessing and processing information, and more attention to exposing all the relevant facts of the policy issue, because missing or incorrect data can be quickly exposed. It has required politicians to move beyond a "decide and defend" approach to one of a more open approach to data in formulating policy responses (Sydney Morning Herald (SMH), 28 December 2012, 6).

A case in point is that the father (Kevin Fuller) of the first young man who died when installing batts under the *Home Insulation Program* said he was able to find out late in 2009 in one Google search that the use of foil as an insulating material had been banned by the New Zealand (NZ) Government in their program (pers. comm. Oct 2009). Interviewee 22 pointed out that the hasty design of the program meant that lessons from experiences with similar programs in other jurisdictions were not sufficiently taken into account. Foil insulation was permitted under the program design in the interests of an extensive roll out and of not favouring one part of the industry over another, but poor work practices and the use of foil insulation proved a fatal mix (Office of the State Coroner, 4 July 2013). The fourth fatality occurred on 4 February when Mitchell Sweeney died from electrocution when laying metal-based insulation sheeting. Five days later, the use of foil under the program was suspended, 11 months after the program had commenced and just ten days before it was terminated. The evidence on the risk of foil installations, including the three fatalities in New Zealand, was publicly available but was not used to set the policy parameters.

From the discussion above, it can be concluded that for the interviewees the absence of a strong evidence base requires careful management: evidence alone is necessary but not sufficient for success. An inordinately long period to secure sufficient evidence can be a barrier to success where lack of data is used to undermine a policy case or achieve a policy decision.

Interviewees observed that where evidence is available there has been a notable failure on the part of the Department to 'join the dots' between the evidence available on the impact of environmental programs, on decisions taken under the *EPBC Act 1999* and in the successive SoE Reports. This lack of integration has constrained the scope to secure successful environment policy outcomes.

In summary, in regard to the prediction and pursuit of policy success, interviewees identified the relationship with stakeholders, clarity of objectives and the use of evidence as the most significant factors. Engaging with stakeholders involved mimimising unpalatable surprises for

the Minister by making sure no disaffected party was left unattended to. Although interviewees conceptually understood and emphasised the importance of clear objectives, they often resorted to masking environment objectives behind economic or social aims, or were given policies to deliver in a way that achieving the stated environment objectives was unachievable. Officials rehearsed the call for EBPM found in the literature but confessed that much policy they had been involved in either was founded on scant evidence or ignored key information. As Interviewee 36 concluded after close involvement in many new policy proposals:

> It is difficult to get or give evidence on why we take certain policy solutions and not others. Certainly, in this organisation, we think we know the answer and we launch down a certain pathway but we don't have the research to support why we went that way.

The following section explores the importance of a clear policy mandate to policy success in the experience of the interviewees.

5.5 The importance of a strong policy mandate

Half the interviewees considered that environment policy has more chance of success in areas where the Commonwealth has a clear role. This absence of a clear constitutional mandate has meant policy officials waited for or created opportunities to enter the environment policy space. Where the policy remit is contested, in terms of why the Commonwealth is intervening at all, the capacity to succeed is dampened. Interviewee 36 observed that the need to negotiate with all jurisdictions to achieve an environment policy outcome burnt up a lot of bureaucratic time and effort. As Interviewee 20 stated:

> The Commonwealth is rightly interested in Commonwealth priorities. The States are interested in their own State priorities but there is no one interested in Australian priorities.

Interviewee 42 shared her insight on the importance of respecting the role and knowledge of State agencies as a step to policy success:

> States are responsible for environment policy, by and large. The Commonwealth is tinkering at the edge. In federal environment policy, you have got to work with the States. I didn't see the States as the enemy. They had a lot of the levers and a lot of the knowledge. I tried to work with them. I think too often at the Commonwealth level, and this is not just in the environment area, too often you can blunder around and not realise that a lot of what the States do can be fantastic, and give them credit for things and build up that trust because it will come back to you. NSW (New South Wales) has been at the forefront of the air policy, water policy, biodiversity banking and offsets policy. It mightn't have always worked, but the Commonwealth is not the font of all wisdom. You can keep them out of some areas but there are many areas where you have to work with the States. You can't have a Commonwealth marine policy and not be conscious of the States – they have the first 3 nautical miles. You can't have an EPBC policy without working with the States. You can't have a water policy without working with the States. You have got to work with the States. They have the constitutional powers (Interviewee 42).

Part of securing a mandate of policy action, then, involved being able to either sideline the States where they were reluctant policy partners, or work effectively with them, if they held the expertise and control of the delivery mechanisms.

Any success in protecting both terrestrial and marine biodiversity was elusive until the Government was able to have its hands on key policy levers through the *NHT* and the *EPBC Act 1999*. In the *MPA policy agenda*, it was not until a legislative mandate through the *EPBC Act 1999* was achieved that any meaningful progress was made. Prior to the Commonwealth gaining control of policy levers through its fiscal or legislative powers, a weak mandate compromised the capacity of the already marginal Environment Department to effect change. Interviewee 04 highlighted the significance of clarifying the Commonwealth mandate to success in the *MPA agenda*:

> The approach to RMP under the AOP was multi-sectoral and meant to deliver all things to all stakeholders but delivered nothing. Cabinet and the Secretary wanted to can the whole process. In 2005, we came up with a proposal to draw back from the comprehensive approach. The Division Head found the sections in the *EPBC Act*, which gave the statutory authority for doing plans within context of *EPBC Act*. So in 2005, the Department was successful in conveying to government that the new approach was do-able. That idea took RMP away from being a big scary 'greenie' thing to something that gave certainty to the industry and focused on the core responsibilities of the Environment Department and did not stray into responsibilities of other entities. The new approach set clear parameters for industry and was clear about what conservation values were to be protected and where the sensitive areas were (Interviewee 04).

Reflecting on her experience in the RMP process, Interviewee 18 concluded that a clearer realisation of what policy levers the Commonwealth actually had at its disposal would have avoided much misspent policy effort.

The interview transcripts show that securing a sufficient mandate to support a policy could be a subtle yet critical exercise. Interviewee 29 provided several examples of how a particular Minister was instrumental in securing the necessary policy mandate to achieve passage of the EPBC Bills through Parliament:

> Hill was absolutely dominant over Anderson [the Agriculture Minister at the time]. Anderson was in the back corner. Hill used his influence to perfection. I am not even sure he had Howard on side. He just did it. A lot of it was a *fait accompli*. The *EPBC Act* was a *fait accompli*. He was Leader of the Senate and he had that influence which he used to perfection. Hill totally got it and he had power and by God, by God, you could see the outcomes from that. You look at the role of the minister. The role of the minister is absolutely critical in good policy – if the ministers aren't by your side you are stuffed. If they just want to play around the fringes you are stuffed. In the National Water Initiative fortunately we had Turnbull. He is an intellectual force. It was important to have someone like him there. The water legislation was pretty important and having him there was important.

The importance of a clear remit is demonstrated in the interviewees' experiences in implementing the *EPBC Act*. Interviewee 49 discussed the ramifications of the conflict between

the Commonwealth and the States on environment matters and the States' rejection of the legitimacy of the federal role in land management matters. He observed a deep-seated conflict about which level of government in the Australian federal system could claim constitutional responsibility for the environment:

> From a policy point of view, we don't see eye to eye with the States yet. You need to look to the cultural factors behind that. The States generally don't accept the legitimacy of our role. They feel threatened by what they see as involvement in their backyard. The States' view of the *EPBC Act 1999* has an undertone of their broader concern about federal-state relations. The Commonwealth's role in a lot of policy areas has grown and grown and the one area where the States have tried to hold the line is the control of what happens on land. They hate the Act so much because it breaches that line. The States try to fend off the Commonwealth. They see land use planning as State business. They are influenced by federal money and programs but generally they try to keep the Commonwealth out of specific land management decisions. The States still tend not to accept the legitimacy of our involvement – if they do they are reluctant partners. Trying to integrate economic, social and environmental considerations needs a very high level of co-operation and trust. That is a hard enough issue in a unitary system of government. Environment protection is a hard problem already but the federal-state issue makes a 9/10 problem a 10/10 problem. So our co-operative ventures in environment policy are not nearly as successful as they could be due to the cultural issue and the lack of trust. To develop [economically], the State Ministers need to get us out of their backyard. There is not a genuine shared understanding of what is happening in the environment or a genuine shared understanding of what needs to happen. It is the classic wicked problem – and then there are all the climate change issues and land tenure issues – it is a really hard area (Interviewee 49).

Interviewee 49 concluded that the Act has failed to deliver on one of the primary reasons for its existence: agreeing on the boundaries of the role of the Commonwealth in environment matters. Interviewees considered that Commonwealth–State structures, such as the Council of Australian Governments (COAG), were limited in their capacity to reach consensus on issues of national importance and the pace of reform was often limited to that of the most reluctant jurisdiction.

In summary, the interview findings show that success in environment policy is mediated by the degree of policy mandate. A weak mandate spelt a lack of remit or authority and meant negotiating positions were likely to be forfeited early in the policy process. The *RFA* process was provided as an example by Interviewee 06, where the mandate of the Environment Portfolio needed to be established at the beginning of the policy process.

A mandate could be political, or legislative, or achieved by brokering the role of the Commonwealth with the States. A political mandate was seen as more significant than a legislative mandate, as Interviewee 06 explained:

> In the environment area that is probably the most important determinant of whether a policy will be a successful or not – that is, whether the politicians actually want the policy to succeed.

In the case of the *Home Insulation Program* the Commonwealth (incorrectly) assumed that the States would fulfill their jurisdictional responsibilities for workplace health and safety matters (Office of the State Coroner, 4 July 2013, Royal Commission into the Home Insulation

Program, 2014, 1554). The *Home Insulation* experience brought into sharp relief the risks in delegating a policy mandate when accountability is unclear.

The support in Cabinet of the central agencies was seen as very significant in establishing a policy mandate. Interviewees with prior experience in Cabinet processes and in the central agencies considered it necessary to have at least two of the three central agencies onside (Interviewee 04). Interviewee 41, a Tier 1 with a long history in PM&C, underscored the significance of support from the central agencies:

> Executive Level 1 and 2 officers in the Environment Department have an innate sense of the need to bring stakeholders along – they see the need to do that with the greens and industry. But they don't see that the key stakeholders are also Treasury, Finance and PM&C. Until you have them singing from the same song sheet you are not going to get any traction.

However, the level of engagement in an environment policy issue by PM&C was driven by the priorities of the Prime Minister, the scale of the policy intervention, the need to resolve tensions to achieve a whole-of-government position, the perceived level of risk to the government and the degree of impact on strong vested interests. Also key was whether the Prime Minister of the day worked with the Cabinet, as occurred in the Hawke and Howard periods, or without, as occurred in the Rudd period. In the Hawke and Howard periods, interviewees regarded PM&C as the voice of the Prime Minister. There was Cabinet discipline, in that Cabinet proposals were in the main fully considered and agreed by the central agencies and with the line departments. By 2010, securing Cabinet agreement to a policy proposal was seen as hamstrung by the lack of Cabinet solidarity. Interviewees with central agency experience considered that PM&C therefore had been an important stabilising force in terms of having a good system of governance.

Eleven interviewees gave the forest process as an example of PM&C taking a strong interest in policy design and implementation. On the forest issue, the Prime Minister was dragged into a conflict each year between conservationists, the resource department and the forest industry about the woodchip export licences. The depth of the conflict between the agendas of the resource agency and the conservation agency on forest use called for an adjudicator. As a result, the *RFA* process spawned the first joint task force where PM&C took on a brokering role. The *Home Insulation Program* was a more recent example of where a policy was of heightened significance to the Government and the Prime Minister. In that case, PM&C took on a considerable role in vetting design options put forward by the Environment Department, subsequently requiring changes in the agreed design to ensure the stimulus objectives would be met (Royal Commission into the Home Insulation Program, 2014).

Much of what PM&C used to do, however, was seen to have been lost, with its role "hollowed out" (Interviewee 07). Finance was seen to have retreated to a narrow focus on costings and process. The role of the Treasury was assessed by interviewees as having been strengthened with Ken Henry as the Secretary, particularly in bringing heightened rigour to the policy design stage. Overall, the support of central agencies was identified as critical in achieving the necessary policy mandate, through getting environment policy ideas onto the Government's agenda in the first place, and shepherding the policy proposal through the cabinet and budget processes.

The durability of a policy mandate could in part be understood in terms of the level of bi-partisan support for a policy. All interviewees concurred that under either a Labor or Liberal Government, the prospects for environment policy success are higher if there is bi-partisan support. Partly due to the incremental nature of policymaking observed first by Lindblom (1959), in the main, successive Federal Governments have continued with the national strategies, legislation and funded programs already in place. Prime examples of environment policies receiving bi-partisan support and surviving a shift from Labor to Liberal are the national forest (*RFAs*) and oceans policies formulated under the 1991 Keating Labor Government and continued under the 1996 Howard Liberal Government. IPAs and *Working on Country* were introduced by Howard and continued in the same form under successive Labor Governments (Appendix 4). In addition, governments usually continue with environment legislation, such as the *EPBC Act 1999,* as legislation has been through comprehensive Regulatory Impact Statement processes and passed by both Houses of Parliament. The Abbott Government's policy to repeal the carbon tax legislation from 1 July 2014 is a rare but significant exception.

The SoE Report (State of the Environment 2011 Committee, 2011, 2) underscored the importance of a clear mandate for action. It invoked Australia's federal structure as constraining the ability of the three levels of government to deliver cost-effective or integrated environment policies, and therefore as a barrier to address past legacies such as land clearing, ongoing pressures such as invasive species, and future challenges such as climate change.

5.6 Factors not emphasised by interviewees: resources, policy origins and design

Three factors identified in Chapter 2 from the policy theory literature – the adequacy of resources, the origins of the policy and policy design – were referred to by some interviewees, but were not given a high profile in the responses as key factors driving policy success. These

factors are discussed below, along with why they were less important to the interviewees than the discussion in Chapter 2 suggests they might be.

Adequate resources

The finding that the majority of interviewees did not regard adequacy of resources as a key driver of policy success is non-intuitive and warrants discussion. Adequacy of resources was only referred to as a key factor by seven interviewees. Further probing with selected interviewees revealed that the need for adequate resources was taken as self-evident. In addition, most of the interviewees saw environment policy as generally suffering from inadequate funding. The adequacy of resourcing was therefore not given much weight in responses.

In their descriptions of their involvement in policy development, the interviewees revealed how they approached the issue of funding in a sidelong way. As Interviewee 10 explained:

> We get funded under the radar, as we can't show results [of policies] for 100 years in some cases.

Interviewees took the view that it was more productive to get the policy architecture in place first and pursue funding later. A prime example of this was the *MPA policy agenda*. There, the policy officers' largely unspoken approach was to first work to have the system of *MPAs* declared, and then seek the resources to manage them at a later stage (Interviewee 42). There was no intention to fund the policy up front at a reasonable scale. Interviewees acknowledged that this was not an optimal approach to policymaking, but understood that they were "in for the long haul" and it was best to "get a foot in the door" rather than aim for "first-best" at the start (Interviewee 42).

Interviewees 20 and 47, two of the seven who considered resources were a critical success factor, were emphatic that the key to environment policy success was the ready access to funds to buy out the economic interests or to compensate for the industry adjustment pressures, in short to "buy your way through the political heat" (Interviewee 47). Interviewee 20 held a similar view:

> Action happens when the Commonwealth has huge amounts of funds to contribute to or direct State activities. Action without funds is nearly impossible.

Interviewee 48 observed that, over his 27 years of environment policy experience from 1985, the States that were most opposed to protecting areas for conservation received the largest structural adjustment packages, citing the extension of the GBR *MPA*, the *RFAs* and the South West World Heritage Area in Tasmania:

> The GBRMP extension was the biggest rort ever. Some sold their licences in the structural adjustment process and then bought the licence back. The Minister provided that level of adjustment because of the loud racket made [by fishing interests] (Interviewee 48).

In the main, interviewees did not consider inadequate funding a constraint on success. Rather, they adopted a canny approach to the matter of securing adequate resources or working with inadequate resources. For example, Interviewee 50 pointed out that the failure of the Howard Government to provide funding to administer the *EPBC Act 1999* proved fortuitous in that departmental officers were forced to develop the skills necessary to implement the new *Act.*

An excess of funding can be as crippling to policy success as inadequate funds. For example, the injection of funds for the *Home Insulation Program* tripled the overall level of funding for the Department (2010a). The ambitious number of installations (2.9 million) and the generous rebate per installation ($1,600) under that program generated the huge budget. The excessive size of the budget was a factor in the ultimate failure of the program.

Although adequate financial resources can ease the pathway to successful implementation, interviewees revealed how a tactical approach to dealing with the financial resourcing of a policy was more important to success than securing an appropriate level of resources at the outset. This was true both in a context of limited resources and of excessive resources (as in the case of the MBE package and the *Home Insulation Program*). This more subtle conception of the way the level of resourcing can either limit or facilitate policy success is almost absent in the public policy literature.

Policy origins

Only five interviewees identified the origins of a policy as a key factor influencing policy success. Only one of those five (Interviewee 25) had a bird's eye view into the "darker corners" of public policymaking, by virtue of the particular roles he held over an extensive period. In his experience, policy officials play a role in providing input to support political deals brokered between the Government and minor parties more often than people realise. He explained the conditions under which he would engage in proposing a policy idea to the Government. He would raise an idea if the opportunity arose, and if it fitted with the Government's broader agenda, and his relationship with the Secretary and the Minister was receptive and one of trust.

Because much of the deal making is not in the public domain, the public is unaware of the origins of policies or what the Government's underlying expectations or real rationale for a policy are at the time. Interviewee 25 provided a compelling example of why the origins of a policy can have implications for the scope for success:

> The Biodiversity Fund came out of an afterthought by the Prime Minister's Office to secure the passage of the carbon tax legislation. It was a deal with the Greens so the Department will have to try to make it work. There will be a degree of shielding of the Biodiversity Fund because of the commitment to the Greens. But from the Government's point of view the actual outcomes don't matter that much. The Biodiversity Fund is not expected to meet its objectives or it is possible at least that it won't be expected to. It will probably be offered up as a savings.

Interviewee 25's comments were prescient. Within two years of the program's initiation under Prime Minister Gillard, and just 12 months after this prediction, in July 2013 the newly reinstated Rudd Government took $213 million of unallocated funds as part of the decision to bring forward the Emissions Trading Scheme.

This demonstrated the inherent fragility of programs agreed as part of a political deal with a minor party, and reinforced Interviewee 25's view that, in his experience, policies originating from a political deal run the risk of failure when the political conditions change. Interviewees 33 and 36 similarly observed that the Biodiversity Fund would never have been agreed and the level of funding would never have been secured in the absence of the Gillard Government's need to negotiate with the Greens in order to form government following the 2010 election. The Carbon Tax and the Biodiversity Fund were part of the cost of the entry ticket to form Government.

Of the 51 interviewees, 46 considered that how a policy arose on the Government's agenda was not significant in terms of the prospects for success. This is surprising, in the context of the agenda-setting literature discussed in Chapter 2. There may be several explanations for this contrary view held by the Environment officials. First, it is difficult to pinpoint the precise origins of a policy. Interviewee 32 provided the *Home Insulation Program* as an example:

> The Department's advice was to deliver that large amount of funds over five years through firms who knew the insulation industry. But we were told to do it all in 24 months. I don't know who made the link between the *Home Insulation Program* and the economic stimulus funding. Someone realised it was a good way to get funds out the door.

The first challenge in shaping meaning out of the policy soup is to know what actually happened. A policy idea can result from a coalescence of effort and ideas across many fronts, both inside and outside government. Uncovering the genesis of a policy is not straightforward, as Interviewee 07 explained:

> It is hard to pinpoint the origin of a policy – things coalesce. You come back to the temper of the people involved. Who made that decision – someone has to take responsibility. But in the bureaucracy you can never pin it down. *Working on Country* for example was a coalescence of ideas.

Second, much federal environment policy in Australia has had its origins in unexpected quarters. Historically, much environment policy at the federal level has arisen for two reasons: a

crisis or a political deal (Appendix 4). The millennium drought, for example, triggered a step change in water policy. The *Home Insulation Program* was a response to the GFC. The forest crisis in 1994 leading to the *RFA* process was another much-quoted example of policy formulation in response to a crisis:

> For me, the big driver of the leaps forward in environmental policy that matters on the ground have almost all come off the back of a crisis or some need to satisfy a particular party. To me, we finally got *RFAs* introduced not because of the quality of the argument about managing the forests regionally, but because in 1994 there was a huge ruckus between the Environment Minister and the Resources Minister and it rebounded spectacularly on the Keating Government and they had to suddenly move to introduce the *RFAs* because of the export licence issue (Interviewee 47).

As Interviewee 25 flagged, environment policy commonly arises out of a deal with minor parties such as the 1999 MBE deal with the Democrats and the 2011 Biodiversity Fund deal with the Greens. In the case of the *EPBC Act 1999,* even with Minister Hill's determination and the work of officials at Deputy and Secretary level, it took a political deal negotiated with the Democrats on Goods and Services Tax (GST) legislation for the passage of the *EPBC Act 1999* through both Houses of Parliament. Deals can also arise through the intervention of House of Representative members who hold the balance of power. Consequently, as recognised by Interviewee 04, many environment policies (as is also the case with other policy agendas) arise when the Government needs to ease the passage of other unrelated and often unanticipated policy agendas.

Political deals to achieve environment policy have at times played out well for the Environment Department. The initial $1 billion for the *NHT* secured through the partial sale of Telstra provided a significant boost to the Department's funding base at an unprecedented scale. The *NHT* was an omnibus program made up of 23 program elements with funding predominantly granted to community groups for on-ground works (Caring for our Country Review Team, 2012, 103). Most projects were small to mid-size projects. Many engaged local communities in environmental repair.

The *NHT* held enormous popular and community appeal and, in the main, gave the Howard Government political mileage. Howard (2010) states in his biography that he came up with the concept of the *NHT* as a device to gain Democrat agreement to the partial sale of Telstra. Dovers (2013) cast the *NHT* as neutralising the environment as a political issue for the Howard Government and helping it master the politics of the environment that had advantaged the Labor Government in the 1983 and 1990 elections. Although it was implemented in a solid legislative framework (*NHT of Australia Act 1997),* it failed to meet its ambitious objectives to "conserve, repair and replenish Australia's natural capital infrastructure" (Appendix 4). The program had a

174

history of non-delivery, poor recording and reporting, compounded by complex and fragmented application and funding processes (Caring for our Country Review Team, 2012, 123). It was heavily criticised in several ANAO audits (ANAO, 1998, 2001, 2008) for failing to meet its stated objectives. Relentless cost-shifting by the States eroded the real value of the $1 billion in federal funding (ANAO, 1997). The funds were spread too thinly across too many issues. Further, the funds were often drawn down by the Department to fund operational functions and small measures not otherwise specifically funded. This, although a boon to the Department, further diminished the capacity of the Fund to meet its stated objectives of biodiversity protection.

Despite some positive results for Departmental resources, policy derived through a political deal did not always lead to good environment policy outcomes. Interviewees with a long history in the Department and exposure to the allocation of budget appropriations considered that decisions to fund environment policy, because of a crisis (such as a drought or a GFC) or because of political deals by the minor parties, have at times led to a skewing of priorities for government investment and that the large tranches of funding secured in this way have proved difficult to spend well in short timeframes (Interviewees 21, 24, 25, 32, 41, 42, 47, 48).

The 1999 MBE package brought $400 million in funding secured through the negotiations over the GST legislation. Following negotiations with Meg Lees of the Australian Democrats to have the GST legislation passed in the Senate, Prime Minister Howard in 1999 agreed to an environment package focused on climate change measures consisting of $400 million over four years (2000–01 to 2003–04). The suite of programs was entitled A New Tax System – Measures for a Better Environment (MBE) (Australian Government, 2013).

The MBE package was developed over a few days. Interviewees with considerable budget and policy experience assessed that only about half of the package could be considered as good environment policy:

> The sort of example I would see as not good policy is the sort of stuff we had to do for the [Democrats] in the MBE. Some of the ideas (such as *Fuel Quality Standards*) were quite good but we ended up with far too much money to be able to spend it properly. It was opportunistic and we had to jump through the window of opportunity when we could, but it really hadn't been worked through properly and you just end up with things that are not going to work as well as they might (Interviewee 41).

The MBE package provides an extraordinary example of how sheer error plays a part in policy success. As revealed by Interviewee 41, the Department thought it had received a surprising budget windfall through the MBE package. Hartcher (2011), a political journalist, reported that Howard, as Prime Minister in 1999, in the final negotiations with Meg Lees of the Democrats to secure passage of the GST legislation, had taken the then Treasurer, Peter Costello's whispered

175

suggestion to Howard to offer Lees 400 to refer to $400 million rather than $400 thousand as Costello had intended. On 1 November 2013, as a part of this study's research, Peter Costello stated, "I can confirm the essence of the story" (email correspondence to D. Meacheam, 1 November 2013). The $400 million was a significant budget injection for the Department at that time. Although Interviewee 42 thought much of the expenditure was wasteful, the funds did pave the way for important policy outcomes, including the *Fuel Quality Standards* legislation. The Department had been doing work on the case for cleaner fuels over a long period with no political traction. The idea was suddenly catapulted onto the agenda when, unbeknownst to the Department, the Democrats insisted on its inclusion in the MBE package (Interviewee 47).

In addition to crises and deals (and indeed sheer error), environment policy could arise from a wide diversity of sources, all of which hold differing implications for the scope for success in implementation. Environment policy can be announced as election commitments, as in the case of *Working on Country* and the *Solar Rebate Programs*. It can arise from the Environment Minister or his Office as in the case of the *Green Loans* (Interviewee 32). It can arise from a party when in Opposition, as in the case of *Caring for Our Country*, or from external lobbying (ethanol in petrol) or international commitments (ozone protection, biodiversity strategies). Many policies have their genesis in work done in the Department, as in the case of *Caring for Our Country* and the *Home Insulation Program*. The Department had been working on the concept of a funded program to subsidise the insulation of private homes for some time (Interviewee 16).

Interviewee 36, who had extensive budget experience, observed that many environment policies are a legacy of past decisions and Ministers are reluctant to disenfranchise constituents who have received funding over a long period. In that sense, policymaking accords with Lindblom's (1959, 1968, 1979) concept of policymaking as "incrementalism". The ongoing stable base of funding can receive injections through "punctuated" changes to the equilibrium, to use the Baumgartner and Jones (2009) term. As environment policy can come from so many varied sources, it is difficult to draw a predictive link between origin and outcomes.

Interviewee 40's observation of the cyclical nature of attention to environment policy issues echoes the 1972 theoretical analysis by Downs (1972) (Chapter 2):

> My experience is, I think things are successful for a period of time after the intense effort went into them but when you look back they tend to decline in effectiveness as time goes on. I see there is an ongoing cycle of coming to the same issues again and again. You do a big effort as in forests and ecologically sustainable development where you really move the agenda forward and get some traction. But it seems that once decisions have been made and implemented they tend to drift along for a while and become less effective over time, and that means that you have to come from a trough up to a new peak.

Interviewee 40 spelt out the policy implications of this cyclical form of attention. At a point in time, she observed, a policy will have a momentum that needs to be seized, before the funding ceases and there is a shift in political attention. Once that occurs, the policy issue can go into a kind of hibernation, leaving a small number of policy advocates to keep it going in the face of decreased attention from ministers, central agencies and senior managers, and a commensurate reduction in funding.

Consistent with Interviewee 40's view, Interviewee 21 observed that where there is no "burning platform" of community concern, the level of commitment by government to environment policy fades, and change will slow. *Working on Country* and the *Fuel Quality Standards* were rare policies raised by interviewees that did not arise from an immediate crisis. Both were classified as successful using the Marsh and McConnell Framework (Table 4.2).

Credence is given in the above discussion to the outlier view of Interviewee 25, as that officer held positions that provided the opportunity to observe the origins of many federal environment policies. However, the majority of interviewees, many of whom were also in similar observational positions, did not identify policy origins as a key factor in policy success.

Attention to design

In the interviews, policy design did not rate highly as a key factor in success. Only nine interviewees raised the significance of policy design in shaping policy outcomes. They acknowledged that success was more likely the more time afforded to the design stage and the more the design options were tested against differing realities and interests.

Interviewee 07 observed that Government sometimes prescribes the policy design early and firmly, with limited scope for debate on alternative designs. By the time an issue had emerged on the Government's policy agenda, all other options were ruled out and the preferred solution was predetermined. At that stage, there was usually only one option, with mere lip service paid to other options. In the experience of the policy officials in this study, a questionable policy design can be locked in at the beginning of a process through stakeholder demands or political imperatives. A prime example was the *NHT*.

The nine interviewees who specifically discussed the importance of attention to design in policy success were proactive in identifying the range of options before the solution was set. Scope to have input into policy design was seen to occur at two points: in the lead up to a Cabinet Decision, and in cases where the Cabinet Decision did not set down the design specifications:

> There is a lot of opportunity to shape the design leading up to the decision. I like to work on start-up policy – that really exciting period where you have got not a lot of time and an idea that has to be turned into something where there is an opportunity to say, 'Why have we done it in

> that way? Can we do it differently? Can we take a different approach to get a better outcome?' *Caring for Our Country* and the Wildlife Trade legislation reforms are examples of where I have been able to have that role. There was a really good opportunity with the species approach to wildlife trade to have a more efficient approach under the *EPBC Act.* It is up to public servants, especially if it is a continuation of the current Government and coming up to a review period, you can have significant input, as in the case of *Caring for Our Country*. The Government had a very broad idea of what it wanted to achieve. There was a lot of opportunity for us to interpret what the Government's policy objectives for the program meant (Interviewee 40).

Tier 1 interviewees recognised that much policy comes to the Department with the design parameters largely unspecified, providing leeway for policy officials to engage with the policy design. Interviewee 40 explained:

> I'm not sure you can ever be just an implementer of policy. Policies are usually so light on detail. You know, you get a paragraph or a one- or two-page statement from the Government and everything that you have got to do is all about interpretation and advice and analysis, so you try and shape it in the best way possible. You are trying to get the best outcome with the policy you are given. That is what makes it interesting really (Interviewee 40).

Several interviewees cited instances where they were aware that a policy was likely to fail on the basis of the design mandated by Government, but understood the political imperatives driving the policy. The *Home Insulation Program* was the foremost example. Alternative, less cumbersome stimulus measures were not fully tested. In regard to the measure selected, a generous rebate paid direct to installer businesses, alternative ways to achieve the energy efficiency gains may have achieved greater emissions reductions without the fraud and safety consequences. The design parameters mandated by the Government against advice from the Environment Development (including the generous subsidy to homeowners and limited and ineffective controls on installer business participation) contributed to the program's failure. The lack of scrutiny of the rebate payment at the outset of the design meant that the policy parameters had to be continually adjusted as the crisis unfolded in implementation (Table A5.1).

Green Loans provides an example of where there was time and wide scope for the officials to engage in the policy design. Poor design led to a serious budget blow-out and the termination of the program. Fundamental design flaws arose in part from a lack of high-level attention and a failure to clear key design features with Minister Garrett. For example, Minister Garrett, despite arguing the initial case for the program and a subsequent increase in funding, had never seen one of the home assessment reports funded under the program until late 2009. His response was concern at the simplicity of the report format. (The reports were simplistic in the extreme, using 'smiley' faces to indicate a value for money investment by the household.) A survey conducted by the ANAO (2010b, 18) in April 2010, of 1,747 households who had received a home assessment report, found that only about half of the respondents were happy with their report.

Interviewee 07 described how the failure of the *Home Insulation* and *Green Loans Programs* influenced the Gillard Government to enlist PM&C to re-engage the Government in policy design:

> PM&C initiated a process to redesign the Cabinet Submission format and process just before Rudd was removed, to try to improve the way advice was going to the Prime Minister. The aim was to get Rudd to listen to more considered policy advice coming out of the departments. Then in 2010 Rudd was replaced by Gillard and the first Submission Gillard considered was the Submission on this matter. The aim was to try to get some discipline back into the Cabinet process. The Government under Rudd had been using what was called 'bricks'. Bricks were the printed out pages of PowerPoint presentations. Instead of the normal Cabinet Submission process, issues were considered 'under-the-line' with Cabinet reading the 'bricks'.
>
> Much of the discussion in trying to improve that process laboured over this issue of policy design – it focused on the need to have a system that allowed for greater testing of policy options, where they could all be put on the table and debated. The high-level PM&C officers on that group wanted a process that allowed a serious look at all the options where line agencies put up the pros and cons using a matrix approach. This process was an outcome, among other things, of the failure of the *Home Insulation Program*. The Gillard Government had become very risk averse and wanted to decrease the risk to the PM [Prime Minister] arising out of policy processes.
>
> The process involved a high-level PM&C officer talking to Departmental Secretaries, State governments and business leaders. The outcome was a revised Cabinet Submission template, which set out on the front page a clear articulation of what the policy was meant to do and advice on what Cabinet should take into account when making the decision.
>
> We got rid of the old Cabinet Submission front page. It had become too 'busy', too cluttered and too wordy. The quality of Cabinet Submissions had declined. Ministers weren't reading them. Many Submissions were unclear as to what the Government was meant to decide and on what basis.

For the interviewees, exploring all design options and making a choice on cost–benefit grounds were preferred, but were not critical to success. One aspect of design, calibrating the scale of the response to the scale of the problem, was however seen as useful in ensuring a policy design could be tailored to local needs and in providing scope to flush out unintended consequences.

In summary, the interviewees generally confirmed the importance of the preconditions for policy success identified from the review of the theoretical and practitioner literature in Chapter 2. However, they did not consider <u>adequacy of resources</u> to be as essential for success as the literature suggests. At times, interviewees were able to secure policy success despite highly constrained resources, or encountered policy failure despite a generous budget. Interviewees established that the <u>origins of a policy</u> can be hard to define. Often, the actual genesis of environment policies, many of which arose in response to a crisis or political deal, is not fully transparent to the public. For these reasons, most interviewees considered that it is not so much the origin of the policy that holds implications for the scope for success. Rather, it is more the scope they have to manoeuvre around the hand they have been dealt. Irrespective of the origin

of a policy, the interviewees worked with what was presented to them, and tried to steer towards policy success by engaging in the design of the policy parameters. In regard to <u>policy design</u>, interviewees confirmed the benefit of early engagement in the design parameters, and the importance of calibrating the response to the issue. But they did not regard policy design as a critical success factor, in part because design parameters were sometimes handed down by the Government.

The following section explores a recurring theme in the interviewee responses to questions about policy success: sufficient time to develop and implement policy.

5.7 The role of time in policy success

The policy literature emphasises the importance of allowing sufficient time to develop and implement policy as a precondition for policy success, as discussed in Chapter 2. In describing their policy experiences, interviewees spoke of the policy timeframe in three different ways: building on previous policy efforts; pursuing a policy at the right time; and working within set time constraints. These three approaches to time are discussed below.

Policy evolution

A recurring theme in the interview responses was that achieving measurable, meaningful outcomes that improve the health of the environment is a long, slow process. Interviewees spoke of the lengthy antecedents underpinning current policies. Interviewee 46 understood policy as incremental, slow and iterative:

> Most people who train in policy have a concept of building that silver bullet. It isn't. Most policy is quite incremental. Most successful policy actually learns from the previous iteration.

For the interviewees, the antecedents of policy ideas were an important bedrock for understanding how policies were likely to fare in implementation. At the broadest level, the philosophical underpinnings of the early national environment strategies such as the NSESD provided the basis for the development of subsequent policy responses. The forest, marine policy and energy policy agendas all had a long gestation that allowed time for research to inform policy documents.

The interviewees, in explicating their views on whether they had a sense that a policy would succeed or fail, often referred to policy episodes from the 1980s, in particular the 1988 Wet Tropics Structural Adjustment Package in Queensland, the 1992 Intergovernmental Agreement on the Environment (IGAE), the 1992 NSESD and the 1995 *RFA* processes. Interviewee 47, for example, shared his experience of how a policy could have an extremely long gestation. He explained how there was a negative reaction by the then Resources Minister, Kerin, to the way

180

Senator Richardson had used an inordinate amount of compensation funds for land holders and industries to achieve the World Heritage listing of the Wet Tropics rainforests. Out of that experience, Kerin supported the creation of the Resource Assessment Commission. David James, an economist, worked in the Commission on the first inquiry into the forest and timber industry, and was swayed by a regional assessment approach (rather than coupe by coupe) touted by the Heritage Commission, for assessing forest values. That concept morphed into the regional assessment approach, which then became enshrined in the 1992 National Forest Policy Statement. However, it took the crisis over woodchip exports between the Forestry and Environment Ministers to instigate the 1995 *RFA* process. These connecting threads, from a 1988 decision on a structural adjustment in one region to the national *RFA* process, underscore the lengthy antecedents to, and evolutionary nature of, most of the policies in this study (Interviewee 47).

The scope for interviewees to use time to pursue policy success did, however, require a capacity for judgment, best gained by virtue of a long corporate memory. Interviewees with lengthy careers in environment policy (Figure 3.3) gave examples that proved they were able to use time as a factor in success rather than as a constraint. Interviewee 29 explained how funding by the Australian National Parks and Wildlife Service for surveys of species in the 1970s provided the basis 30 years later for policy responses such as the *NHT* and the *EPBC Act 1999* to protect endangered species. Similarly, the 1992 IGAE, in establishing the role and remit of the Federal Government in relation to the States, laid the foundation for the focus on matters of NES in the *EPBC Act 1999.*

However, an inordinately lengthy policy process could confound success. Interviewee 37 observed, in the context of the long-running policy agenda to protect Australia's ocean estate between 1993 and 2013, "rare would be the day where you get a perfect temporal alignment between a policy idea, the policy solution and its successful implementation". The long timeframe over which the marine policy was implemented led to a fractured understanding among staff of the original policy intent due to the loss of corporate knowledge and lack of continuity.

Seizing a policy opportunity at the right time: policy windows

The way the interviewees quickly took advantage of a policy opportunity confirmed Kingdon's 1984 notion of the policy window as a key strategy in policy success. Thus, there was a link in the policy episodes between the slow evolution of policy and the capacity to seize a policy opening. The capacity also relied on building strong policy networks and having supporting evidence at the ready.

Seizing a policy opening was exhibited in the way officials used the reform of CDEP to make a case for funding ranger jobs under the *Working on Country* program. That case could only be made because of the long history of working with Indigenous landholders through the earlier Contract Employment Program for Aboriginals in Natural and Cultural Resource Management (CEPANCRM) and *IPA programs*. The policy agenda of Indigenous land management to protect biodiversity values in remote areas was 30 years in the making, as encapsulated by Interviewee 11:

> You need to keep working at things, till all the stars are lined up. Sooner or later the opportunity presents itself. Something happens that produces a set of circumstances that enable the policy to get up. If you worked in the bureaucracy long enough some little hole will open up in the system and you can walk through it. You can beat your head against a brick wall and get nothing and then suddenly a crack will open up and you can walk through it. You need to be highly motivated, people who will put in the extra yards, it is not a 9 to 5 proposition. It is a hearts and minds proposition.

Working on Country was built on a long history of a persistent but fragmented effort outside government and within the Department to support the already existing work of Indigenous people to care for country. The success of the IPA and *Working on Country* programs was founded on the earlier work of Indigenous Land Councils (Interviewee 28). Within the Department, the program concept was closely modelled on a very small but successful forerunner program, the CEPANCRM. Interviewee 15, recalling the origins of CEPANCRM, demonstrated the interweaving of luck, intuition and opportunity in the broader context of piggybacking on a reform agenda with greater legitimacy, to secure agreement to the first expression of Federal Government involvement of Indigenous land management in the form of an environment policy:

> In 1985–86 just after the Miller Review on Aboriginal Employment and Education and the Aboriginal Employment Development Policy, there was an expectation that the Government would go to Cabinet to launch directions coming out of the Miller report. So we conspired to pilot a little program called CEPANCRM. That was the first time that Indigenous skills, expertise and labour were explicitly recognised as valuable in managing lands in remote Australia. Our job was to go round and sell it to the State agencies. The whole policy process was really driven by intuition, gut instinct.

Working within set time constraints

The literature on preconditions (Chapter 2) identifies sufficient time to ensure orderly and informed policy development as being key to success However, in practice, the officials did not experience lack of time as a constraint; rather, they used time as part of their policy toolkit in terms of planting the seeds of a policy idea, biding time, waiting for the right context, and then capitalising when the momentum grew to seize the opening of a policy opportunity. Sufficient time to develop a policy was not therefore considered a primary indicator of success by the

majority of interviewees. Although the formulation of environment policy could have a long gestation, securing a decision by government to act can occur over extraordinarily short time frames. For example, the *Working on Country* program went from an initial two-page draft policy proposal to a final decision over a matter of weeks. The policy proved to be highly successful and the program design was very robust. However, for most rapid-pace policy, the scope to revise the policy parameters in implementation was often critical to its ultimate success. Interviewee 40 pointed to some examples:

> A lot of people would probably say you need enough time to adequately develop the policy or program and give the example of *Home Insulation Program* and *Green Loans* – that they were too rushed. But I am not so convinced by that. A lot of the really successful ones have also been done very quickly because the right group of people were involved, they had strong sense of what they were trying to achieve and they were able to change things as they went along.

In the case of the *Home Insulation Program* the rapid pace of policy development and the extensive adjustments in implementation did prove terminal. An overly drawn-out timeframe, as in the case of the marine policy agenda, can lead to a loss of momentum, loss of corporate knowledge and policy failure, as observed by Interviewee 40:

> At a point in time a policy will have a momentum that needs to be capitalised on before the funding ceases and the attention of key players and the level of political and community engagement shifts to other issues. Once that occurs, the policy issue can go into a kind of hibernation period and you are left with a few people who are really the advocates to keep something going but they are not really getting much attention from Ministers or senior bureaucrats or central agencies, and so the funding profile and level of attention reduces over time.

A long gestation was not always a precursor to policy success. This was seen to be particularly the case where the formulation of the policy problem, the shape of the solution and the organisational arrangements were driven by politics. Interviewee 17 gave the example of climate change policy where she observed the long evolution of the policy response from the early 1990s to be detrimental for an ultimately successful outcome:

> Climate change has suffered from too much of chopping and changing of ideas. First it was under Nelson Quinn in the Department, then to Barry Carbon in the Environment Protection Agency, then the Australian Greenhouse Office, then there was the Carbon Pollution Reduction Scheme, then different programs, then more programs to buy different interest groups off, then the Greenhouse Office outside the Department, then in the Department, then in a new Department with the energy efficiency programs. So what does that all mean – where is the vision? Is energy efficiency part of the climate change solution? Why set up a climate change department that did not include energy efficiency? Why set up a department based on one tool – a carbon price?

The previous sections have surveyed selected discrete factors in success, including the significance of time. Officials were not stymied by inadequate time to plan and deliver policies, but instead used time as a factor in pursuing success. They did this either through a long, slow

build up of the policy case over many years; or through a short, sharp intervention when a policy window opened.

The findings broadly confirm the success factors in the literature (Table 2.3). However, just how the interviewees approached key factors does not always match the descriptions of those factors found in theory. The final section shows just how the interviewee recollections contrast with the presentation of key success factors in the literature.

5.8 Summary

The three factors afforded the most significance by the interviewees for achieving policy success were stakeholder consultation, clarity of objectives and the use of evidence. Although the interviewees identified these factors as the most significant in securing success, their descriptions of how they actually went about the task of policymaking revealed a far more nuanced understanding of how stakeholders were consulted, objectives were defined and evidence was collected in the complex transactions between the government, the administration and the stakeholders.

Consultation with stakeholders was as much about continuing to scan for threats that might derail a policy agenda as it was about genuine engagement. In regard to clarity of objectives, officials worked out what they thought the objectives *really* were, so they could negotiate the terrain between the political imperatives and public policy outcomes. Objectives were surprisingly malleable and could at times be shaped to fit the emerging interests of the Government. A prime example is the way the narrative around biodiversity protection shifted to carbon storage, to align with the emerging climate change agenda. Evidence was seen as necessary, but there was also an admission that, in environment policy, the officials were often 'flying blind'. There was a willingness to start small and not wait for full evidence. There was also an absence of policy purism: close enough was often good enough.

These more nuanced ways of handling these three primary tenets of policy success revealed the policy officials as canny operators, adaptively managing policy parameters to respond to emerging threats, unintended consequences or shifting political imperatives.

One factor not given particular prominence in the literature but of clear significance to the interviewees was the importance of securing a mandate for Commonwealth action. That included ensuring support from the Environment Minister, the Departmental Executive and the central agencies, or at least ensuring they were not antagonistic to the policy proposal. This finding reflects the importance in Australian environment policy of understanding the federal structure and the role of the States in environment policy, outlined in Appendix 4.

The adequacy of resources, the origins of the policy and attention to design proved to be less significant factors in success than suggested by the literature discussed in Chapter 2. There was no clear relationship between the level of financial resources for a policy and the scope for policy success in the view of the interviewees. Rather, the interviewees worked to secure environment policy outcomes, despite the usually inadequate, or occasionally excessive, budgets.

For the sake of analysis, the factors listed in Table 4.3 (stakeholder engagement, objectives, evidence, mandate, resources, origins, design, time and individuals) have been discussed in this chapter as discrete drivers of policy success. They range across stages in policymaking (origins, design), enablers of policymaking (evidence, resources) and players (the role of individuals), but policymaking is not linear and the factors do not arise one at a time. In practice they are inter-linked.

In summary, the chapter finds that the policy actions of the relevant officials demonstrate the interplay between agency, ambiguity and serendipity. The policy accounts revealed the way in which, generally, policy officials seized opportunities to pursue environment objectives over long timeframes. Officials spoke of having an eye on objectives that could take ten, 20 or even 30 years to bring to fruition. The task of policy often began with a serendipitous opening. At the same time, it could be peppered with roadblocks and blurred by a constant ambiguity. That ambiguity could be either deliberately created by the policy officials or imposed by the changing and uncontrollable context. Either way, the interviewees demonstrated their adeptness at making do; at making a policy 'least worst' and at avoiding failure.

Chapter 4 extracted from the interview transcripts and case study analyses the factors the interviewees identified as keys to policy success. This chapter, in exploring success factors in more depth from the perspective of policy officials, reveals the tactical way officials sought to avoid failure and pursue success. The term 'tactics' is used to describe their behaviour, rather than the term 'strategy', because their actions were more akin to short-term opportunistic or one-off steps, and were not necessarily part of a wider agreed or written-down, long-term plan. Chapter 6 discusses the unexpected finding of the tactical behaviour employed by officials to pursue success, in terms of the concept of the policy official as policy agent.

Chapter 6: Pursuing success: policy official as policy agent

Good policy is being able to put all the pieces of the jigsaw together but I don't know how you explain that or how you do that (Interviewee 05).

6.1 Striving for success or avoiding failure

This chapter examines the third question of this study: how do policy officials pursue success? The analysis of interviewee responses in Chapters 4 and 5 suggests that the interviewees were more attuned to avoiding failure than pursuing success. The pursuit of policy success is therefore discussed in terms of policy agency, that is, the deliberate but at times hidden actions exhibited by the policy officials interviewed and identified in the case studies. Policy agency is understood in the context of this study as the self-directed action of policy officials to achieve a positive environmental outcome. It typically involves a combination of opportunism, experience, judgment and courage.

Section 6.2 collates examples of this 'agency' behaviour. It then identifies the heightened risk of failure where there is an absence of agency, in terms of a low level of engagement by officials in a policy direction. The chapter then discusses how opportunities for agency arose and the barriers to agency (Section 6.3); the opaque nature of the behaviour (Section 6.4); and why such behaviour may have been so prevalent in federal environment policy over the study period (Section 6.5).

The legitimacy of agency behaviour is discussed in Section 6.6. Because the high degree of agency was a largely unforeseen finding of the study, Section 6.7 discusses selected literature on agency not already discussed in Chapter 2. The chapter concludes with a comparison of the study findings in regard to agency, with the treatment of the role of the policy official in the literature, and the conditions under which agency behaviour was a key factor in achieving a successful environment policy outcome.

Before turning to examples of agency exhibited by the interviewees, this section explores the interviewees' focus on avoiding failure rather than actively pursuing success. The interviews reveal that environment policy officials did not typically think in terms of policy success. They recognised that the Department was often given policies to implement that had little prospect of success because they threatened entrenched economic interests or conflicted with the environmental interest of the State Governments. Policy implementation became a matter of achieving the least-worst outcome.

Interviewees made recurrent references to failure in response to the interview questions relating to policy success. Tier 1 and 2 interviewees, in particular, focused their discussion of policy

187

success on how to avoid failure. As Interviewee 45 observed, usually, policy outcomes were not a question of clear success or failure but more a question of whether the state of the environment would be better or worse off from the policy intervention. A Tier 3 interviewee who was closely involved in crafting the criteria underpinning the *RFA* process, commenting on the outcomes of that process, gave an example of the forest environment at least being no worse off:

> We got a whole lot of forests protected that wouldn't have otherwise been protected and may have been trashed. We didn't get everything but we did our damndest. We got the best result that we could. It was an incremental improvement in reservation and we got some really significant areas that were icons that we traded off for other areas that were of lesser value. There were areas with iconic species, like the yellow spotted tree quoll, that we ended up getting. So it was a compromise but it was the best compromise that we could come up with to deliver certainty to the industry and to keep the conservation groups happy, but they never were, particularly in Tasmania where they are not happy even today (Interviewee 48).

The *EPBC Act 1999* provides another example of a policy that at least 11 interviewees considered an improvement, insofar as the environment would be worse off without the Act insofar as it had stopped some projects that would have led to irreversible loss of biodiversity values.

Environment policy was represented by over half the interviews as the attempt to 'hold the line' by trying to prevent or reduce degradation so that the policy outcome is at least no worse than the status quo. 'Success' for those interviewees was defined as the environmental outcome not getting any worse, as the avoidance of policy failure. For example, Interviewee 13 had spent time in the budget area and in a Minister's office and had a stronger sense of what to do to avoid failure (rather than achieve success) by knowing what not to get wrong: the fundamentals such as the program guidelines and assessment criteria, meeting milestone reports and getting the funds out the door each financial year. If failure was on the horizon and it was not possible to change the policy parameters, the focus was on implementing the program as required by the Government, and helping the Minister best deal with the risks ahead and address problems as they unfolded.

Officials regarded some policy responses as quick political fixes. These officials had a collective sense the policy was unlikely to succeed, yet implemented it as required. They tried to secure some benefits for the environment along the way, and strove to avoid or minimise harm. Interviewee 24 gave the example of one component of the MBE package, the Waste Oil program:

> In the Waste Oil program I didn't have any sense at all that it would succeed. The problem was we had $60 million, which was a ridiculous amount of money. I didn't think it would work. The stakeholders were essentially petty criminals. The claim was x litres of waste oil removed from the environment would save x litres of water (by improving water quality). We did [design]

188

> something that we thought would work but Minister Hill rejected it because he had been told by Howard to "just do it", as it was a promise to the Democrats to do something about waste oil by such and such a date.

He went on to explain the origins of the Waste Oil program and why in his view it was a flawed policy concept:

> The Waste Oil program was a trade-off by Howard with the Democrats as part of the MBE package to get the GST through. The Democrats had some pretty flaky ideas. I have no idea where they got the waste oil proposal from. Maybe someone had trouble getting rid of their oil. The Democrats couldn't believe their luck – if they voted for the GST they got the environment proposals up.[26] I know if they had come talk to us, although I understand they can't, we could have given them 20 better ideas (than waste oil). For a policy to work there needs to be a want or need in the first place. Where there is no public benefit the issue should be left to the market. With waste oil there was no market failure.

Even though there was not a strong case for the waste oil policy, it was enacted in legislation as the *Product Stewardship (Oil) Act 2000*. The Waste Oil example shows how Interviewee 24, although he disagreed with the fundamental policy, implemented it as required by the Government of the day but at the same time worked with the Minister, his advisor, State agencies and industry to try and deliver some meaningful environment outcome. For example, he described how he used the regulations under the Act as a lever to encourage State Environment Protection Agencies to secure better product stewardship in their jurisdiction.

Related to the view that it is easier to know how to avoid failure than deliver success, highly experienced Tier 1 and 2 officers had a jaded view of policy success. They expressed frustration and disappointment at so little having been achieved in terms of protecting the environment despite years of effort.

It was clear from the interviews that many policy officials do not explicitly ask themselves the question: will this policy succeed or fail? An analysis of the interview responses suggests several reasons. Tier 3 interviewees considered the drivers of success were often beyond their control. They did not have their hands on negotiating the design parameters, or control over the selection of officers tasked with implementation. Tier 1 and 2 interviewees had a focus on meeting stated policy objectives <u>and</u> meeting the political agenda of the Government. At the same time, these high-level interviewees also tried to achieve meaningful outcomes. They therefore saw the need to take some risks in the policy process and they had a good sense of where the risks might lie. They were aware that they were often handed policy to implement that they may not agree with, that may not be fully formed. They cited many examples of where the policy had not been through all the formal mechanisms or was developed in "unbelievably

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[26] Chapter 5 explains how the Democrats secured $400 million for the environment through a misunderstanding between Prime Minister Howard and Treasurer Costello in the course of the GST negotiations.

tight timeframes" (Interviewee 30). Finally, although they subscribed to the importance of 'frank and fearless advice', the interviewees were reluctant to question a policy directive of the Government, in part because this could be seen as reflecting on their own capacity to implement the policy.

The interview transcripts show that the interviewees were humble in their assessment of the scope for success and their individual role in delivering success. They inclined towards underselling rather than over-claiming any personal or Departmental successes. Within that seeming lack of hubris, however, the transcripts reveal surprising agency in pursuing success.

The identification of 'agency' behaviour in all but five of the interview transcripts arose primarily through the NVIVO 10 analysis of factors in success, rather than through self-reported description by the interviewees. Two of those five were Secretaries of the Department. The remaining three were recruited for particular technical skills to assist in the delivery of the *Home Insulation Program*. The remaining 46 interviewees exhibited agency in differing ways and to different degrees, but overall they revealed a relatively consistent pattern across all levels from Executive Level 1 to Secretary. They saw themselves as both a contributor and a controller in the game of policy.

A somewhat surprising finding was the agency revealed by three of the five Secretaries and all nine Deputy Secretaries interviewed. Although most interviewees at the Executive Level 2 and above acted with agency, they all emphasised the importance of ensuring their efforts were not inconsistent with the policy agenda of the Government of the day. They had a clear sense of what to avoid, what not to do in regard to the proper conduct of government processes.

Of the eight Executive Level 1 interviewees, five were less mindful than interviewees at the higher levels of the need for convergence between their actions and the policy agenda of the Government of the day. Three Executive Level 1 interviewees had actively tried to get a particular issue they considered to be of high public benefit onto the Government's policy agenda.

The agency exhibited by the officials proved to be an instrumental concept in whether officials had a sense that a policy would work or not, and more broadly in the understanding of policy success. The agency occurred to a degree not reflected in the literature. That is not to argue, however, that it will continue under different federal political regimes, or that it is found to the same extent in other federal departments or other policy areas. How it manifested in the Environment Department over the years 1993–2013 is discussed in more detail below.

6.2 Examples of agency behaviour

The first signal of agent behaviour emerging in the interviews was the recurrent references to the constant scanning for openings to get a policy idea on the Government's agenda. This behaviour echoes Kingdon's (2011) 1984 'window of opportunity', discussed in Chapter 2. Interviewees spoke of having something in the "recesses of their mind" or "up their sleeve". The interviewees reported that preparation and timing were critical in their efforts to actively engage in policymaking (Chapter 5). Preparation involved having the policy idea, the costings and the evidence ready and aligned. Such opportunities were known to be rare and to arise with little forewarning, yet the scanning for the opportunity was constant. Officials "sniffed the wind" (Interviewee 29) continually, and used their judgment about the degree of openness to the concept – among their line managers, the Departmental Executive, the Minister and his office – to determine when best to float the policy idea. When an opening was identified, officials reported taking action quickly to embed the idea in a formal policy process, such as an election statement, a new national environment strategy or a budget process. Having a wish list of proposals ready to soak up under-spends at the end of each financial year was commonly reported at interview.

The extent of agency, including at the most senior levels, by all but one of the Tier 1 interviewees is evidenced in the following extracts from the transcripts. One Deputy Secretary volunteered the following description of how he saw his role:

> I was active all the time in trying to get good environment policy up, in part, because I wanted us to be taken as serious policy contributors, because I thought the policy space for environment was a really serious issue for the country. There have been bits and pieces of success or activism in a way, and I didn't think it was mainstream and I thought it needed to be mainstream, because I thought it was important to the future of the country that it was.

Similarly, a Division Head held the view that there was a place for an active interventionist role for the bureaucracy, and generally believed that most policy coming out of the 'government' was put there by the bureaucracy. He provided an example:

> In December 2011, I was talking to the environment NGOs about the future policy steps on biodiversity. I was able to build those views into the policy framework in government. I had those links from my years of work in the area. I was already talking to the external stakeholders about what changes they saw were needed in *Caring for Our Country* to get better biodiversity protection. I was also working on the international front. So I was working in that biodiversity policy space and collaborating with others in the Department and so I was able to set some of the policy directions. All that led to the Biodiversity Fund policy idea.

Most interviewees, however, did not discuss their role in the explicit terms found in the statements of the Tier 1 and 2 interviewees quoted above.

The comments by Interviewees 11, 18 and 36 below suggest the connection between agency and policy success.

Interviewee 11 described how he kept an eye out for staff who took a highly active approach to their work:

> The corporate structure, corporate plans and strategic plans didn't matter. If you have the people with the vision, that is a predictor of success. I called these people the 'inside runners'. They ran the program from within the Department. They could speak with conviction to the Minister, the Parliamentary Secretary and the parliamentary committees. I deliberately employed entrepreneurial people. They can make the cracks appear and, if not, they can spot an opportunity. For example, we doubled the money from outside government for the *IPA Program* and one reason for that is we had entrepreneurial people.

Interviewee 18 thought that predicting and achieving policy success depended on the people. She held that if you could define that set of capabilities and assess them, you would have your ingredients for success:

> So you need to add a side thing to your study about managing recruitment and what capability framework delivers success. It is not just recruiting smart people. There are plenty of smart people who can't do policy. It is not just finding people who are highly motivated and care about the policy outcomes; it is not just about strategic thinking ability (what does that mean anyway?). Some people never get policy. You can't really teach it. It is some intrinsic thing in people – the ability to do policy well – if you have that intrinsic quality it can be fostered, developed.

Interviewee 36 explained that individuals' experience and judgment was a key to policy success:

> There is no doubt that individuals are absolutely critical in the conceptualising phase of policy development: the bit where you are asking what are we about and why? There is no formula for doing that bit of policy development. You can do a course or read the theory on how to do it but that doesn't really get to it. The capacity to do policy is actually a function of your experience and your capacity to harness that, and to be able to step aside at any point and take advice. Not everyone has that capacity to step aside from the policy they are developing and ask what is it that they are trying to do. There are certain individuals in the organisation who have those capacities to ask those questions that need to be asked to achieve rigour and discipline in policy. So the individual is important in determining policy success in that sense. It is about the capacity to ask the good, hard questions.

Interviewees were asked to talk about their about specific experiences in the policy development process where they had had a direct role (Appendix 1). The following examples of agency emerge from the responses to that specific question. They refer to the *NHT* (1996), the *EPBC Act 1999, Working on Country* (2007), and (over a long time) the *MPA policy agenda*.

The land-clearing clause in the NHT Heads of Agreement

Perhaps the most compelling example was the action by a senior manager in the Department to insert a clause in the *NHT* Commonwealth-State Head Agreements negotiated between 2002 and 2004. Those Agreements set out the funding arrangements and responsibilities for

192

implementing the *NHT*. The clause made access to *NHT* funds by a State conditional on the cessation of land clearing in that State. Three Tier 1 interviewees made reference to the clause, but not all interviewees involved in the delivery of the *NHT* were aware of it or its significance in protecting biodiversity. Interviewee 26 explained the significance of the clause to environment outcomes and how little known it was:

> A senior manager came up with the idea to put a clause in each Commonwealth-State *NHT* Head Agreement that required the State to phase out land clearing during the life of the program and the states did that. That clause was the big gain from *NHT* – much more than all the people beavering away with on-ground works. That clause led to a fundamental change in every jurisdiction. In terms of the environment outcomes it was very significant. The design of the NRM regional model of providing community grants in regions was not strategic. It meant the significant issues weren't addressed but that clause made a fundamental change to vegetation management. That blanket agreement led to the real policy change. There was not any serious discussion and analysis and integration up the line, that if you are going to invest $1 billion in *NHT*, what are the four or five major policy changes we want? We didn't look at addressing cause rather than symptom. We did lock in that one change in the land-clearing clause even though it was below the radar. If you can address the fundamental causes the symptoms go away (Interviewee 26).

For Interviewee 26, the primary design feature of the *NHT*, that is, a regional approach to NRM, was not the right way to address land clearing – a major cause of native vegetation loss. A Tier 1 interview concurred with Interviewee 26's analysis:

> Absolutely the clause in the Head Agreements with the States to stop land clearing was the main success of *NHT*. I remember negotiating those words personally with various states and they were very difficult negotiations. It was very difficult because basically we were saying 'you are not going to get any money unless you change the policies in your State'. Part of the rationale for wanting to put that clause in the Head Agreement was a frustration on the part of the Federal Governments in the past that they had put all this money into revegetating the landscape, while at the same time States were allowing the native vegetation to be removed, so you were actually still going backwards, perhaps at a slightly slower pace. We knew that from previous programs. Essentially we bribed the States. Plus, there was certainly a feeling in the State environment bureaucracies that the level of land clearing couldn't continue. There was an acceptance of the part of our State environment counterparts that something had to be done to slow the rate of land clearing. The gain from that clause was under the radar (Interviewee 43).

Interviewee 29 was more circumspect on whether the clause made much difference. In weighing up the value of a grants program as a policy tool, compared to the land-clearing clause, he concluded that the clause did make a significant difference if only through a decade of persistence on the part of the Commonwealth officials:

> The problem with a lot of policies, particularly on the program side, is there are so many bloody players. How do you appease them all? Everyone thought they wanted a cut of the cake. We proposed five program elements. But we didn't win that argument. We ended up with 23 separate program elements in the *NHT* I think. So we pissed the money up against the wall. Grants are a very poor policy initiative when it comes to the money side. It dilutes your fiscal power. But politicians love grant programs. Grants are the hallmark of policy at the Commonwealth level, but to be frank they take a lot of effort and don't change much. You could argue *NHT* changed a lot on the ground like stopping land clearing. That was done by Hill on the urging of us. When we were negotiating the Heads of Agreement with the States, my Senior

> manager put the clause in to try to lever with our fiscal power. I knew it would take time, I knew it wouldn't happen overnight. It still required a lot of effort and persistence to stop land clearing. It took a decade really and I don't know how much can you actually claim that it was the Heads of Agreements. Part of that is having the continuity – it is the evolutionary nature of policy. You have got to have people who remember. A lot of people try to reinvent the wheel. A lot of the big 'Policy' policy came from people who had memory and experience and that wasn't me. I wasn't at the forefront. I was a side player. I put my tuppence worth on the table. Some of it was picked up.

The States abided by the clause in order to access *NHT* funds. The 2004-05 and 2007-08 ANAO (2005, 2008) performance audits of the *NHT* and related programs confirmed that Agreements did deliver significant land-clearing reforms. According to Interviewee 29, Hill, the Environment Minister was aware of the *NHT* clause and its significance. Interviewee 29 surmised that Hill had little interest in the grants funding under the *NHT* or in evaluating their impact, because he understood that the primary gain for the environment was likely to come from forcing the States to, if not cease, at least slow the pace of land clearing.

Apart from the Tier 1 officials directly involved in the Head of Agreement negotiations with the States, the policy rationale for insisting on the inclusion of the land-clearing clause was not widely appreciated by the staff at lower levels. The clause did deliver a substantial environmental outcome over and above what the *NHT* grants could otherwise achieve although, as with many environment program 'successes', these presumed land-clearing reductions should be viewed with caution. They have tended to be overstated, to generate imputed carbon 'credits' that would tend to mitigate our national emissions-reduction targets, or, governments themselves in recent years have tried to reverse land-clearing controls.

The EPBC Act 1999

Evidence of agency can be found in the genesis and administration of the *EPBC Act 1999.* As a legislative tool, the Act provided less scope for agency behaviour. As acknowledged by the interviewees, the Act was brokered at a very high level, under the direction of Hill, the Environment Minister at the time. Nonetheless, the high-level officials revealed considerable pluck and opportunism in creating pathways to strengthen the scope for protecting the environment through national legislation.

Interviewee 50 discussed the interplay between a Minister and the officials in the genesis of a policy idea over the period 1990 to 1999:

> You develop ideas and you try and put them forward. Often it is a timing question. For senior people who have access to the Minister you can be a policy activist in a way, because often the Minister, even someone like Robert Hill, wouldn't have had all that detail. He would have just had the thought, 'why can't we have a better system whereby we can clarify exactly what it is the Commonwealth can do?' That thought had to be translated into real ideas. That is where officials [can have an active role in policy development].

Later in the interview, Interviewee 50 commented:

> A lot of the ideas and amendments came from me, not just from me but also from other people in the Division that I encouraged to think along those lines. You do have a sense of who those people are. The ability does not often correlate with the job the officer is in. We were lucky in a way because we were setting up new legislation and we were required to discuss what we were doing with the Executive. We had to work out what we were going to do, so we needed to say 'let's work out what we are doing'. It was quite exciting and it was interesting.

Officials reported that they intervened where they could, to facilitate the passage and effective implementation of the Act. For example, a Tier 1 official, who was working closely with Hill through 1996–97 to bring the Act to fruition, supported Hill's resolute political footwork with some canny bureaucratic footwork. That official described how they engineered Phillip Toyne, a former Head of the Australian Conservation Foundation and by then the Deputy Secretary in charge of the core policy unit in the Environment Department, into a position whereby Toyne appeared to be instrumental in the suggestion of amalgamating the five minor Acts into one overarching Act. The intent behind the bureaucratic manoeuvring was to have the 'greenest guy in the Department', that is Toyne, put forward the concept, thereby hopefully neutralising the likely opposition from conservation interests within and outside the Department to the idea of replacing the much loved *Environment Protection (Impact of Proposals) Act 1974* (Cth) (*EPIP Act 1974)* with the *EPBC Act 1999*.

An example of the instrumental role high-level officials were able to have is reflected in the way Interviewee 50 orchestrated a major change to the way the Act could work. The change involved more use of strategic regional assessments rather than project-by-project assessments. Interviewee 50 described how in 2006 he (working closely with his staff) saw a moment of opportunity and struck quickly to secure wide-reaching changes to the Act. The opportunity arose when Rio Tinto's development intentions for Burrup Peninsula, WA, were at risk. They lobbied Howard, the Prime Minister at that time. Interviewee 50 explained how he brokered Howard's agreement to what was a major reform of the Act:

> I recognised that this was a real problem; that we would never get any strategic assessments done. One of the things in the Department that we did, and it is one of the things that I am quite proud of from the Department's point of view, was when the Act was passed there was a whole lot of amendments in the Senate with the Democrats, so what we did was set up within the Division, every time we found a problem with the Act we would document it. One of the Executive Level 2s had this big long list. Quite perchance, we were dealing with Rio Tinto. They had a big development on the Burrup Peninsula. It was Heritage listed but there was a lot of talk about World Heritage listing and they were really spooked. There was a lot of talk about, 'why would we have this development if five years down the track we are told we can't do it?' And they raised it with Howard who was the Prime Minister at the time, and Turnbull was the Environment Minister. They said you have got to sort this out. In that process of developing the list of the sorts of things we would like to do under the Act, I had a strong view that we needed to do something that made strategic assessments worthwhile because they were the way to go.

> So Malcolm [Turnbull] said, 'Well what will we do?' So I said, 'Actually if we change the Act we can solve Howard's and Rio's problem by getting them to do a strategic assessment or conservation agreement, but we have to change the Act to give you power as Minister on the basis of the strategic assessment to actually give an approval.' So he talked to Howard about it. Howard thought it was great. Rio thought it was great. It is not as simple as that of course. We had lots of discussions with Rio and made sure that what they were wanting would be delivered. Howard agreed. It went to Cabinet and was approved. We got it through. To me that was really a significant policy initiative that, if you like, was developed in the Department and we took the opportunity when it arose.

Following this intervention, strategic assessments subsequently became an important tool under the Act and have been applied to significant development proposals, such as urban expansion in the ACT, Western Sydney, Melbourne and Cairns, and also in gas and water development proposals (Department of Environment, 2014b). The intervention by the official allowed the Department in administering the Act to "get out of the weeds" of project-by-project assessments and to focus on imposing conditions on a regional scale that would make a difference (Interviewee 30).

Interviewee 50's description of the *EPBC Act 1999* as a key policy process gave rise to a second example of policy agency on the part of an Executive Level 2 officer. Interviewee 50 described how the administrative role conferred on that officer considerable decision-making powers by virtue of his administrative function. The officer's role was to allocate in the first instance a proposal as a controlled action (or not) under the *EPBC Act 1999* for subsequent clearance by senior officials before being considered for decision by the Minister. However, the Executive Level 2's initial cull of proposals into two piles – controlled action/not controlled action – set policy precedents through his day-to-day administrative decisions. Interviewee 50, describing this example, made it clear that the Executive Level 2 did not carry out his role in an inappropriate way.

The above two examples of agency in the context of the administration of the *EPBC Act 1999* are significant but rare. The scope for agency in the administration of the Act was constrained by two factors: a lack of authority on the part of Tier 1 officials and concern not to appear opposed to development. Interviewee 40, who had held key roles in the administration of the Act, explained how assessments of controlled actions under the Act were often undertaken at a relatively junior level (APS 6). Proponents would send high-level company directors along with their legal representatives to discuss the assessments. The Departmental staff members at the negotiations with developers lacked the skills and authority to negotiate with the large corporate player in the resources sector. The lobbying efforts of powerful development interests resulted in the majority of controlled actions being approved under the Act, with conditions.

This lack of authority due to the level (Tier 3) could therefore limit the negotiation power of the official and that in turn could constrain the scope for agency. Interviewee 40 described the consequences of this imbalance in the negotiating power between the officials and the development proponents. Conditions were either not sufficiently monitored or enforced, or were 'soft' conditions simply requiring monitoring plans or further research, as Interviewee 40 explained:

> The people who come to Canberra to pressure the Department or the Government on *EPBC* decisions are a mix. You get company reps or paid lobbyists for a particular company or particular development or the company themselves come down and talk to an APS 6 or and Executive Level 1 and they get overwhelmed by that. Even our senior managers get overwhelmed. They get caught up in a culture of not wanting to be seen as 'Environment', as a roadblock to development. There is almost a reluctance to say 'no' to anything. So we just talk about how we can we make the development proposal happen by putting conditions on it. So I think there is a lot of pressure on that side of things and the staff don't think about the big picture. We approve one and lose 100 hectares and then we approve another one doing the same thing – what is the cumulative impact?

The outcomes from these unbalanced negotiations and a reluctance to stand against development pressures, even though the Act provides the mechanism to protect matters of NES from development, set precedents that came to define how future assessment decisions were approached.

In summary, agency at the Tier 1 and 2 levels is evident in the policy work leading up to the passage of the *EPBC* Bills through Parliament. In implementation, with the task of administering the Act undertaken at lower levels (Tier 3 and below), the scope for agency was more constrained. The exception discussed above was the Executive Level 2 officer who, in categorising development proposals as controlled or non-controlled actions under the Act, was in effect making significant policy decisions.

Working on Country

The pathway of the suite of Indigenous land management programs (CEPANCRM, IPA and *Working on Country*) demonstrates a high degree of agency on the part of the policy officials and the senior Executive. The rapid growth of *Working on Country* provides an example of the persistent action by policy officials across all levels – sympathetic high-level executives and committed on-the-ground Tier 3 officers – interpreting and harnessing stated government priorities, yet cutting through conventional policy and budgetary strictures to invent and deliver a robust and effective program with apt objectives, wages and funding (Table A6.1).

The policy officials were able to capitalise on a fortuitous confluence of interests: their own efforts to secure funds to protect environment values on the extensive Indigenous estate; Indigenous people wanted wages and recognition for their land management work; and the

197

Australian Government wanted a smooth transition of Indigenous people off CDEP positions (following the reform of CDEP from July 2007) into paid employment. In that way, the *Working on Country* policy concept met the political and policy needs of the Government, addressed an environment policy issue and responded to the concerns of Indigenous stakeholders.

Key Departmental Executives were acutely aware of the long history of failure in delivering Aboriginal programs, and wanted the Indigenous land management programs to succeed. They understood the importance of the links between Indigenous culture, identity and land. Therefore, they made a series of highly tactical decisions to strengthen the chance that the 2007 *Working on Country* policy proposal would receive Cabinet endorsement. They were able to cut through the historical opposition of central agencies to wage funding for Indigenous people, to protect the environment. They brokered a level of funding that ensured that the on-ground projects and the administration in Canberra were sufficiently resourced. This was a marked shift from the shoestring budgets of the forerunner Indigenous land management programs.

Within the Department, policy officials, who had worked on state ranger training programs in South Australia and the NT, had been actively pursuing federal funding to support Indigenous land management over a long period starting in the 1980s. They were cognisant of the strong support in some of the senior Departmental Executive for such a program.

By 2007, it was primarily the realisation by environment policy officials that there was genuine interest and support within the Government to secure funding for Indigenous people to work on their own country that led to the drafting of the policy proposal for the program in the 2007 Budget context. Hunt, at that time the Parliamentary Secretary for the Environment under the Howard Government, was a central player in this process as were the efforts of Joe Morrison at the Northern Australia Indigenous Land and Sea Management Alliance (NAILSMA) and Jon Altman as the then head of the Centre for Aboriginal Economic Policy Research.

These drivers coincided with a long-held concern by a Tier 1 interviewee who had previously worked in the Health portfolio. He concluded that the Howard Government had persistently failed, despite the evidence, to address the unacceptably high infant mortality and morbidity rates in Australia. This was a primary factor in his willingness to give the go-ahead for an embryonic policy proposal to be included in the 2007–08 Budget Portfolio Submission for the Department. The actions of the then Secretary of the Department played an important role in securing the outcome. That Secretary had participated in the earlier 2006 trip organised by Kerins at the Northern Land Council (NLC). The Secretary decided to take a group of three Departmental heads or their deputies from the three central agencies on another field trip to

Laynhapuy in the NT with the intention of exposing them to the work of the rangers. One of the three was Ken Henry, then head of Treasury.

A cross-agency meeting was held in February 2007 of all central agencies and line agencies with scope to provide Indigenous employment opportunities. They were to finalise which policy proposals would go forward for decision. The proposed jobs were to replace the so-called 'cross-subsidisation' of services to support the progressive abolition of CDEP. At that meeting, the ranger proposal was at risk of not being included in the package as health, education, legal and other functions were accorded a higher priority than environment work. Henry spoke up to say he had seen the good work that the rangers at Laynhapuy were doing. Shergold, the then head of PM&C as Chair of the meeting, gave the ranger proposal the necessary inclusive tick. The Environment Department Secretary had astutely laid the groundwork to secure central agency support by taking Henry on country. He explained his reasoning:

> In general, you can't underestimate the need for data and evidence. I knew the high-level Central Agency people needed to understand what the Indigenous land management programs were achieving. I arranged to take Paul Grimes from Finance, Ken Henry from Treasury and Jenny Goddard from PM&C up on country to the NT. That was prior to *Working on Country* and prior to anything happening in that area. I was hoping it would be useful to have them understand. I was being canny. There was an Indigenous Working Group for the Secretaries. Ken Henry had his thing for the hairy-nosed wombats. My gut sense was to have them on side for when the time was right.

Working on Country had two critical design features secured through the action of policy officials. These features allowed a certainty and speed rare in the delivery of environment policy. First, the new policy proposal was crafted to secure Cabinet agreement to the funding that was 'ongoing' rather than 'lapsing' (i.e. requiring re-submission in four years) (Department of Environment, 2013b). Second, the then Minister for Environment (Garrett) agreed to delegate his authority under the *Financial Management Act 1997* to the Secretary or his Deputies, to expend program funds. This seemingly small administrative change meant that decisions on project applications could be made very quickly. The first ten *Working on Country* projects were announced on 28 August 2007, a mere two months after the funds were appropriated. That the program funds could be spent within the financial year overcame a common weakness of environment program administration, the under-expenditure of program funds in the first year of implementation, creating the risk of losing program funds to savings measures. The policy craftsmanship evident in the above two design features of the program is small 'p' policy rather than the step-change big 'P' policy discussed in Chapter 4.

MPA policy agenda

The tactics employed by the officials across all levels (with the support of successive Environment Ministers) to pursue success from the mid-1990s through to the declaration of an extensive *MPA* system by November 2012 involved securing funding for small-scale programs, securing a mandate for Commonwealth action in the marine estate, containing the actions within the legislative remit of the *EPBC Act 1999*, and avoiding declaring marine reserves in areas of commercial interest to extractive industries. During that period the *MPA policy agenda* is replete with examples of agency:

- the initiation within the Department of a small program (Coastcare), built on the Landcare concept, to resource community groups to engage in planning processes for coastal developments that were likely to have a negative impact on environmental values. In line with the at times opaque nature of agency discussed below, the intention in proposing the program was not necessarily made explicit to the community or the government

- the intervention by a senior manager who through an honest assessment of the lack of progress in the *MPA agenda* and some sharp thinking in regard to the policy levers the Commonwealth did have in the marine estate led to a policy breakthrough through the use of provisions in the *EPBC Act 1999* to provide a legislative mandate to progress the Commonwealth's marine policy agenda, including through bioregional plans

- the negotiations by a small number of policy officials to achieve the declaration of the first three large *MPAs* in Australian waters: the Great Australian Bight MPA in 1996; the Lord Howe Island MPA in 1999; and Heard Island and McDonald Islands MPA in 2002.

The interviewee (15) who held an instrumental role in delivering those first MPAs explained how he went about the policy task over the period 1995 to 2002. Along with a handful of officials, he was able to deliver a successful policy outcome in securing the Federal Government's willingness to declare several large deep-water MPAs in a relatively short timeframe. Apart from an early policy paper on a national system of marine reserves, the officials lacked an overarching policy framework or the evidence to establish where the reserves were best placed. Yet they were able to achieve a result. They did bring the stakeholders "into the tent" and brokered agreement that stood the test of time on where industry would accept the location of no-go zones for fishing or gas and oil exploration. They were singular in their objective – to secure MPAs – and were thus not weighed down by the plethora of 390 objectives within the AOP.

Interviewee 15's experience is reported here in detail as it is in sharp contrast to the subsequent AOP process in terms of policy and political imprimatur, scale, the evidence base, stakeholder engagement and complexity:

> I didn't know anything about marine policy but I was asked by the Executive to move to that area because they wanted fresh eyes with no baggage. The people working there were hopeless scientists with myopic views on their particular interests. I made a tactical decision when I took the job to go around and talk with the commercial fishing industry and the oil and gas industries and asked them what they thought of marine parks. At the time, they saw MPAs as a joke. We did a review of the MPA work and concluded the approach in the Environment Department to the marine stuff was a 'dog's breakfast'.

> Paul Keating had made a commitment to develop a system of Commonwealth MPAs but there was no policy framework. My view was there were no policy precedents so I thought, 'let's just do it'. I engaged with the stakeholders to see if we could develop an MPA. It took a couple of years. It was a real battle but we had strong Executive support in the Department at Deputy level.

> We were told we didn't have enough science to set the boundaries but I figured whatever we got would be good in terms of marine conservation values. I talked with the vested interests – Brian Jeffries of the tuna fishermen and the oil and gas industry.

> There was a critical turning point when Jeffries realised the Government was genuinely serious in getting a negotiated outcome so he worked with us. They would tell us, 'No don't put the boundary there – we want to fish/drill there– put it there – there are better conservation values over there.' They worked with us.

> Robert Hill was the Minister at that point. The media response [to what we were doing] was positive. That gave Hill a spring in his step. He said he wanted to do it all over the shop. So again, without any policy framework we embarked on MPAs at Macquarie Island, at Heard and McDonald Islands and Lord Howe Island. Hill was a yachtsman – he was a sailor – he had an intrinsic understanding. I think that is why he supported marine conservation.

> We were going gangbusters – we got Macquarie Island [in 1999], Lord Howe Island [in 1999] and Heard Island and McDonald Islands [in 2002]. We were just punching them out. We were getting meaningful outcomes. They were large protected areas. Heard and McDonald Islands had huge 'no-take' zones.

> We had a few things written down about how we went about the business but there were no major policy settings. The defining point was Hill launching the NOO. I said, 'Do we really have to?' That was extraordinarily difficult. I got a real taste of how you can get crippled by having a much more complex set of engagement arrangements. Up to that point I was running a Commonwealth Steering Committee. I talked them through all the detail at every point so we had documented evidence of sign off that all the Commonwealth agencies all agreed with the proposed outcomes. Then things went downhill from there. I was told I had better engage with the NOO, especially over the South East RMP. The whole thing became more complex. It became extraordinarily difficult.

> Up to that point, in the Commonwealth Steering Committee I ran, PM&C and the other central and resources agencies were all in agreement with the outcomes. They saw every detail and we had the sign off by all the Commonwealth agencies before we went to the Minister. That was a good really process. There were strong arguments about prospectivity, but it worked.

> Then along come the NOO and they employed scientists who said there wasn't good science; that it was inadequate to support the MPAs. We knew there wasn't sufficient science. We engaged Leanne Wilkes. We needed a kind of scientific policy paper on how to go about making

201

decisions around MPA design. She wrote the marine policy paper – it was agonising to do. It was tested like you wouldn't believe by CSIRO and the Australian Institute of Marine Science. The NOO was always, always carping and unhappy about it. The Deputy in Environment said that it is the definitive policy paper. That paper is still used now. It was really impressive. It has stood the test of time.

The primary success was getting the policy settings agreed, whereby we directly engaged with the fishing and oil and gas industry. I used to get criticisms all the time – 'you have let the fox into the hen house'. But time and time again, I saw that when the relationships were strong and they trusted you, they show you the lines on the map of where the MPA best goes. The alternative, which was always thrust down our necks, was to do the science, make the decision and then consult with the industries. I said '*No.*' We need to build a relationship to achieve an outcome that endures.

We delivered 11 MPAs in the South East. It was huge. There was very little recognition or media. The staff were burnt out. Many left. I left.

This approach of not consulting gives a bad result. You get a better result if you involve the industries up front. Some of the Departmental Executive and Minister Garrett are of that mind. Others believe in the science first, talk later approach. So I believe it is better to talk early – to have the stakeholders in the tent at the beginning. The NOO process slowed right down. Fishermen later said, 'If you had stuck with the approach you used in the South East you would have it all done now.'

Our approach got turned on its head – it became 'we will decide as government and then talk'. We are stuck with the scientific approach now.

Was the MPA process successful? I am not absolutely sure. There has been a decreasing level of success in the MPA process. We were punching out MPAs with gay abandon before the NOO process but now it is more and more complex. People up the line say you can't make a decision about this or that issue. The process gets more and more complicated. After the South East RMP there was a hiatus. It was a complete swill for a few years until a new Division Head started [in September 2009]. He picked the eyes out of it and made it work.

We kept it simple. We worked with the stakeholders who were directly impacted by MPA decisions. We took the approach of engaging and negotiating with them so they felt like they had some control, some engagement in the process. That model is high risk, and it is seen as taking too long and it is seen as running the risk of ending up with something that is not what the Minister wants (Interviewee 15).

Interviewee 15's experience reveals several themes pertinent to the research questions. He had a strong sense that he would be able to achieve declaration of large MPAs within a relatively short period. He had a singular focus on one objective: declaring MPAs in Commonwealth waters. He was not constrained in his policy efforts by the absence of a mandate, an agreed policy framework, or sufficient evidence to justify the location of the reserves. From prior experience, he understood the critical importance of genuine engagement with the States and with industry stakeholders. How Interviewee 15 gave effect to his rather idiosyncratic understanding of policy is discussed in more detail in Chapter 6 in the context of the agency he displayed in securing the first large MPAs in Commonwealth waters between 1996 and 2002.

The narrative provided by Interviewee 15 of his early experiences in the *MPA agenda* exposes in detail the highly activist role he adopted as a policy official. It may appear self-justifying to a degree. Interviewee 15's report of the events, however, was substantiated by other interviewees involved in marine policy over that period. Further, he was not operating in a vacuum. He had the support of Minister Hill (support Interviewee 15 assessed as influenced by Hill's pursuit as a yachtsman). In addition to the support of the Minister, Interviewee 15's managers saw the need for a skilled policy operative who was able to 'cut through' the wealth of technical data and specialist scientific interests to broker a result by negotiating an agreed outcome with the vested economic interests. Interviewee 15's willingness to engage honestly and directly with the extractive industries who had an economic stake in the marine areas under consideration clearly underpinned his success, even though he risked brokering an outcome that may not have the Minister's or the Government's support given the absence of an overarching mandate or policy framework. Up until 1998, the tactics by Interviewee 15, 44 and others to lay the groundwork for the first three MPAs in Commonwealth waters were adopted prior to the advent of the AOP, the NOO or RMP and the policy coverage these national processes and bodies conferred to the marine agenda (KPMG, 2002, 21). They were also operating prior to legislative mandate afforded by the *EPBC Act 1999*.

With more experience behind him at higher levels, Interviewee 15 was mildly "scandalised" in hindsight by his high level of activism. Years later, he assessed his approach as a product in part of his initial naivety and inexperience. At the same time he came to understand that his very lack of policy sophistication was the very attribute that drove his capacity to deliver three of the initial large MPAs in Australian waters.

In addition to a willingness to engage directly with fishing and oil and gas interests, Interviewee 15, and the officials he was working closely with at that time, had come from State agency backgrounds and as a result were equally willing to engage with their State counterparts as they were with industry. They recognised that the States had shallow water expertise in marine protection and management:

> In drafting that [initial MPA] policy we had a Commonwealth-State committee with four State partners. They were highly effective people, very experienced and very interested in getting a good outcome. The very strong level of engagement of a small number of very skilled, positive people was, for me, the key [to our success] in getting agreement though the Ministerial Council (Interviewee 44).

It is questionable whether their approach, characterised by a lack of evidence or a policy mandate, but supported by a genuine and close engagement with the fishing and oil and gas industries and the States, was sustainable over the long term or on a national scale. In any event,

their efforts and approach of the officials involved in the early MPA discussed above were overtaken by the advent of the AOP in 1998.

The account above of the early *MPA* process by Interviewee 15, while expressing his personal assessment of what happened and why, does however draw out the tensions between:

-      timeliness and evidence
-      simplicity and complexity
-      an open slate or set policy parameters
-      an inclusive or exclusive consultation process.

The examples above illustrate in different ways how interviewees exhibited varying levels of agency, through their actions, to deliver outcomes that made a difference to the environment: that is, by their own definition, to pursue policy success (Chapter 4).

In addition to the above examples, all of which involved policy officials working together, an example of agency by an individual officer was provided by Interviewee 17, who displayed a high degree of agency in ensuring an Environment Minister (Hill) was armed with the necessary narrative to defend a policy. She explained:

> When Robert Hill came in as Minister in 1996 he had to find savings (to finance implementation of the *EPBC Act 1999*) and he didn't really get the international work and so he wanted to stop Australia's contribution to the United Nations Environment Program [UNEP]. I knew that would take about a year as we pay in advance, so I would work Ministerial statements on our role and UNEP, the centrality of UNEP into speeches so when it came to the Minister making the cut I could say, 'In your speeches you talked about the central role of UNEP' and he ended up agreeing the contribution should not be cut. When I talk to grads I tell them that story – it took me a year and a half to make the Minister understand that UNEP was something worth keeping – for Australia to be not involved in UNEP was not a good thing. I gave the Minister the ammunition he needed.

In summary, agency appeared in differing forms. In the *NHT* land clearing, *EPBC Act 1999* and *Working on Country* examples discussed above, the agency took the form of strategic action by high-level officials supported by the Departmental Executive and the Minister. In the more minor example of the funding for UNEP, a Tier 3 officer planted seeds to help ensure Minister Hill ultimately made a decision in the interests of protecting the environment. The following text discusses what could happen when there is an absence of agency on the part of policy officials, in the sense of pursuing good environmental outcomes.

An absence of agency

In contrast to the above examples of agency, in the case of the *Home Insulation* and *Green Loans Programs*, there appeared to be a notable lack of agency arising from avoidance (of

working in a policy area the official considered had high chance of failure), poor administrative practices, excessive workloads, and in one case, deceit.

Interviewee 22 considered that an advanced understanding of policy success involved an individual policy official knowing how to brief the Minister, including how to say 'no' to a Minister, and under what circumstances you can say 'no'.

In the case of the *Home Insulation Program*, senior officials, even though they thought the program would be difficult to deliver, were not able to make a sufficiently fervent case against the final program design (as other agencies had done on similarly vexed proposals such as federal funding to improve rail crossings). Interviewees 12, 41 and 50 pointed to three additional factors as to why the high-level Environment Department officials were unable to stand against the imperative of Rudd and PM&C to deliver the program in the timeframe and at the scale required for the stimulus objectives. There were:

- Prime Minister Rudd's electoral popularity at the time

- the associated strength of the Prime Minister Rudd's Office, his Department (PM&C), the Office of the Co-ordinator General in PM&C and the Parliamentary Secretary to Rudd (Senator Arbib)

- key management positions within the Environment Department were held by newcomers or officers acting one level up from their substantive level.

Interviewee 41 captured the consequences of the shared reluctance by policy officials to stand against the scale and haste of the home insulation policy proposal:

> I don't think anyone in the Department could have said, 'no, we don't want it, we won't deliver it, it won't work like that.' I don't think they could have because the proposal came out of the Prime Minister's Office and the PM. The PM was driving Cabinet, so what was coming out of PM&C was, 'don't tell us your problems just go and do it'. That was why Garrett wrote those letters to the PM saying 'this is a disaster waiting to happen'.

In addition, three key policy officials at Tiers 1, 2 and 3 (all of whom held considerable experience working with the States and with industry to deliver large programs) stepped away from the responsibility of implementation, in part because they had assessed the program as very high profile in terms of the expectations of the Prime Minister yet likely to fail. Once the officials understood the mandated design parameters, they dodged implementation by retiring or moving positions. Before doing so, however, they provided advice on alternate program designs and flagged likely risks for the Commonwealth in delivering a ceiling insulation program directly to households using unregulated and inexperienced installers.

The remaining policy officers charged with implementing the policy, in the main, did attempt to steer the program towards success. They put in place checks and balances in an attempt to guard against safety risks and fraud. Interviewees describe how Departmental officials put forward arguments for training provision, and requirements to view insurance certificates to guard against 'fly-by-night' operators. Ultimately, however, the measures that were put in place were too weak, not enforced or too late.

Environment Department officials did push hard to link the stand-alone energy efficiency measure to a broader emissions reduction strategy that dealt with issues such as equity and behavioural change. Interviewee 32, who had an instrumental role in the initial positioning of the program within the Government's broader political messages, stated:

> Most environment programs have a political rationale or dimension so the policy dimension is curtailed, and so you need to be very clever and at the same time find the policy dimension and value, and sell that to the politicians without compromising their political agenda. You can do both. They are not mutually exclusive. We tried to do this with the *Home Insulation Program* – to link the expenditure to the wider energy efficiency and climate change agenda. Minister Garrett could see what I was trying to do and he said 'good luck'. The Co-ordinator-General in PM&C kept saying 'yes', then 'no'.

In implementation, the failure of a Band 1 officer, as established in the Royal Commission hearings of 1 April (2014, 1664) to provide the Risk Report to Minister Garrett, or to brief the Minister on the emerging safety and fraud issues, was an example of 'agency by omission'. A Tier 3 interviewee provided the following observation that advice to the Minister was not as 'frank and fearless' as it could have been:

> I saw all the briefings and all the input to the audits and Senate inquiries. You can see there was a lack of honesty in the earlier briefings. When I was helping with the audits and Senate inquiries, staff would say to me, "I did tell someone [of a problem] but then I thought but what did you do"? It is not enough just to tell someone. Senior managers were told – but people said it did not get above Branch Head level – he censored the briefs. Briefs were blocked and the material changed before the brief went up to the Minister. Once new people came in from October 2009 you could see the difference in the briefing, there were many more of them and they were more honest.

Sufficient warnings of the high risk of perverse outcomes were provided at the outset and throughout the program by risk experts, from high-level Departmental officials, from parts of the electrical and building industries and from within Government by way of written advice from the Environment Minister to the Prime Minister (Appendix 5).

Interviewee 12 pointed out that, worryingly, there was sufficient early warning of likely failure of the program, on the basis of the issue of fraud alone (as opposed to safety concerns), but these warnings were ignored:

> I was at a meeting in September 2010 after we moved to the [then] Department of Industry and Climate Change. An investigator from the Australian Federal Police (AFP) was briefing me and

206

the Executive. He said the AFP had been pursuing a member of a bikie gang in Sydney. They saw the bikie's name on the list of installer business suspects, but they didn't say at the time he was a person of interest to the AFP already. The AFP had been tailing the bikie. They pulled him over and in his boot were what? The AFP officer asked us at the meeting. It was not what they were expected to find – and the Minister would have been briefed on this. One of us said 'drugs?' Another said 'guns?'

Another APS officer in the meeting said, 'installer rebate forms?' and the AFP officer said 'yes!' The bikie gang member had four crates of claim forms. He was misclaiming *Home Insulation Program* rebates. The point is the program should have been closed because of the level of rorting, which was identified early on, but it was closed because of the four deaths. The AFP had seen the names but didn't say anything. The names were no surprise to the police. They knew of many of them. So not doing police checks on the installer businesses was a major, major flaw.

Interviewee 12 emphasised that the point he was making was about early warning. If the program had required a police check on all installer businesses, a lot of the 'rorting' could have been picked up, as many of the names were already known to police. Serious instances of fraud became known but were not acted on prior to the fatalities. As Interviewee 12 explained:

The move to Phase 2 was a major flaw. In Phase 1 the homeowners had to sign off on the job. That slowed down delivery. In Phase 2 installers were paid up directly into their bank account without any household checks [by the Department]. A lot of the names had 'priors' for petty crime and fraud. It was the Minister's decision not to do police checks, as that would have held things up. It would have been a barrier. The AFP said later if police checks had been done they could have struck off a number of people [from the list of registered installer businesses].

Interviewee 12 shared his experience of the briefing process and his observation about whether frank advice was provided to the Minister:

The briefings to the Minister were quite sterile. In Phase 2 my manager said 'It is now a "free for all" but it is what the Minister wants'. Really a lot of it came down to Arbib and Garrett. They wanted this thing and the APS wanted to serve their master. They took serving the Minister at all costs to a new level. No one was going to tell the Minister what was going on. Yes, the Minister was briefed, but the wording was quite conservative in the briefings. The brief would say 'there are concerns about consistency in the training across the training providers' but not make it clear that 2.5 days (which should have been 12 months) was being done in some cases in one day. So the risks were flagged with the Minister but in a sterile way. You can brief the Minister but not say what the significant issues are.

The following summation by a Tier 2 interviewee draws together how the desire to deliver for the Government of the day and the discounting of hard evidence placed the officials in an invidious position:

I saw the compliance report on foil installations in Queensland when I first arrived. PriceWaterhouseCoopers wouldn't write the advice to ban foil [as they were the auditors not the policy advisors], although that was their view. It was too dangerous and an estimated 25 per cent of Queensland homes had pre-existing electrical wiring problems.[27] To ban foil was a no brainer. But there was strong resistance within the bureaucracy … Some SES did not want business to be impacted. I was told that I could not give unequivocal advice [on the banning of foil]. But then the fourth fatality occurred – this opened the door for the advice to be given to ban foil for a

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[27] This rate of pre-existing faults was reported also in the Hawke Review (2010, vii).

> period. Foil was never re-instated. This example illustrates what a weird space the Department and the Government were in. Foil was clearly dangerous but we weren't allowed to give advice that impacted on industry. What was more important – people's lives and public safety or support for an industry? (Interviewee 04).

That statement is supported by Royal Commission hearing 2 April (2014, 1730-31). This heard that Mr Kevin Keeffe, the Branch Manager at the time on 21 October (a week after the first fatality who had died stapling metal foil to a ceiling joist), did not recommend to Minister Garrett that the Minister ban foil insulation products from the program. The Minister, however, disagreed with that advice and foil was eventually banned.

Interviewee 09 considered a combination of Minister Garrett not being provided clear, timely information and officials not wanting to send bad news "up the line" resulted in anodyne and veiled advice. A notable lack of a service mentality in some of the part-time and contract staff brought in to meet the implementation timeframe further compromised the flow of information (Interviewee 09).

Consistent with the view of Interviewee 09, the ANAO (2010c, 34) found that the briefs to Minister Garrett on the program were overly optimistic and omitted key information. A primary example is a critical April 2009 brief from Keeffe to Minister Garrett in which the Minister was advised that the new delivery model from 1 July 2009 could address all risks identified apart from the risks of safety and fraud. The brief however did not attach the Risk Register, prepared by Margaret Coaldrake (commissioned by the Department to develop an analysis of risk and a risk management strategy). That document stated that the revised model from 1 July described above would mitigate <u>most risks apart from</u> fraud or "inappropriate behaviour" and potential political fallout from failures in the process, system or project deliverables (Hawke, 2010, 32). The Minister was not provided with a risk register until 11 February 2010.[28] This was a significant omission. It was difficult for the Department to explain why the Minister had not been provided with a copy of the Risk Register, although a copy was given to his Office (Royal Commission into the Home Insulation Program, 2014, 531). Interrogation of witnesses by the Royal Commission (2014, 1678-1733) led a Counsel to suggest that Minister Garrett had been misled in that regard.

Interviewee 09, who was involved in supporting the series of Senate Inquiries, independent reviews and ANAO audits into both the *Home Insulation* and *Green Loans Programs* (and as a consequence read all the briefs relating to those two programs to the Minister from February

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[28] Hansard, House of Representatives, Tuesday 23 February 2010.

2009 to March 2010), provided her observations about the personal, organisational and systemic barriers to policy officials telling their Minister or Government when a policy had gone awry:

> Certainly, looking back, I read all the briefs on *Green Loans* and *Home Insulation* and we [the Department] weren't very frank with the Government about the risks. We just kept saying 'yes we can make it happen'. I think that happened for a number of reasons. It was partly the culture – people don't like to say 'no' – particularly not to the Minister's office. I think also in some cases people were not flagging where they could see a problem coming – that sense of 'if I am putting it up as a problem that is my failure because I should have managed it', as opposed to 'I will flag it so it can be managed and in that way it will be part of my success because I can stop it from becoming a problem'. But I think people felt like if I say I need help then I am not doing my job well enough. They thought that people clearly expect that I should be able to manage this or else they would not have asked me to do this job. I think it is very true that you don't want to say 'that is beyond my capability' and you are so short staffed anyway. So you say, 'Yes, we can make it happen.'

> In *Green Loans*, certainly, there was an unwillingness across all levels to say there were problems. They knew they had problems and they weren't briefing the Minister. That comes out through the audit report as well, that there was a lack of briefing and the briefing didn't flag certain issues clearly that the Department was aware of, because the issues were in the emails and the correspondence in the Department. It is not that explicit in the audit report but the audit report does say that one of the problems was that there was a lack of communication with the Minister's office. Garrett didn't see it coming because no one told him anything was getting off track.

The *Home Insulation Program* policy experience can be interpreted as the (perhaps understandable) failure of high-level officials to stand against political and central agency demands to deliver a program in undue haste and at an unrealistic scale to meet the (non-environmental) economic policy objective of stimulating the economy during the GFC. In that regard the *Home Insulation Program* experience is not entirely valuable as a lesson-learning or theory-building examination of policy success and failure, as the origins and design of the policy were set in the political realm. What can be deduced is that such pressures of a vexed policy concept will sorely test the governance and cultural strengths of any organisation, in particular the willingness of lower-level officials to send bad news up the line (Interviewee 09). A focus in the examination of witnesses in the Royal Commission (2014), for example, was whether Executive Level 2 and Branch Head officials took the initiative to ensure high-level decision-makers, including the Minister, were given timely and clear warnings in regard to possible injury to installers or householders based on information the officials had been given by external stakeholders.

The unravelling of the *Green Loans Program* to termination reinforces the findings in the *Home Insulation Program* case study of the link between an absence of agency and policy failure. As Interviewee 25 stated:

> *Green Loans* was a policy failure. It was being implemented at the same time as the *Home Insulation Program* by the same manager, so there was a lack of focus and a lack of oversight by senior management. Their focus was on *Home Insulation Program*. No one focused on *Green*

> *Loans*. We took half the money off them. They were left alone by the centre. There was a rogue Executive Level 2 [in *Green Loans*] who was in over his head and management did not pay attention. There was fraudulent allocation of funds. For example, the Executive Level 2 put in 25 contracts for approval for $45,000 each, for essentially the same purpose totalling $2 million, instead of seeking approval for one contract.

The *Green Loans Program* was initially well resourced ($300 million) and had sufficient time (five years) to develop a design that met the stated objectives (Table A4.2). Following the Budget announcement of the program in 2008, there was little interest within the senior Executive in the Department in the *Green Loans Program*. The lack of commitment to or interest in the program is indicated by the difficulty in finding a Branch to manage the program between January and June 2009, as Interviewee 32 observed:

> No one wanted *Green Loans*. It went through four Branches before someone took it permanently.

The Branch that took it was subsequently also given responsibility for implementing the *Home Insulation Program*. The latter, being a Government priority, harnessed the lion's share of the Executive and Branch Manager's attention, with *Green Loans* being attended to after-hours (ANAO, 2010c, 39). Senior managers within the Department failed to ensure that the *Green Loans Program* had skilled officers who would stay with the task. In addition, there was a failure to adequately consult with other federal agencies experienced in the roll out of welfare programs, or to consult with States, sustainability experts, NGOs, training providers, financial institutions and local government, to refine the program design into one that was implementable (ANAO, 2010c, 74).

Reviews, inquiries and audits into the program confirmed the lack of compliance with procurement regulations, lack of probity, and breaches of the financial management legislation (Department of Climate Change and Energy Efficiency, 2010, 79). This lack of compliance has required continued investigation of instances of potential fraud, to identify and recover debts.

The scope for success was particularly damaged by the failure of one manager to follow the financial management and procurement guidelines of the Department, resulting in breaches of the financial management legislation. As a result of these procurement breaches, only one organisation, the Association of Building Sustainability Assessors, was contracted to assess and accredit the home assessors (ANAO, 2010b, 17). Between September and December 2009, the program was then managed by an Acting Director with limited budget and financial expertise.

In addition to the problems that arose through questionable and inexperienced management at the Director level, the staff responsible for implementing *Green Loans* lacked sufficient technical skills and negotiation experience for such a complex design, consisting of a large

number of temporary workers inexperienced in government processes. Interviewee 32 described how the officials tasked with implementing *Green Loans* received minimal executive guidance in the critical design and planning stages:

> They did things like they sent an APS 6 to negotiate with the big banks. When I found that out, I sent one of my experienced officers along who had a strong commercial background and some nous.

The ANAO (2010b, 19) found that in the first 18 months of the *Green Loans Program* there was no accurate costing of the program or effective monitoring of its budget, in part because the rate of take up of assessments and loans was not monitored. In several instances, key program parameters were set or changed without the knowledge or agreement of Minister Garrett. By early 2010, the program had exceeded the total program budget and an additional $100 million was needed. Worryingly, the Department had no way of knowing how many loans the financial parties had signed, and therefore no handle on the scale of the current or potentially unfunded liability for *Green Loans*.

The scope for officials to pull the *Green Loans Program* through to success was diminished by a range of factors. These included the (unusual) presence of the rogue Executive Level 2, an inexperienced implementation team, an inordinately high turnover of managers at the critical Branch Head level, being overshadowed by the demands on the time of senior management by the *Home Insulation Program*, and the lack of commitment to the program within the Executive. This meant the warnings were not given, and when they were, they were not at a sufficiently high level or from a sufficiently valued voice to make an impact. Thus, in both the *Home Insulation Program* and the *Green Loans Program*, an absence of agency, at critical points, contributed to policy failure.

6.3 Opportunities for and barriers to agent behaviour

The analysis of the interviews showed that the scope for agency was influenced by structural or external factors, such as the characteristics of the Environment Department and the make-up of the Government and by the characteristics of the interviewees. The wider literature on agent behaviour examines how structural constraints and therefore the scope for agency can vary widely. The continual changes in the external context within which environment policymaking occurs influence the scope for agency.

In terms of organisational context, the Department has continued to change in form and function. In addition, a generational change in the holders of key policy positions is occurring. The approach to policy success for the next generation of environment officials may differ from the tactical and somewhat disguised approach of the cadre that I interviewed. Some 22 per cent

of the interviewees had already retired at the time of the interview. In addition, the Environment Portfolio is facing an era of fiscal austerity, constraining the windows of opportunity for policy action. Compared to the start of the study period (1993), the pace of policymaking is accelerating. Rapidly evolving electronic technologies, including the use of social media, mean policymaking can occur in real time. The immediacy of the policy context has served to truncate decision-making processes, with attendant implications for sound process (Interviewee 41). This can also result in a diffusion of access to and responsibility for data, and thus improved levels of information and evidence.

Finally, there is less scope for the evolutionary approach exhibited in many of the policymaking episodes discussed in this study. Unresolved policy issues of climate change, water use and biodiversity loss require time to collect evidence and explain the complex policy choices involved. Arguably, there is also less time to address threats to environmental values. As Interviewee 35 observed, the "low hanging fruit has been picked".

Taken together, these changes in cadre and context have implications for the future scope for agency. Because the definition of success is context dependent, the externally driven shifts in the pace of policymaking, and changes in the resourcing, structure and personnel in the Environment Department, may have implications for how success is to be understood and pursued.

Opportunities for agency were influenced by the depth of the interviewees' experience and the nature of their relationship with the Minister. Analysis of the interview transcripts showed that pursuing a policy agenda required experience and a finely-tuned understanding of government processes and the Department. Interviewee 41 suggested that the scope for an official to steer a policy agenda required being in an area for a long time, being at Branch Head Level or above, or being a highly experienced, respected and long-standing Executive Level 2.

A Tier 1 interviewee commented on the "considerable degrees of latitude and freedom" he and his team had in initiating a new policy agenda. He and his team were able to lever significant funding for World Heritage areas and National Parks because of the level of authority he held by virtue of seniority and length of experience. His motivation for pursuing the agenda arose out of the lack of support and funding for the management of national parks:

> My underlying driver is to protect the natural environment. Parks was going nowhere. It was under-funded and under the radar (Interviewee 28).

The interviewees made judgments around the scope for agency, in response to their assessment of the particular Minister at the time, and the nature of their relationship with that Minister. A

Tier 2 interviewee explained how he moderated his behaviour depending on his judgment around particular Ministers:

> To a degree I will try to get policy up. But I don't suggest the broad canvas, more how we can fill in the existing canvas. I do it if I have the chance, if the opportunity arises. Mostly I respond to what the Government wants. It depends on the Minister. With Garrett I had no qualms about putting policy ideas to him. With Wong I knew early on it was OK to put policy ideas to her and did so. With Burke it has taken longer to build trust but I got there. Burke immediately trusted the bureaucracy. Hill wanted to see the evidence.

A minority of interviewees expressed a form of agency that was more akin to activism, but was still contained within the broad policy intent of the Government. Four Tier 3 interviewees had come into the Department from an environment NGO background or from working on environment issues in State agencies. Interviewee 05 described his approach to pursuing environment policy outcomes:

> I came in as an activist – so I would have pushed boundaries for public good outcomes – but I went into the Environment Department where there was an alignment of values. You have to understand the policy settings that the Government wants to put forward and the opportunities there are to do good within their policy framework. You need to use where the Government wants to go and tweak that. For example, in 1996 [a Branch Head] could see the Howard Government didn't want to do anything on climate change, so worked on a whole agenda for climate change adaptation. If you think the agenda is important and you think the Government would take it on board, you need to find a sideway way to do it.

In regard to barriers to agency behaviour, interviewees made two common observations: first, the opportunities for policy intervention by officials were relatively rare; and second the number of officials who were actively involved in policy development was very low. The degree to which the actions of officials are successful in delivering environment policy outcomes is likely to be mediated by these two factors.

Interviewees 22, 25 and 41 observed that far fewer officials are involved in policymaking than people realise, and that not many people either understood policy or could do it effectively. Among the interviewees, there was recognition that only a small pool of policymakers had the scope to play a key role in the policy process. Interviewee 18 went so far as to divide that select group of policy officers into three broad types: those who do not fully understand the task of policymaking; those who understand policy but are not necessarily committed to delivering environment outcomes; and those who understand policy, are committed and try to secure environment outcomes. The analysis of the transcripts showed it was the officials in the last category who demonstrated high levels of policy agency.

This discussion has focused on the scope for agency, but the interviewees were careful not to overplay the capacity to insert their views into policy processes. Interviewee 07, after a 35-year

public service career in many highly influential policy roles, provided a healthy reminder of the limits to the scope for that agency:

> I can think of only one example of a policy process where I was able to have a role that made a difference. It was in the water process. It was the only single direct difference I made on environment policy the whole time I was in government. It was when I was asked by the Prime Minister's Office to brief the PM on a demand by irrigators to change the water policy that was before Cabinet. I quickly orally briefed the Prime Minister's advisor. I briefed him to tell the PM not to agree to a water allocation for rice irrigators in a particular year when there was insufficient water, as to give them an allocation would have set a precedent. I had all the facts and was emphatic. I knew a lot about the issue and had all the facts and figures at hand. My case was irrefutable. It was a simple story and a well-defined problem. I wrote a note for file. The irrigators were expecting the PM to agree to their demands. But he didn't. He took my advice.

Finally, the act of agency appeared to call for a level of courage on the part of the official, particularly at the lower levels (Tiers 2 and 3) where there is less scope to make informed judgments on the receptiveness of the Minister or the Executive to pursuing a policy idea. Interviewee 24 touched on the need for a certain hardheadedness, and the differing scope for agency across levels of seniority:

> The first thing is to be fearless. I think we consistently underestimate the risk appetite of government, and I think as policy ideas go up the ladder they get dumbed down and homogenised.

Interviewee 04 saw the scope to engage closely in the creation of policy to be limited by the absence of policy officials with that capacity, rather than by any inherent barriers within a bureaucratic public service. Rather, she saw the protective and stable nature of the bureaucracy as lubricating the scope for agency:

> You can use the features of the bureaucracy to block things or make things happen – it is how you interact with the nature of the bureaucracy itself that is more important. You need to know the rules – then push or bend the rules – but you also need to understand how the rules protect you.

6.4 The hidden nature of agency behaviour

The opportunity to listen to key policy officials in the Environment Department describe their policy efforts reveals that a greater degree of agency should be attributed to their role than public policy theory currently implies, or external stakeholders recognise. In my former policy experience, external stakeholders and lobbyists often expressed the view that effective lobbying requires access at ministerial level. The authority of officials was seen to be (rightfully) limited to the remit provided by Cabinet, a Minister or their office. This view is compounded by the lack of access from the outside to officials, to what they do and think. Moreover, officials enjoy the cloak of anonymity, apart from when they attend or are questioned at the bi-annual Senate estimates processes, or in public inquiries. Finally, officials are adept at masking action, or inaction, behind process.

The agency discussed above is rarely evident to the external eye. The following comment by Interviewee 34 suggests that such behaviour could be concealed, and why that may be so:

> Most policy officers would be fishing for ideas that gave economic and environment wins in a covert way. I think that type of policy work is covert mostly. It is part of what you have to do as a policy officer to be successful. You need to do it in a way that does not get derailed because it doesn't fit within a broader policy direction of the Government.

Interviewee 36 confirmed that such actions were not typically discussed at Executive meetings:

> Much of what we do is not spoken. It is described as 'black boxish'. Much of it goes on in people's heads. What comes out publicly is another story. People do feel a lot safer doing it in that more hidden way. [To achieve policy success] if you go down the path that I have outlined [clear problem, clear solution, right solution, measure as you go, iterate], it is a very exposed pathway. My take is that you should expose the policy thinking, to bring some rigour into it, but the public sector had that bred out of it. The inclination is to not expose yourself to that kind of scrutiny. The policy that is put up is seen as the right one and it is not exposed in that sense of a rigorous process of questioning. You see in some areas the use of a technical justification for a policy issue that is not a technical issue. The forest process was an example of that.

Interviewee 36 went on to describe his perception of the making of policy in the Department:

> There is the perception of how public policy works and then there is the reality of real-life experience of policy, and often it is hard to see some connection between those two things. Sometimes it is hard to see the process. A lot of it is not formalised or captured or evident. But it is not totally random. It is in the DNA of the organisation.

> Personally, I never thought I would say this, but after working [in the previous area], for me one of the biggest lessons I have learnt in doing policy is the importance of record-keeping, of keeping really good records so that you can go back and see the logic of how we ended up in a particular policy solution. It is not usually written down – we considered X, Y and Z, and we didn't do A because of B and C. Sometimes that is as important as what you did decide and why. To be able to go back and reconstruct what you did and why in a policy process would be useful, but it is not written down.

Interviewee 36, after years of policy and budget experience, reflected on the absence of, but importance of, documenting what really went on in the policymaking processes.

The absence of discussion, documentation and scrutiny make it hard to uncover, through material on the public record, how policy is made. For example, Nevill (2007) ran into a brick wall when he tried to understand the failure of wetlands policy (Chapter 1). The hidden nature of the underlying intent of some environment policy, combined with a lack of documentation on the underlying reasons for steps taken in the policy process, meant at times that lower-level staff implementing a policy lacked an understanding of what was to be achieved and why. Interviewee 36 stressed the importance of staff at all levels understanding the underlying policy intent:

> Even if you don't publicly go out and say the underlying political purpose of a program, you still understand what that underlying purpose is when you are delivering the program. So, the staff implementing the program need to understand the unstated underlying purpose.

Sections 6.2 to 6.4 above described some examples of agency behaviour and examined opportunities and barriers for such behaviour. The following section explores why such behaviour is manifest in federal environment policymaking.

6.5 Possible explanations for the agency in environment policy

The actions of the policy officials described in Sections 6.2 to 6.4 were at times over and above the role normally ascribed to policy officials in the public policy literature. Detailed examination of the interview transcripts and the research supporting the history of federal environment policy (Appendix 4) reveals two plausible explanations of this high degree of agency: firstly, the policy processes experienced by the interviewees do not accord with the way policymaking is presented in the normative literature; and secondly the scope to achieve a successful outcome in environment policy is often remote. These two possible explanations are discussed below.

First, in the interviewees' experiences, policy did not occur in a neat time-constrained cycle, but could evolve over long periods. The issue-definition phase in policymaking can occur over markedly different timeframes. It can be a 'slow burn', in some cases of up to 30 years, or flurried activity completed in a matter of hours or days (Section 5.7). Further, environment policymaking processes do not typically follow a smooth path from idea or problem to solution. The policy process may be more of a zigzag of back and forth steps, involving derailments and regaining traction. There is not necessarily a logical progression from issue to solution. Rather, there may be many side-paths, reversals and dead-ends. Some steps may be omitted altogether, and the backtracking or sidesteps may be unplanned or deliberate. Interviewee 20 described how the cycle may run through several times with the robustness of the policy 'ratcheting up' on each run:

> You don't so much go in a policy cycle but take actions and see attempts to derail the policy. You see the lines drawn in the sand. You can get derailed, go backwards and backwards again and then try for another round. So you bounce back and forth until you break through. You have a problem that is realised, then denied, then the strategy is adjusted, the problem re-negotiated and then you start to get acceptance.

Second, in the view of the interviewees, because many of the issues are intractable and require costly and long-term solutions, environment policy can start out as compromised, thereby limiting the scope to design the most effective policy response. Often, the solution was constrained, or even set, by the stakeholder negotiations or by the politics. Policy was rarely being developed from first principles and rarely starting at the 'beginning'. Many of the policy processes raised by the interviewees started 'in the middle', after environmental interests had already been conceded or traded off unnecessarily early in the negotiation. Interviewee 26 cited

the nationally consistent approach to the *National Fuels Policy* as a rare example of policy implemented by the Department that was started by the Government from scratch, from first principles, and went all the way through to legislation and implementation. The treatment of ethanol in petrol was a rare exception in the fuels policy where the commercial interests of ethanol producers delayed the setting of a national standard across Australia which was consistent with the international standard on the maximum limit of ethanol in petrol (10%).

In most cases, policy problems had been a long time coming, and were 'embedded' in a way that made it difficult to turn the issue around (Interviewee 51). Interviewee 46 explained the issue:

> A whole range of environmental policies, if you track their history, are actually a remedial response to a disaster or pollution event or an iconic species going over the edge.

As a result, the 'low-hanging fruit' in terms of easy policy wins has already been picked, leaving the intractable issues where solutions conflict with economic interests (Interviewee 35). This in turn weakens the level of political will. A further challenge arises from the structure of government in Australia, to the extent that the Commonwealth must often carve out its remit for action in a constitutional setting that empowers the States in relation to environmental matters (Appendix 4).

The interviewees' experience of policymaking then was akin to being thrown into the chaotic middle of an intractable policy issue, where trade-offs have already occurred, rather than an orderly process from issue to solution. Progress was beset by roadblocks and derailments, often in a climate of conflict. Interviewee 42 described policy being a bit like going into battle.

A possible explanation then for the degree of agency found in this study may be the sheer difficulty of addressing the remaining environment policy challenges facing Australia. Interviewees qualified their responses to questions of policy success with the observation that government can only go part of the way to addressing environment policy issues:

> In environment problems, not everything is soluble anyway. You need to understand the problem well enough to understand if and how it can be solved and then develop a winning strategy to solve the problem (Interviewee 20).

> Government can play a major role in environment policy but it can't do it all. Due to the complexity of environment policy, real change only comes from social and cultural change. For example, to get better vegetation management you need a much larger social change compared to the change government can bring (Interviewee 21).

The interviewees' observation that they were dealing with intractable policy issues may explain why they were, at times, subterranean in the way they approached policymaking. In the absence of an alignment between a clear rationale, robust evidence and a strong mandate, compounded

by the 'wicked' nature of the policy problems, the officials reported how at times they pursued policy outcomes in a series of veiled tactical manoeuvres. Their approach to policymaking involved scanning, intuition, calculation, canniness and judgment. As revealed in Chapter 5, policymaking involved massaging the policy objectives, corralling the stakeholders and managing around absent, shaky or contested evidence.

To the extent that patterns can be extracted from the range of experiences, the policy process described by the interviewees differed from the presentation of policy in the guidance literature in two distinct ways. Comparing this chapter with the discussion of public policymaking presented in Chapter 2, the way the policy processes appeared to the officials and the kind of tactics they adopted to pursue policy success contrasted in fundamental ways with how policymaking is presented in the normative guidance offered in public administration documents. A primary example is the difference between the ANAO (2006) *Better Practice Guide* to policy implementation, and the way the officials in this study actually went about their policy work. The *Guide* was based on the earlier theoretical work of Althaus et al. later published in their *Australian Policy Handbook* (2007).

A final explanation for the high degree of agency may stem from the values and beliefs of the officials themselves. In this study, by and large, the interviewees had a set of values that aligned with the Department's policy responsibility for protection of the environment. Interviewees who sought out opportunities for agency held personal values that aligned with the policy responsibilities of the Department.

After a high-level career in the central agencies, Interviewee 35 explained why he moved to the Environment Department:

> I chose to come here for the work. The people here are professional, dedicated and work very hard at great personal cost. People chose to work here because they want to make a difference.

Policy officers gravitated to working in the Department because they had a strong personal interest in environment protection. Interviewee 48 captured this sentiment:

> Policy has to be done by people who actually believe in it, to be really a success. Good public servants can implement a policy they don't necessarily agree with personally and they can be motivated and professional, but if you want innovation and ideas and people who contribute over and above a 9 to 5 job, you really need to have people who are genuinely committed to the policy. You can tell who those people are, and most of the staff in the Environment Department were, and most of the Executive were.

A Tier 1 interviewee, comparing his lengthy experience in the Environment Department with his current department, considered that policy 'agency' might be more common in environment than agricultural policy:

> I found the really useful people in Environment were the ones that had bright ideas and put them forward. You couldn't use all the ideas but you needed people like that bringing forward the ideas. In my current department, the culture there, especially now, is much more acquiescent. Staff are more neutral – they don't have strong personal perspectives in the way that I found staff in the Environment Department did. In environment, staff were players in the policy game. Here, there is less of that frank and fearless advice going up. In Environment there was more of a sense of a huge level of interest in environmental policy issues and of never giving up, never surrendering.

Accordingly, the agency may be explained in part by values alignment. An examination of agency in other departments is necessary to test the link, that is, whether the alignment of values drives agency behaviour in environment policy. The following section discusses whether such behaviour, in the view of the interviewees, is legitimate in a Westminster system of government.

6.6 Legitimacy of the role of official as agent

The agency revealed in the examples discussed above raises issues of accountability. Were officials overstepping their formal role? At first blush, such action on the part of officials may appear to overreach the advisory and implementation role of the policy official, consistent with the Westminster tradition of government. However, all interviewees viewed their role as legitimate behaviour.

Interviewees fully understood that they were accountable to the Government of the day, irrespective of their personal beliefs. They (mostly) spoke in terms of working within the remit of Government:

> You can say if you think a policy has 'Buckley's'. You can give advice, and suggest alternative ways, but in the end you have to deliver the policy of the Government and make the best attempt to deliver it (Interviewee 07).

Waiting for a policy window to open was more about waiting for the moment when the agenda could be sufficiently aligned or fitted to a government's existing or emerging agenda.

Notwithstanding the Westminster tradition, Interviewee 25, who held key roles in new policy and budget processes, considered that the bulk of the policy initiatives came from within the Department, rather than from the Environment Minister or the Federal Government. Governments therefore depend on and expect policy advice from officials. A Tier 1 interviewee, when asked to define policy, responded in terms of a 'bottom-up' construction of policymaking (Chapter 2) in which the policy official takes a controlling or leading hand in generating policy for government:

> Let me back track a bit. I don't have this view that the role of the APS is just to apply the policies of the Government of the day. You know, the Government comes into power and just generates policy. The APS is highly skilled, highly intelligent, highly experienced, and I happen

> to believe, and not just in the environment area but it a whole host of areas, that a large amount of policy comes out of the APS or is crafted and fine-tuned by the APS. So the Department should always be conscious of the political side of the equation and they should try and define policy (with that in mind). So policy is getting those frameworks in place and having the evidence and being opportunistic and being ready to strike when the time is right, because the time is not always right (Interviewee 42).

His view was supported by all Tier 1 interviewees. For example, Interviewee 45 stated:

> As a policy official, your role is to not just deliver the policy of the Government of the day but to also devise and craft policy for the Government to consider, so we were always in the business of providing Government with objectives, programs, targets.

Interviewees considered this was an essential and healthy part of the policy process, and felt that such policy agents were critical. Interviewee 29 invoked his broad interpretation of the *Public Service Act 1999* as providing the legislative cover for such behaviour in that, in his view, the Act required public servants to contribute to making Australia a better place. Interviewee 20, comparing his role in an environment NGO and as a Ministerial advisor, explained why it was useful, valid and important from a Minister's office point of view for officials to take an active role in policy initiation:

> Working in an environment NGO, I observed and participated in relationships from officials up to Ministers. I saw the relationships between officials and activists and Ministers and how the flow of information could work. In Environment, most people are there to work to improve the state of the environment. It is really important to have people in the Department who put forward ideas and have proposals ready to go in their bottom drawer, waiting for an opportunity. I think it is healthy. You need to have the people who implement the policies of the Government of the day and people who do that and who also have the next policy idea ready. You have a sense of which officers do that. I found them much more useful. It is more efficient as a Minister's advisor if you can talk directly with officials. There are different kinds of knowledge. Ideas can potentially come from anywhere in the bureaucracy – it is always helpful to talk and listen.

An NVIVO 10 analysis of the interview transcripts revealed a gradation of views across levels regarding the legitimacy of agency behaviour. The Tier 1 interviewees were careful to caveat their view that generating policy ideas for the Government was a legitimate and important part of their role, with the qualifier that the behaviour not be at odds with the policies of the Government of the day (Interviewee 30). Tier 3 interviewees were more open to inserting an agenda not necessarily on the Government's radar. They were less guarded about pursuing an agenda, possibly in part because the stakes in terms of career progression were lower. Interviewee 14, for example, described how as an APS 6 officer, he pushed the boundaries of appropriate agency, in pursuing funding for Indigenous land management:

> Anyone else would have put the clampers on me. I didn't understand any of this stuff. I was going purely on passion and intuition. I knew full well what I was doing in terms of involving all the stakeholders. I had passion and interest. But I didn't really understand what Cabinet was. I was an APS 6 when I was doing all this. I didn't really comprehend that I should have had an Executive Level 2 with me. My Executive Level 2 told me I shouldn't be doing it and it was

> really dangerous, to be very, very careful but she was kind and supportive. She thought I was on shaky ground. But the Head of the agency knew what I was doing.

However, all interviewees understood the difference between having an agenda broadly in line with the Government's agenda and having a 'mission', which was seen as dangerous and inappropriate (Interviewee 17).

In regard to the legitimacy of their behaviour, interviewees were able to distinguish between understanding the politics and acting politically; and between being apolitical and being politically savvy. Interviewee 03, for example, described the need to have a sense of how the politics of a policy issue might play out, but to avoid being a part of the political landscape and to be wary of and to stay out of political or stakeholders' allegiances.

Notwithstanding the traditional Westminster system of public administration (in theory at least), the policy officials interviewed for this study demonstrated a history of inserting themselves in the policy process to varying degrees. This behaviour of prudent autonomous policy on their part is not necessarily inconsistent with the Westminster system of government. However, such behaviour is not identified to any significant degree in the policy literature. As Colebatch (2006b, 3), one of Australia's leading policy theorists, acknowledged, the well-recognised account of the Westminster system may not be consistent with the experience of policy workers.

This dissonance between the rhetoric of the Westminster tradition and the actual experience of policymaking is beginning to be acknowledged in analyses of, and official documents on, policy administration in Australia. For example, Hamburger and Weller (2012), in their case study of the 12 types of policy advice provided to Government by officials in PM&C, reveal the opening up of the scope for policy officials to play a role in initiating policy. They categorised policy advice as ranging over:

- information provision

- advice on crisis management

- advice on issues initiated by a department

- predictive advice, where ministers want to explore the 'known unknowns'.

In mapping out the breadth of types of policy advice, Hamburger and Weller (2012) sought to demonstrate how public servants can (legitimately) be fully-fledged actors in APS policy processes.

Consistent with the above analysis by Hamburger and Weller (2012), the Advisory Group on Reform of Australian Government Administration (2010) in *Ahead of the Game: Blueprint for*

Reform of the Australian Government Administration, expressed a softening of the narrative around how Australian federal policy officials should operate within a Westminster tradition of government. The *Blueprint* (2010, 4) makes clear that regardless of the merits of a policy, once a policy decision is taken by the Government, it is the task of officials to implement that policy. In doing so the document adopts the understanding of Rhodes at al. (2009) of the Westminster tradition to be the "collection of legal rules, traditions, cultural expectations and administrative practices that shape the way the public service interacts with Ministers and the government of the day". The *Blueprint* (2010, 4) emphasises that a key principle of the Australian Westminster system is that, after due discussion on policy advice, the minister has the last word, and that the Government's policy decision is to be accepted and implemented. In summary, the *Blueprint* makes crystal clear that ministers make the final decisions.

The document, however, also opens up the line between 'ministers decide' and 'officials implement', where it observes that Australia has developed its own Westminster model in which ministers and the APS "work in partnership to develop and implement government programs and services" (Advisory Group on Reform of Australian Government Administration, 2010, 4). It recognises that ministers differ in their approach, and that the APS must be flexible enough to meet the needs of each minister. The document states that the APS is bound by law to provide "frank and honest advice" and that it is legitimate to caution ministers and government where policy directions or implementation may create problems (Advisory Group on Reform of Australian Government Administration, 2010, 4).

Mr Stephen Sedgwick, as the head of the Australian Public Service Commission, in commenting on the *Blueprint* and the revised *Public Service Act*, added weight to this assessment that there is a softening in approach to the concept of the government decides and the officials implement (Towell, 27 July, 2013). Sedgwick suggested that past approaches to policy development have been weak on "strategic foresight capability". His concept of strategic foresight capability parallels the notion of agency identified in this study. Sedgwick argued that some ministers and some governments are looking for a more forward-looking public service that is more actively engaged in setting the strategic policy agenda and therefore can provide more than simple responsiveness to the agenda of the government of the day (Towell, 27 July, 2013).

More recently, Banks (2013, 4), the head of the ANZSOG, reinforced the importance of policy officials finding the right balance in respecting the policy decisions of Government and doing a "solid job in advising and informing government policy decisions". He saw that balance as important in addressing the mounting number of policy failures in Australian federal policy

such as the carbon and mining taxes, the National Broadband Network and key strands of immigration policy. Banks (2013, 9) argued that policy ideas need to be "tested and *con*tested before implementation – within the bureaucracy, the community, the Cabinet room and, ultimately, within the Parliament".

Contrary to the perception of Canberra public servants (bureaucrats) as self-serving, the interviewees in this study revealed a high level of commitment to public service. A common thread throughout the interview was a commitment to deliver meaningful and measurable environment policy outcomes for the public good through a high level of inventiveness and persistence. Collectively, the interviewees were public spirited and knowledgeable. The view expressed by a Tier 1 interviewee was representative of the sentiments of all interviewees on their role as players in the policy process:

> Everyone pursues particular policy agendas to an extent. Every one is a policy actor in a sense and each of us thinks that we are doing it in the public interest. And we just have to keep each other honest in that regard and remind each other of that. I don't see 'actor' as a pejorative term. Each of us has views. We are not value neutral. We all have views. Part of my motivation for working for the Commonwealth is I want to produce good public policy outcomes and they don't always align with what the Government wants. But ultimately I am accountable to my seniors here and to the Government and to the Minister actually, and through him to the Parliament (Interviewee 38).

In summary, although the policy officials interviewed for this study revealed a surprisingly high degree of agency, their intent in doing so was to deliver good public policy. Many of the interviewees had elected to work in the Environment Department because the portfolio function of protecting the environment aligned with their personal values. Instances of leaking confidential documents (e.g. as occurred in the *RFA* process) or of improper behaviour (e.g. as exhibited by the rogue Executive Level 2 in the *Green Loans Program*) underscore how agency behaviour can be highly inappropriate, to the extent of contravening the APS Code of Conduct and the *Public Service Act 1999*. High-profile examples are evident in other policy areas, such as the Australian Wheat Board scandal and the Children Overboard incident. With agency comes responsibility. As Interviewee 07 argued, where policy failure does occur (provided that responsibility for failure can be attributed), public servants should be held to account.

6.7 Agency in the public policy literature

The concept of agency was touched on but not reviewed in detail in the literature discussed in Chapter 2. In much of the literature there is a surprising lack of focus on the role policy officials can play in where a particular policy lands on the success–failure continuum. The significance and extent of the agency exhibited by the interviewees was, to a large degree, an unexpected finding of this study. The literature is therefore discussed in more detail here.

As reflected in Chapter 2, the concept of agency is found in the early implementation literature in relation to front-line workers in service delivery in the early work of Pressman and Wildavsky (1973) and the research by Lipsky (1980) on street-level bureaucrats. This 'bottom-up' implementation literature differs from earlier theories of public policy in that it shifts the locus of agency in the shaping of policy outcomes from the 'centre' (delivering policy from on high) to the officials charged with implementation. The early work of Wildavsky (1973) and Lipsky (1980) supports the assertion by Barrett and Fudge (1981) that implementation is more than a phase after policy formulation.

After years of implementation study, Barrett (2004, 253) came to understand that policy needs to be studied at the delivery level, including the scope for policy modification or rule writing by front-line operatives. As early as 1975, Barrett stumbled across the discretionary power of bureaucrats in implementation policy in her first study of a failing environment program in Britain. She found that local authorities did not implement the scheme as the central government intended, but used the funds in an opportunistic way to meet local political priorities. This started her interest in the degree to which policy officials had a level of discretion in shaping outcomes (Barrett, 2004, 249 - 252). At the same time, Barrett (2004, 249) was alert to the "the very real analytical difficulties of understanding the role of bureaucratic discretion and motivation".

In addition to the appearance of agency in the implementation literature in the context of front-line operatives, the importance of agency behaviour to policy success has been identified by other policy theorists, in particular, O'Toole (2004) in the US. Frustrated with the failure of implementation theory as a predictive tool to assist policymakers in developing policy that works, O'Toole (2004) asked what policy officials should pay attention to in order to improve the likelihood of success. His answer approximates the way in which the policy officials in this study positioned themselves between several overlapping but at times conflicting imperatives: the political interests of a government or a minister; meeting the stated policy objectives; and delivering a result that benefited the environment. For example, the behaviours exhibited by the environment policy officials interviewed in this study – such as viewing an issue from multiple perspectives, cannily scanning for "channels of influence", and using leverage points and trade-offs to calm disaffected stakeholders – were all strategies that O'Toole (2004) identified (Section 2.3).

This study focuses on the role of policy officials in Federal Government and located in Canberra. Their role differs from that of the front-line operatives Lipsky explored and is more akin to the kind of agency found in Kindgon's (2011) exploration of the role of policy

entrepreneurs (the term includes government officials and policymakers outside government) in linking up the three streams of policy to determine what issues reached the US government's policy agenda. In the Australian policy context, Vas (2012), in his study of research policy networks, reviewed the way the term 'policy entrepreneur' has been used to describe and explain aspects of policymaking. He highlighted the acuity of policy entrepreneurs in understanding social-political contexts and engaging in policy conversations.

In contrast to Kingdon's work (2011) and this study, Beeson and Stone (2013) explored the notion of agency by examining a policymaker who is not a policy official. Their study is relevant to this discussion given its currency and given its focus on the notion of policy agency in Australian policy context. Beeson and Stone (2013) adopted Kingdon's (2011) multiple streams model, discussed in Chapter 2, as context for their study of how factors facilitate or obstruct the influence of policy entrepreneurs. They defined a policy entrepreneur as an actor who promotes specific solutions. In doing so, they focused on an economic advisor external to government rather than a government official. They compared Professor Ross Garnaut's successful role from 1990 in influencing the Australian Government's economic engagement with Asia with, in their assessment, Garnaut's less successful role from 2011 in attempting to influence the Government on climate change policy.[29]

In their concluding paragraph, they hinted that the underlying reason for the difference in Garnaut's success as a policy entrepreneur in the two agendas may simply be that the Asian engagement policy aligned with the Government's economic agenda at that time. Conversely, the climate change agenda was politically intractable, as Garnaut himself came to recognise. Any influence that one particular policy entrepreneur could command was diluted by the vexed scientific, economic and political policy context. Beeson and Stone (2013) concluded the level of expertise and the particular political context at the time are the most likely explanations of why a policy entrepreneur may be successful or not in influencing a policy pathway. Their final summation underscored the difficulty of systematically integrating notions of policy entrepreneur into theories of policy change (Beeson and Stone, 2013, 2).

A detailed exposition of the role of the official as policy agent does not feature strongly in the many theories of public policy, though it does have some presence in the literature. Although differing terms have been used in the literature (such as 'policy entrepreneur' discussed above) the notion of policy agency is not new. For example, in the international theoretical literature, the link between policy opportunities, policy agency and the politics of policy was identified by

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[29] Although the Labor Government did act on Garnaut's policy recommendations in shaping their climate change policies.

Bovens and 't Hart (1996). In their effort to understand policy fiascoes, these authors argued that a policymaker needs to be politically astute and aware of what the organisation is willing to hear. They suggested that "finding ways to deal creatively with the sometimes opposing requirements of detached reflection and political realisms is what the art and craft of policy analysis is all about" (Bovens and 't Hart, 1996, 152-153).

Howlett et al. (2009, 152) also acknowledged the role played by policy entrepreneurs and policy actors in offering the following quote from a fellow policy theorist:

> **There is plenty of room for chance, human creativity, and choice to influence outcomes. What gets on the agenda at given points in time is the result of fortuitous conjunction – whatever the combination of salient problems, available solutions, and political circumstances that exist. Events, such as the opening of a window of opportunity, are often unpredictable, and participants often are unable to control events once they are set in motion. Yet, individual actors are not completely without an ability to affect outcomes. Entrepreneurs decide which problems to dramatise, choose which solutions to push, and formulate political strategies to bring their issues onto the agenda. Actors in the process develop problem definitions and solutions that are plausible and compelling, link them together, and make them congruent with existing political conditions (Howlett et al. 2009, 152 quoting Mucciarone, 1992, 461).**

In the Australian public policy context, theorists have identified that policy officials in the APS do not simply carry out the policy agenda set by their political masters, but provide "strategic vision, policy expertise and innovative risk-taking flair" (Althaus and Wanna, 2013, 128). However, as Althaus (2004) observed, they do this in a relationship that is difficult to codify and, as demonstrated in this study, can vary from minister to minister and from government to government.

In mid-2013, Coffey (2013, 2) identified a parallel gap in the Australian environment policy context in the understanding of the ways in which policy workers, in his case Members of Parliament with environmental responsibilities, conceptualise and execute their responsibilities. He proposed a study to investigate that "important but relatively overlooked category of policy actor" (Coffey, 2013, 1). At the time of writing his research findings were not available. Coffey (2013, 5) argues that if Dovers (2005) and others are correct in arguing that environment issues are intrinsically different to other policy issues, it is important to explore how environmental issues are conceptualised by environmental policy workers, including Members of Parliament.

This chapter suggests, through the experiences of the interviewees, that the policy role of the official is underplayed in the theoretical literature. Agency on the part of policy officials is not commonly addressed in the practitioner literature. The notion of policy official as policy agent is explored less than many other aspects of policymaking in the policy literature, and at times agency can be observed by its absence. For example, Graycar and McCann (2012) conducted a

case study of a simple but potentially life-saving policy of a standard property address system in rural South Australia that took nine years to implement. Their conclusion was that the long delay in implementation for a sound and life-saving policy initiative related in large part to the absence of a 'policy champion' in government to steer implementation to success. In the language of this study, policy failure arose from a lack of agency on the part of the policy officials involved.

Colebatch (2010, 8) concluded that, although the work of the policy official is highly constrained in terms of remit, routines and rules of engagement, they "must be seen essentially as agents that enact policy realities that structure and potentially innovate and change subsequent policy acts". This study, in investigating the efficacy of the concept of success as a way to understand policymaking, confirms Colebatch's assessment of the way officials should be viewed in the theoretical literature.

6.8 Summary

The analysis extracted from the self-reported interviewee descriptions of just how they went about proposing, designing and implementing environment policy in specific experiences, revealed a high degree of agency. To the interviewees, policy was not simply a matter of passively waiting in the wings for the policy window to open.

Interviewees commonly discussed success in terms of what to avoid rather than what to seek. They approached new policy tasks cautiously, aiming for the 'least-worst' outcome rather than actively thinking about success. They spoke in terms of 'keeping an eye out' for threats that might scuttle the policy.

Overall, for the interviewees, wins in environment policy were hard to achieve. They were conscious of the opportunity cost of raising one policy agenda at the expense of others in a context of constrained policy attention. The bulk of effort was aimed at stemming the pace of the loss of environmental values and minimising the risk of failure arising from the potential harm of questionable policies. Such strategies made sense in that the interviewees generally envisaged low prospects for outright policy success. Judgments were required around the opportunity cost of where to direct their efforts: towards minimising likely failure or towards actively pursuing unlikely success.

The primary insight emerging from the interviews but not fully accentuated in the public policy literature is the way in which the policy officials demonstrated a high degree of instrumentality in steering the policy process. This was achieved through a range of tactics. These tactics echo throughout the cases. They include:

- demonstrating a certain patience in sowing seeds and linking ideas to opportunities

- building a deep understanding of stakeholder positions, staring down unreasonable opposition or securing sufficient funding to minimise any opposition

- crafting policy objectives linked to other reform agendas (e.g. employment or welfare) to win greater acceptance with central agencies and Cabinet

- dealing with inconclusive or highly contested evidence, or with a lack of evidence.

The opportunities to pursue agency behaviour were rare and interviewees observed that only a small pool of officials in the Department at any one time had the experience, authority and skills to pursue an environment policy agenda. Many of the efforts to do so were under the radar. Such actions, although they secured significant environmental outcomes, were often unnoticed by the media or the Parliament. Although such behaviour was to a large degree unspoken, at the same time, in the experience of the higher-level interviewees it was accepted and even expected.

Interviewees were more likely to exhibit agency behaviour in situations where the environment policy objective conflicted with political or economic interests. In such circumstances, the interview responses revealed a nuancing of the three primary factors identified by interviewees as keys to policy success: stakeholder engagement, clarity of policy objectives and EBPM.

The essential dilemma of successful policy, where the issues are intractable and the outcomes likely to be highly contested, was captured by one of the Departmental Secretaries interviewed for this study. He identified the critical importance of crafting a policy narrative that dovetailed the Government's political priorities with the interests of the primary stakeholders.

That Secretary concluded his interview with the assessment that officials, generally, understand what constitutes good public policy. Where policy failure arose, in his view, was in the failure to communicate, or as he expressed it, to develop a policy narrative "that enabled ministers and politicians to convince themselves that they can explain [a sound public policy] to the Australian electorate".

Somewhat surprisingly, he saw the primary accountability for failure of policy as resting in the hands of politicians. At the same time, he held such conviction about the importance of the role of the policy official as policy actor, that he felt responsibility for policy failure could be sheeted back to officials for spending too much of their effort and time on formulating the policy framework and insufficient effort and time in developing for politicians a "political leadership framework", supported by a simple narrative, that enabled the politician to understand and sell the policy to the electorate. He provided climate change policy as a primary

example of this fundamental failure to bring the political realm along by developing a policy narrative that was elegant yet simple enough for the electorate to understand and accept:

> I think we spent at that time far too much time in formulating the policy framework [for climate change] and not on the communications and political leadership framework. On the whole, I would have to say that [climate change] was perhaps the most disappointing failure of mine. I worked on it for eight or nine years (Tier 1 interviewee).

Comments made by Harris, a former Secretary in charge of communications policy, suggest this insight is not unique to environment policy. In commenting on the National Broadband Network, Harris noted that finding the synergy between the public, the private and the political was at the core of the task of the public servant. Policy success to him rested on taking the time to settle with the Government what particular public interest the policy was serving. He wrote:

> **Take the time to settle with Government what public interest you are serving, and with confidence say to Government there has never been a good idea that cannot be improved by the process of design, by the input of expert advice and by the restoration of trust between parties (Harris, 2012,7).**

That role, of confidently telling the politicians the merit and public interest inherent in a policy idea, is the main skill that Interviewee 49 wanted to see exhibited by the Departmental leaders:

> Be politically realistic. It does not matter if it is the best idea in the world. If the politics aren't right, the policy won't get through. You need to craft it for the right kind of political balance. That is one of the real skills you see in the senior people – in the Secretaries and other leaders – they will craft [a] package to suit the circumstances. You can't just bring a policy into the room.

One of the Secretaries interviewed for this study concurred with that assessment, reflecting on the skill required on the part of officials to maximise any political will to deliver good public policy outcomes:

> I think generally we underestimate politicians. I think politicians are basically there because they want to make a difference and it is a matter of what terrain they have got and how skilful departments can be in utilising the terrain they are presented with.

Casting the policy narrative in a way that the community understands was seen as "one of the highest forms of the art of policy" by another Tier 1 interviewee.

The officials in this study had a pragmatic yet sophisticated understanding of the political nature of their work. They were tactical, often over long timeframes, in pursuit of policy success. They regarded well-managed autonomy as a legitimate form of agency. These findings are restricted to the environment policy domain, but the weight of evidence in the interviews in relation to the agency of environment policy officials suggests there would be merit in studying the agency in other policy domains. This is discussed further in the final chapter.

230

Chapter 7: Findings, implications and key insights

You may not succeed with everything, but I am a firm believer that experimentation and trial and error are an inevitable part of our gardening experience, and an essential element of the learning process (King, 2007, 9).

Policy, especially environment policy, is more a matter of gardening than engineering or building (Bartlett, 1994, 183).

7.1 Study aim

This study has examined the notion of policy success from several angles: the literature, through case examination and from the purview of selected policy officials in order to understand what works in environment policy. Triggered by the unintended consequences arising from the rapid implementation and termination of the *Home Insulation Program*, the research began with the question of why some environment policies fail. In an effort to seek out a fresh way to examine policy failure, the study shifted the focus from failure to success. In the absence of a specific theory or model to underpin an examination of policy success, this research turned to an empirical investigation exploring two questions:

> **Do environment policy officials have a prior sense of whether an environment policy is likely to succeed?**

> **What are the key factors likely to drive environment policy success?**

The insights revealed by the interviewees led to a further question:

> **How do policy officials pursue success in environment policy?**

Chapter 1 identified policy success, from the viewpoint of the policy official, as a gap in the public policy literature. The specific question of whether policy officials presage the likelihood of success, and if so on what basis, was isolated as a way to explore broader questions of what works in policymaking, following the work of Marsh and McConnell (2010) and McConnell (2010a, 2010b).

Chapter 2 examined how policy theorists have approached the question of policy success. The key factors driving policy success in the view of policy theorists were extracted from the public policy literature and used as a guide to define the interview questions. The qualitative research design set out in Chapter 3 was shaped by the call of policy theorists to engage in dialogue with practitioners, as a way to bridge the disconnect between policy theory and practice. As a way to reduce the 'mess' of policymaking to a manageable study, the focus of the study centred on the

views of 51 policy officials about 12 policies implemented by the federal Environment Department between 1993 and 2013.

This concluding chapter draws together the key findings in Chapters 4 to 6 on defining, predicting and pursuing success (Sections 7.2 and 7.3). The implications of the findings for those interested in advancing the theoretical understanding of policy success and for practitioners are discussed in Section 7.4. My observations about the value of examining policy success from the insider perspective through in-depth interviews are presented in Section 7.5. The utility of the Marsh and McConnell Framework as a device to flush out the contingent nature of policy success is reviewed. Section 7.6 draws together the primary insights of the study.

7.2 Key findings: definitions, prediction and key factors in success

Defining policy and success

Interviewees struggled to define policy, but intuitively understood it – in the context of environment policy – to involve an intervention to deliver tangible environment benefit, or at least to minimise environmental degradation. They were highly attuned to the political nature of environment policy and how the rationale for a policy could be mediated by electoral or vested interests. They observed that environmental issues were often of marginal concern to the Government, apart from their significance in winning or losing votes, and that environment policy often needed a crisis or a political deal to get a toehold on the Cabinet agenda.

All 51 interviewees agreed that success in the environment policy context required making a measurable difference to environment outcomes. No unequivocal definition of environment policy success emerged from the study, reflecting the ambiguities and contradictions in the notion of policy success. For example, viewed from a strict economic rationalist position, the *Working on Country* program could be categorised as a failure, as it incurs high unit costs per ranger job to deliver benefits that are not necessarily visible or valued. Conversely, the *Home Insulation Program* could be assessed as a success in that may have avoided negative economic impacts of greater financial value than the $1.4 billion expenditure on the rebates.

Predicting success

In regard to the first research question of whether policy officials have a prior sense of policy success, the study found that 90 per cent of the officials interviewed considered it possible to predict whether a particular environment policy was likely to succeed or not. The degree to

which an interviewee had been able to engage in the policy design and implementation strategy was their main consideration in whether they felt they could predict a policy outcome.

Two factors held the most sway as to whether policy officials had a sense that a policy was more likely to succeed than fail. These were the extent to which powerful vested interests negatively impacted by the policy could be placated and the strength of the policy mandate to intervene in the first place.

Key factors in success

Having examined the basis on which the interviewees predicted success, the study turned to the second research question – a broader examination of what the interviewees saw as the key factors in success. In the main, the interviewees concurred with the key factors in success derived from the literature. Three overarching factors on which they unanimously agreed were:

- engaging with stakeholders

- having a clear policy rationale

- basing policy on the best evidence available.

Although these three factors are also dominant in the policy literature as key drivers of success, detailed case analysis showed that they require some nuancing to be of predictive value in the context of environment policy.

Interviewees emphasised the importance of stakeholder engagement. However, the descriptions of their policy work revealed a reluctance at times to genuinely engage with strong vested interests beyond the 'bubble' of the Canberra policymakers. In some instances, stakeholder consultation was more an exercise in flushing out opposition and acquiring information to neutralise or buy off those who were most negatively impacted by a policy, rather than genuine engagement. Policies designed through direct consultation with those negatively impacted by the policy demonstrated a greater chance of success than policies lacking genuine engagement. Deep engagement with those negatively impacted by a policy was found to be rarer than the normative literature suggests it should be.

Clear objectives were identified by the interviewees as key to success. In their descriptions of specific policymaking episodes, however, they revealed that when policy objectives did not resonate with politicians and the community, the officials at times deliberately muddied the aims or nested them within a non-environmental objective such as employment.

Interviewees agreed that policies supported by evidence had a greater chance of success. In their experience, however, the case for a policy often had to be made on scant evidence. Often,

obtaining evidence to support a policy case or to demonstrate success within short-term budget or electoral timeframes was unachievable. Where evidence was available it was often contested. Interviewees generally worked with whatever evidence was available in highly constrained timeframes. They were often "flying blind" as described by one interviewee.

In addition to the above drivers of policy success, interviewees considered that policies have a greater chance of success where there is a clear mandate for Federal Government intervention. Further, success is more likely where the scale of the policy matches the scale of the problem and the response can be tailored to local needs. These two drivers may be more important in federal Australian environment policy than other policy areas. Finally, a common theme in the descriptions of their policy experiences was the importance of time to develop and implement the policy.

7.3 Pursuing success: the agency exhibited by policy officials

In extracting interviewee views on the key factors driving policy success, the study uncovered an unexpected finding in the high level of agency they exhibited in how they went about their policy work. In addressing the third research question – how do policy officials pursue success? – the study found that the agency exhibited by policy officials was revealed *in practice* as a significant underlying driver of policy success. How the study arrived at this conclusion is set out below.

The high level of confidence among most interviewees that they could predict policy outcomes gave rise to the question of why they had such a strong sense of what might work and what might fail. Analysis of the interview transcripts and case studies revealed the agency of the officials as a key factor in driving success.

Forty-six of the 51 interviewees spoke of planting seeds and building on small gains to develop policy agendas over, in some cases, 30-year time frames. They proved to be alert to risks, watching for the warning signs and taking pre-emptive action. They were canny in the way they went about trying to set up for success. They exhibited an underlying optimism, tempered by a pragmatic pessimism.

Many of the officials interviewed for this study adopted a brokering role between two forces: a personal drive to deliver good public policy outcomes; and the Government's political priorities. Where these forces were in broad alignment, the policy pathway was relatively straightforward; for example in the case of ozone, air and fuel policy. Where the public good and political imperatives conflicted, significant manoeuvring on the part of policy officials was evident, as in the case of the *NHT* and the *MPA* policies. In other cases, officials were not

234

successful, for a range of reasons including a rogue operator, undue haste, uncontrolled demand and overly generous incentives (as evident in the *Green Loans* and *Home Insulation Programs*). The diversity in these policy episodes underscores the recognition in the interviews that success cannot be mastered by following a cookbook approach.

Examination of the 12 policies revealed the tactics adopted to pursue success. Step-changes initiated by an individual policy official proved highly instrumental in securing success in cases such as the *NHT* land clearing clause and the 2007 linking of Indigenous land management policy proposals to the Government's broader Indigenous employment and health agendas. The *Working on Country* case established that the long gestation of a policy concept, genuine engagement with the policy target and agency by relatively low-level officers with high-level support can deliver policy success, even in the most vexed policy issues. The *MPA* policy experience revealed how astute interventions in 2004 by policy officials kick-started that policy agenda by securing a mandate for action and cauterising entrenched stakeholder opposition. Their actions turned an unfolding policy failure into eventual success. The *Green Loans* and *Home Insulation* episodes revealed how an absence of official 'agency' at critical junctures more or less destroyed the opportunity to set up for success, insofar as an evenly paced rate of installation would have still contributed to the stimulus objective.

In a strict Westminster context, Government decides and public servants implement. The officials in this study, however, displayed a degree of agency well beyond providing advice and implementing Government decisions. The ability of the officials to grasp that instrumental role arose in part because they worked in the APS as a largely stable and experienced bureaucracy, committed to good public policy outcomes.

Although the interviewees did not approach policy with the notion of success foremost in their minds, all but five brought policy ideas to the Government's attention, hitched environment agendas to other more mainstream agendas and secured champions (inside and outside government) in an effort to actively secure meaningful environment outcomes. Such agency was often not visible to other staff and, intriguingly, the interviewees rarely spoke explicitly of it. However, it was convincingly present in the detailed analysis of the transcripts. This tacit role of the officials is, to a large degree, absent from the theories of public policy.

7.4 Contribution to the literature

The contribution of this study to the theoretical and practitioner literature on public policy is discussed below.

The study did not unravel any mysteries or unknowns in relation to policymaking that have not already been canvassed in some way in the public policy literature. However, in many of the theories of public policy, the intentions and strategies of the policy official are not explicitly included. Therein lies the primary theoretical contribution of this study. The multi-layered descriptions of how policy officials go about the task of developing and implementating environment policy set out in Chapters 4 to 6 constitute the primary contribution of the study to a clear gap in the academic research into public policy. The varied and at times contradictory interviewee assessments of what was successful and what failed presented in Chapter 4 give empirical form to the highly subjective nature of policy. The divergence of views supports the proposition in Chapter 2 that policy success is an important yet under-explored puzzle in the public policy literature.

This study responds to Renate Mayntz's (1983) concern that the making of policy remained in the province of trial and error. Policy theorists acknowledge that policymaking exists more in the realm of craft and intuition than science, in part due to its inherently political nature and the wide array of variables that can influence the outcome. These variables range from pure luck to a watertight rationale for government intervention. This study found that despite the abundance of factors that can weigh on the scope for policy success it is possible, to some degree, to codify the drivers of success. To that extent, the study contributes to the efforts of theorists and practitioners alike to delineate a more systematic approach to policymaking.

This study sought to systematise the predictors and drivers of policy success beyond notions of trial and error. The insights shared by the interviewees reveal that public policy theory would benefit from more willingness to consider the implications of the instrumental role of policy officials in steering policy. The inherent subjectivity and complexity of policy success and the attendant risks as a research topic are acknowledged in Chapter 3. Policy success is elusive; it is easy to claim but hard to achieve; it is fragile; and it can evaporate quickly. Policymaking involves a multitude of variables influencing the outcome. Chance events (e.g. the reform of CDEP opening the pathway for funding for *Working on Country*); exogenous factors (e.g. the location of the NOO in Hobart); and sheer error (e.g. the $400 million for the MBE package rather than $400,000 as Treasurer Costello had intended), can throw a policy onto a different path.

One factor that surfaced in the interviews defies codification: the role of luck. Chance, serendipity, the zeitgeist and sheer error were sometimes offered in the interview responses to explain the pathway of a particular policy episode. Phrases such as "the planets were aligned"

and "I was in the right place at the right time" surfaced when interviewees explained how a policy agenda was taken up. These notions of luck or chance confound the finding of policy agency to some degree, although even when attributing their success or failures to luck or chance, the interviewees still revealed their controlling hand through use of phrases such as "lining up the ducks" (Interviewee 43). Nonetheless, one of the challenges of this study has been to shape some meaning from the idiosyncratic or random individual policy events that make up environment policy. A full understanding of policy success requires an allowance for chance and error.

Following the cautionary advice of George and Bennett (2004), the study was not designed to test or extend theories of policy success but rather to draw on the existing public policy theories relating to policy success to seek to understand the particular case of environment policy. The research has remained within a public policy theoretical frame, exploring environment policymaking through the public administration rather than political economy lens. The research question does raise considerations that lend themselves to exploration from a philosophical perspective (how we understand the world); a linguistic angle (the way language is used); or a political economy stance (power relations). One unexplored question that commonly arose in analysing the interview material was the role of the individual. The researcher is mindful that the study findings are made within the epistemological and research paradigms set down in the introductory chapters. Explored from alternative philosophical, linguistic, political or even psychological frames, the research question may generate alternative conclusions.

Implications for practitioners

Colebatch (2007, 7) noted that the academic study of policy is the application of social sciences to an area of practice and, as such, addresses itself to both an academic and a practitioner audience. To be of enduring value, insights emerging from this study need to resonate for practitioners and theorists alike. Williams (2010) who as Colebatch (2010, 23) noted is both an academic and a practitioner, argued that "while academic and practitioner perspectives may differ significantly, they are both valid". This study in its effort to draw the two accounts closer stands as one attempt to contribute to the call by Williams (2010, 202) for a culture of "engaged communication" across academic and policymaking communities.

This study, in exposing the tacit behaviour of policy officials in striving to achieve environment outcomes 'on the ground', contributes to the challenge set by Colebatch (2006b, 14) to develop a way of thinking and theorising about policy that is more congruent with the experience of policy officials. The study findings may in part explain why theories of policymaking can fail to 'ring true' for policy practitioners.

Shore and Wright (1997, 212) asked whether policy researchers should be concerned about the lack of fit between outsider (academic) and insider (experiential) accounts of policy. Practitioners are skeptical about the relevance of theoretical analyses of policy to their day-to-day policy work. Much of public policy theory fails to resonate with practitioners, and the one element of policy theory commonly mentioned by practitioners, the policy cycle, is heavily criticised by theorists. This research journey has encountered the disconnect in the literature between the ruminations of the theorist and the bustle of the practitioner. Its primary contribution is likely to be in the realm of theory along the lines discussed above (success as a useful construct to explore the insider view of public policy), rather than furnishing any significant fresh tools for practitioners. Nonetheless, many of the study participants did however comment, on completion of their interview, that they thought the research question was important and the study would be of value in their work. They saw value in exploring the various components of success, in "dissecting things when they do go right", to identify the essential elements that are useful for practitioners to understand about policy success (Interviewee 17). Interviewee 36 observed on the basis of his roles in policy, program and budget management:

> As an organisation, we are very, very poor at learning from the good or bad. It is a bit like Groundhog Day whenever we get a new policy or a new program or function. We start from scratch and from first principles without asking 'Have we done this before and what did it look like? What worked or didn't work?' There is no structure or attempt to do that kind of organisational learning.

Five interviewees commented that the interview, in focusing on policy success, triggered them to re-think the approach to their current policy issue. For interviewees involved in the *Home Insulation Program* and the *Green Loans Program*, the interview process revealed the aftermath of those two policy processes, with personal soul-searching about the fatalities and reputational damage to the Department.

To a policy practitioner, the degree of agency found in this study may not come as a surprise. It emerged in the interviews as a taken-for-granted aspect of their work. This contrasts with the limited treatment of the role of officials in the public policy theory as an explanatory factor in policy success. Tier 1 interviewees argued such agency did not compromise their role, but rather was an acceptable and valued practice, provided their actions were within the broad remit and intentions of the Government and Minister. It was, however, understood at the highest levels who the key policy 'agents' were, and how and when their policy talents would be engaged.

The interviewees were asked to describe their policymaking experiences. It is therefore not surprising that the analysis of their descriptions revealed a high level of agency on their part.

238

What is remarkable however is the undiscussed, unshared and hidden nature of that agency from each other and from the Environment Department as an organisation. A telling finding, reinforcing the covert characteristic of that behaviour, is the common refrain of all interviewees that the lessons from past failures and successes were rarely applied in any systemic or ordered way to future policy endeavours.

To the extent that the study findings were able to capture a slice of the interviewees' knowledge of what fails and what succeeds, the findings, when tested with selected officials, resonated with their own experiences. The other primary benefit for practitioners, apart from a systematic presentation of interviewee views of the key drivers of policy success (Tables 4.3 and 4.4), may lie in surfacing the persistent yet at times hidden behaviours of officials pursuing meaningful policy outcomes. In that regard, the study suggests there is some scope for optimism in future environment policy endeavours.

7.5 Reflections on the methodology

At the start of this study, it was considered that an analysis of specific episodes in environment policy, to illuminate how officials within the 'black box' of policymaking actually go about their craft, might refine the factors in success identified in the public policy literature. This has proved to be the case. Semi-structured interviews with policy officials provided rare access to the 'insider' experience. The avenue of access to officials in this study was facilitated by virtue of my former role as a policy official. This comes with advantages and disadvantages, as noted in Chapter 3.

Officials at each level, from Secretary to Executive Level 1, with an instrumental role in policymaking were included in the study, rather than focusing on the 'policy elite' as is typical of many case studies. In doing so, the study has examined some of the more subterranean aspects of the business of policy. This across-the-board insider perspective is a view that has eluded many theorists. In sharing their experiences and insights, and in some cases the 'underbelly' of the policy process, the interviewees opened a pathway for this study to make an unequivocal contribution to the public policy literature, by providing entry to aspects of policymaking normally hidden from public view.

The study findings reinforce the veracity of the interview method. The interviews revealed understandings about the policy process that had not been encountered in the literature, at least not in quite the same way, in part because of the difficulty of accessing the frank views of officials. Interviewees had differing views about the merits of individual policies. That is not surprising. The interviews do, however, reveal a high level of commonality in the views

expressed about what drives policy success. The drivers of failure and success uncovered in this study are difficult to unearth from routine sources of public record.

The findings underscore the usefulness of frank interviews to understand the reasons for the ongoing success (or otherwise) of environmental policy and programs. The breadth of insights garnered from the interviews suggests future studies would benefit from including not only the highly influential senior policy officials who have access to the thinking of ministers and central agencies, but also the lower level officials who in this study furnished sharp observations informed by positions at the front-line of policymaking.

The environment case studies, on several occasions, demonstrate the officials seizing (or failing to seize) particular and time-limited openings or turning points. Such policy opportunities could arise from the political cycle, the minister, the budget process, relationships with main stakeholders, relationships with other agencies and trends in electoral opinion. The agency of the officials to progress (or fail to progress) a policy agenda was revealed by the interviewees in ways that would be difficult to access from outside the APS, but nevertheless appear quite genuine and grounded in actual events. The revelation of the behaviour of policy officials in the case studies reinforces the value of the interview method. The case studies reveal the agency demonstrated by the policy officials (and in the case of Hill and Richardson, by the Minister) as the primary underlying driver of policy success. It is the concept of agency that binds together the overt drivers of success.

In the spirit of Marsh and McConnell's (2010, 581) aim to develop a dialogue rather than provide final conclusions about policy success (noted in Chapter 3), their framework was applied to assess the 12 policies in this study. It proved easier to operationalise when assessing single-purpose programs rather than complex national strategies such as the *RFAs,* omnibus programs with many components such as the *NHT* and *Caring for Our Country* or complex legislation such as the *EPBC Act 1999*. Interviewee comments on the effectiveness of the Act highlight the difficulty of applying the framework to assess legislation that is designed to balance jurisdictional interests and roles (Commonwealth versus States); and differing values (conservation versus development). The extent to which the *EPBC Act 1999* successfully navigates these differing interests proved difficult to measure against the process, programmatic and political dimensions.

After reviewing the literature, including Gore's (2011, 49) caution not to over-sell the strengths of the framework, I consider that Marsh and McConnell have woven a path through the existing public policy models to come up with an approach that elucidates policy success in an insightful and realistic way. For example, the value of the Marsh and McConnell Framework as an

240

objective tool to assess policy success was apparent with the *Home Insulation Program,* as the framework provides for a solid consideration of the political dimension.

The framework may not be as applicable to non-Westminster, authoritarian or hybrid regimes. In the context of this study, it did prove to be a useful device to provide an external assessment of the policies. It brought out the critical importance of the political dimension of success, a dimension often ignored in the practitioner literature. It illuminated the value of securing the 'backstory' to policy development and implementation, a story which often resides in the memory of policymakers rather than any official record.

Overall, the approach of Marsh and McConnell is attractive to the analyst seeking a systematic way to understand policy success. The framework shines the spotlight on the significance of the policy official in shaping policy outcomes. They deal with the complexity of policymaking without shying away from the pragmatic task of how to work out whether a policy succeeded or not.

The work of McConnell and Marsh takes the theorist puzzling over why some policies succeed a long way towards plausible answers. Their framework encourages the researcher to look beyond the current stock of public policy theory. This study, in focusing on one policy domain, can claim a modest extension of the ways in which policy theory understands just how public policy is made insofar as it examines environment policy in detail enriched by the observations of the interviewees drawn from their lengthy and deep experiences in policymaking.

In reflecting on the study methodology more broadly, the study has uncovered a paradox in relation to policy success. Australian political and environmental scientists, in particular Crowley and Walker (2012), Dovers (1994, 1999, 2005) and Lindenmeyer (2007) discussed in Chapter 2, argued that environment policy is failing. Environment policy viewed from the outside, is assessed as "littered with failures of the highest order" (Crowley and Walker, 2012, 174-175). Reasons for that failure can be found in economic, political, constitutional and other such structural or systemic factors. However, policy success and failure examined at the level of the individual policy, program or legislation differs from an examination of environment policy in general.

To the interviewees, environment policy, in the broad, had failed to protect the environment. Nevertheless, they were able to identify occurrences of policy success at the individual policy or program level. Where the interviewees were successful in pursuing what they saw as good environmental outcomes, they were able to exercise a degree of well-managed autonomy at the individual policy or program level, within a wider, constrained economic and political context. This tension, between the relative significance of the structural barriers to policy success and the

241

individual policy official's actions to pursue success, has not been resolved at the study's conclusion and is likely to remain a feature of future studies of success and failure in environment policy.

7.6 Primary insight and future research avenues

Primary insight

The primary finding emerging from the study is that policy success offers an entrée to understanding the puzzle of what works in federal environment policy in Australia. The officials did not approach their work with the notion of success foremost in mind. Indeed, the high-level interviewees considered they spent more time avoiding failure than pursuing success. All five departmental Secretaries interviewed considered that their *modus operandi* was more one of trying to minimise the worst outcomes rather than delivering a successful outcome. They observed a lack of clarity on the part of the Government as to why it was or was not intervening on any particular issue. They were therefore more likely to spot a 'stinker' than have confidence that success was a prospect.

Although the interviewees did not approach their policy work with the concept of success in mind, the interview questions drew out some deeper reflection on what had worked and why. One interviewee wryly commented that he knew more about environment policy failure than success, but for most interviewees, thinking about the notion of success proved to be a useful starting block to delve into their experiences and extract how they had approached policymaking. This supports McConnell's (2010b) view that the concept of success will prove productive for incorporating hidden agendas, placebo policies and "policies on the hoof" into theoretical understanding.

Adopting success as the linking theme in the interview questions may be counterintuitive in a study of environment policy outcomes. However, it was considered at the outset of the study that the concept of success was in a sense a 'stretch' concept that may draw out interviewee insights to a deeper level.

Success as the common thread throughout the interviews produced transcripts replete with a rich array of insider experience. Asking officials about failure may have run the risk of dampening the flow of dialogue.

The study reveals some of the subtleties in just how policy officials employed an array of tactics and strategies to pursue successful environment policy outcomes despite the constrained economic and political contexts they more often than found themselves operating in. This

242

revealed subtlety or 'agency' of motivated officials not only puts a different slant on the theoretical literature of policy success, it also puts a different slant on the practical history of program failure that tends to be found in the Australian environmental literature discussed in Section 2.6.

The intractable nature of environment policy and the limited authority of the Commonwealth to solve environment matters that fall within State jurisdictional responsibilities remind the analyst that the role of the policy official is highly constrained. For the interviewees, policy success is elusive because the underlying systemic threats to the environment such as overpopulation, over-consumption, land-clearing, unsustainable levels of natural resource extraction and poor planning, are rarely addressed in a structural or enduring way through environment policy. Such threats require change at the macroeconomic and social level. The interviewees were fully aware that considered environment policy has more scope for success in the rare instances where it does not impact negatively on economic growth, commercial opportunities, business interests or private property rights (Interviewee 10).

As politicians scramble to find the common ground between their political interests, the demands of vested interests and the interests of the electorate, policy officials can step into a legitimate role of guiding policy to deliver meaningful and measurable outcomes.

The study realisation that, in the main, policy officials work assiduously and tactically to secure good environmental outcomes supports a more optimistic and less occluded conception of public policy than presented in the literature. The insights reported in Chapter 5 on what works and what does not in environment policymaking potentially lay the groundwork for improved policy outcomes over time. The officials spoke of their work more in terms of *avoiding failure*, rather than directly *pursuing success*. Nonetheless, their detailed responses revealed the way they strove to secure environmental outcomes.

The finding that instances of environment policy success can be identified, that officials have a sense of what will work and why and that outcomes are to some extent predictable reinforces the idea that policy officials can have confidence in their policy judgment. On a practical level, the factors in success identified in the study may assist policy officials in identifying what to submit for early review when implementing a policy.

In focusing on whether officials can and do portend policy success, this study underscores the value of policy officials considering the unlikely, the unpalatable and the improbable in a kind of policy 'meta-risk' analysis. That conclusion finds parallels in Sedgwick's 2013 notion of 'strategic foresight capability' (Chapter 6) and in Hawke's (2009) little-known and never

adopted recommendation to mandate the use of 'foresight reports' to help government manage emerging environmental threats.

Future research avenues

Drawing on the combined insights of the 51 interviewees, the study has compiled and analysed factors driving success for selected policies implemented by the federal Environment Department between 1993 and 2013. It is probable that the findings are not unique to environment policy, or to the Department or the officials interviewed.

Theorists broadly agree that environment policy differs from other policy areas in significant ways. Most interviewees supported that view in terms of the long timescales required to deliver results and the difficulty of measuring outcomes. To the extent that environment policy does differ from other policy areas, the wider applicability of the study's approach and findings needs to be tested in other policy contexts. Health policy and education policy are sensible first candidates, for two reasons. Like environment policy, they may call for an interventionist approach by the Commonwealth, but are primarily State responsibilities under the Constitution. Second, policy workers are likely to have a personal commitment to the policy goals. These similarities with environment policy may foster a leaning towards 'agency'.

Although this study opens up fresh insights not fully expressed in the literature in regard to the high degree of agency demonstrated by officials, the findings may well be unique to the federal system in Australia. Over the study period, the APS had a stable public administration with a political system that was generally robust enough to countenance 'frank and fearless' advice. This stability and robustness facilitated a strong role in policy advice and formulation for officials over the study period which may not be replicated in the future.

The study endorses Marsh and McConnell's (2010) sense that the concept of success is a fertile area to progress theory. Further research into policy success is required if the practitioner and theoretical perspectives on policymaking are to become more closely aligned. Future research avenues include exploring the research question in other jurisdictions in Australia and overseas, in other complex policy fields, and in other complex environment policies such as climate change. Such future research would test the main finding here: that the agency of government officials is a crucial key to understanding policy success and avoiding policy failure.

7.7 Conclusion

The 'so what' question – the merits of the research focus

Calls for a new paradigm for protecting the environment where environmental values are not (always) subsumed by economic imperatives can be found in the literature in the work of Stewart and Jones (2003), Dovers and Hussey (2013), Dryzek and Schlosberg (2005), Walker (1994) and Crowley and Walker (2012) among others. Until such a paradigm shift occurs, the covert actions of officials in pursuing policy success to some degree guards against policy failure by design. The policy officials in this study revealed an uncanny degree of policy adeptness. They accepted, rather than railed against, the highly political nature of environment policy. They worked within that constraint to minimise the worst outcomes of policy arising through deals and crises – in other words, to avoid failure and thereby pursue success despite the policy context. In that regard, the study may prompt future scholarly explorations of policy success to dig through the strata of specific policymaking episodes from the perspective of the policy officials, before drawing conclusions about the drivers of policy success.

Bartlett's (1994) observation that policymaking is like gardening resonates with the findings of the study. It is subject to trial and error, as Mayntz (1983) observed 30 years ago. Like gardening, policy can be messy and success rests on the interplay of many variables. The 'green thumb' of the gardener parallels the notion of policy 'nous'. Unlike engineering or building, following the prescriptions set out in a plan or blueprint cannot ensure success. Exogenous factors such as a change in government or the weather or key personnel can impact policy pathways.

The applied value of this study is highlighted by O'Toole (2004, 209), who argued that policy implementation is surely one field of study where theoretical knowledge ought to have practical application, but applying implementation theory to practice has been rare. O'Toole asked, given the accumulated evidence in the literature on the disconnect between policy intent and policy action, wouldn't "systematic knowledge meant to explain and perhaps predict this disconnect be helpful to those in the world of action?" Research into the scope to predict policy success is likely to be challenging, as Mayntz (1983) warned. Nevill's (2007) frustrated attempt to understand one instance of environment policy failure (wetlands policy) underscores the importance of accessing the 'inside story' as a way of gaining an improved theoretical understanding of what works in policymaking.

This thesis adds to our understanding of the policy process through its analysis of the at times gritty 'real-world' responses of the interviewees to questions about policy success. Although the

PhD Thesis, Kathleen Mackie, School of Business, UNSW, Canberra, 2014

scope to predict policy success is not a controversial issue in the literature, and proved non-controversial in the interviews, the findings of this study suggest that an understanding of how officials anticipate and strategise around success can contribute to an improved understanding of policymaking.

The interviewees generally perceived environment policy as failing to protect the environment, particularly where it "offends economic interests" (Interviewee 42). Working under such constraints, the officials stepped beyond the neutral stance of implementing the policies of the Government of the day and actively sought to deliver least-worst environment outcomes. In implementation, the interviewees looked for early warning signs, and employed myriad tactics to overcome barriers and manage the pitfalls to steer the development and implementation of policy toward success.

In summation, this study revealed how one group of officials working in the field of federal environment policy employed a series of studied but often tacit tactics that moved beyond trial and error to pursue policy success. The aggregation of their individual and largely unshared and undocumented strategies provides a first step to a more systematic understanding of how policymakers within the bureaucracy strive first to avoid failure and then, where possible, pursue good policy and even policy success.

Appendices

Appendix 1: Interview questions

Kathleen Mackie. Federal Environment Policymaking: Indicators of Success

Interview Questions with senior environment policymakers

Lead in statement. I am interested in the process of policymaking with a specific focus on federal environment policy. I am keen to learn about your experience, what you see as the key factors of policy success or failure at different stages of the policymaking process. I will draw on your responses in a generalised way. Comments you make may be used in the analysis but no comments or statements in the thesis will be attributed to you, nor will you be identifiable from the comments used in either my thesis, or any other publications arising from this research.

To start with, could you run me through your experience in environment policy – how long you have worked in the area and what policies or programs you have had a direct role in developing or managing?

- Which federal environment policies or programs do you think have been particularly successful?

- What are the key factors that need to be in place to achieve a successful environment policy?

- What in your experience are some of the primary barriers to achieving successful environment policy?

Specific policy experiences

I would like you to talk to you about your experiences in the policy development process. You might like to refer to one or more specific environment policies or programs you had a direct role in or you may wish to respond more broadly.

- What was the policy initiative?

- What was your specific role?

- In your view was the policy successfully implemented? Why/why not?

- Could you take me through the policy process? What happened?

- Looking back, do you think you had a prior sense that the policy might succeed or fail? If so, why? If so, were your intuitions right or wrong? Were you able to inject your intuitions into the policy process?

- Were there any signals or flags early in the process that the policy or program would work?

- Can you provide or point me to any documents relevant to the particular policy we are discussing?

- Do you know where the policy came from – how it got on the Government's agenda?

- Were the policy objectives clear? What was the primary objective? Were there other/secondary objectives?

- What was the process to design the policy? Were different options discussed and assessed? Why was the particular design of the policy selected? What influenced this?

- What role did evidence play in the process?

- What involvement did external stakeholders have, if any, in the policy idea and the design?

- How significant was the role of the central agencies (PM&C, Treasury, Finance)? In what way? Did they have a direct hand in steering the process, in setting objectives?

- Are you currently involved in any emerging environment policies? If so, what are the main factors in your view that are likely to impact on a successful outcome for that policy?

Broader policy issues

- We have been talking about policymaking – and the factors involved in policy success or failure. How would you define policy? How would you define policy success in the environment context?

- Some policy theorists hold that the skills and experience of particular individual public servants are a key to whether a policy can be successfully delivered. What is your view?

- Drawing on your experiences, if you had to identify three lessons for new graduates in how to craft environment policies that succeed, what would you say?

- Do you think the making of environment policy faces different challenges from other federal policy areas (such as employment, health, education)? If so, why?

- Do you have any other comments on environment policymaking you would like to add?

Agreement to use the material in the interview (non-identified)

Consent form signed

Respondent Profile

> Current or former
> M or F
> Years of involvement in environment policy
> Years of involvement in other (non-environment) policy
> Level
> Central agency experience
> Direct experience in a minister's office

Appendix 2: Respondent information sheet and consent forms

THE UNIVERSITY OF NEW SOUTH WALES

School of Business at ADFA

PARTICIPANT INFORMATION STATEMENT AND CONSENT FORM

PhD Research title: *Federal environment policymaking: from practice to theory*

-   in search of a diagnostic for policy success

Dear Sir or Madam

You _____ , are invited to participate as an interview respondent in a study of environment policymaking as part of my PhD research program. I am researching what factors are important in achieving successful policy outcomes.

I am hoping to learn about predictors of environment policy success. You have been selected as a possible participant in this study because of your experience in and knowledge of environment policymaking at the federal level in Australia.

The Secretary of the federal Environment Department has been advised of this study. If you decide to participate, I will ask you a series of questions drawing on your experiences in federal environment policymaking in Australia.

The interview will take about one hour and can be stopped at any point should you need to. Interview records will be identified by a code only and names will not be included on any of the written notes collected in the interview. You will not be asked to disclose any confidential material. A transcript of your interview will be available to you on request. You will be given the opportunity to review the record, and make any corrections. All interview records will be held securely at ADFA.

No findings that can identify any individual interview respondent will be published. If you give your permission by signing this document, I plan to include the relevant generalised results of your interview in my PhD dissertation. Any quotes or comments used will not be attributed to any respondent. Any use of any quotes will be carefully handled to ensure the source is not identifiable. In any written works flowing from this study, information will be provided in such a way that you cannot be identified. The information gathered in the interview will not be provided to any other person. The final dissertation including the generalised results of the interview findings will be available on the UNSW digital theses holdings.

I wish to clarify that no recompense is available for participants in the interview. If you have any concerns or complaints in regard to this process, complaints may be directed to the Ethics Secretariat, The University of New South Wales, Sydney 2052 Australia (phone 9385 4234, fax 9385 6648, email ethics.sec@unsw.edu.au). Any complaint you make will be investigated promptly and you will be informed of the outcome.

I wish to confirm that your decision whether or not to participate will not prejudice your future relations with the University of New South Wales or with the School of Business at ADFA. If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time without prejudice. You can also ask at any time that your input be removed from this research, and any interview or other data collected from you will be deleted without question.

If you have any questions, please feel free to ask me. If you have any additional questions later, I will be happy to answer them. My contact details are k.mackie@student.adfa.edu.au or mob 04xxxxxxxx.

You will be given a copy of this form to keep.

You may find the interview a useful opportunity to reflect on your policymaking experiences and a mechanism to share the knowledge you have gained in your role as a senior policymaker. I very much appreciate your contribution of time and expertise to this study and thank you for your assistance. I will be happy to advise you of any journal articles arising from the thesis and the final publication of the doctorate.

Regards

Kath Mackie
PhD Candidate
School of Business
ADFA

k.mackie@student.adfa.edu.au
mob 04xxxxxxxx

THE UNIVERSITY OF NEW SOUTH WALES

School of Business at ADFA

PARTICIPANT INFORMATION STATEMENT AND CONSENT FORM (continued)

Research title: *Federal environment policymaking: from practice to theory*

- *in search of a diagnostic for policy success*

You are making a decision whether or not to participate. Your signature indicates that, having read the information provided above, you have decided to participate.

_____   _____

Signature of Research Participant   Signature of Witness

_____   _____

(Please PRINT name)   (Please PRINT name)

_____   _____

Date   Nature of Witness

REVOCATION OF CONSENT

Federal environment policymaking: from practice to theory

- *in search of a diagnostic for policy success*

I hereby wish to **WITHDRAW** my consent to participate in the research proposal described above and understand that such withdrawal **WILL NOT** jeopardise any treatment or my relationship with The University of New South Wales, or the School of Business at ADFA

_____   _____

Signature   Date

_____

Please PRINT Name

The section for Revocation of Consent should be forwarded to Kath Mackie at School of Business, Building 27
University of New South Wales at The Australian Defence Force Academy (ADFA) Northcott Drive, Campbell, ACT 2600 (Mail to: ADFA PO Box 7916, Canberra ACT 2610)

Appendix 3: Letter to Secretary of the Environment Department and response

THE UNIVERSITY OF NEW SOUTH WALES

School of Business at ADFA

Advice of proposed PhD research into federal environment policymaking and request for an interview

Research title: *Federal environment policymaking: from practice to theory*

- *in search of a diagnostic for policy success*

Dear Secretary

I am a PhD candidate in the School of Business at AFDA, UNSW under the supervision of Professor Jenny Stewart. I wish to advise you of the above study and seek an interview with you. I am a former SES employee of the Department and have worked across the policy, program and corporate areas. I have a keen interest in what works in policymaking and what practice can offer theory. While there is much written on public policy, there is no agreed understanding in the literature on how to get policy right.

The study seeks to identify lead indicators influencing environment policy outcomes. The specific research question of the study is 'to what extent is it possible to identify, *ex ante*, indicators of how likely an environment policy is to succeed?'

I am writing to inform you of the study as it adopts as the study boundary, programs delivered by the federal environment department over the period 2000–2010. I propose to interview up to 35 current senior environment policymakers in the department who have had a significant role in the policymaking process. The study has received ethics approval from the UNSW ethics advisory panel. I wish to assure you that the study is not of the department or the role of any individual. Rather, it focuses on the policymaking process and the scope to identify high-level factors contributing to policy success. This is a recognised gap in the public policy literature.

253

I plan to contact participants through 2012 for a short interview. Participation in the interviews is entirely voluntary. Interviewees will be asked to sign a consent form and can withdraw at any stage. Maintaining confidentiality is important and the anonymity of all interviewees is assured. Interviewees will be identified by a code only and names will not be included on any of the written notes collected in the interview. Any quotes or comments used will not be attributed to any respondent. Any written notes taken in the interviews, any audio record and the transcripts of the interview will be held securely at ADFA.

Officers agreeing to participate may find the interview a useful opportunity to reflect on their policymaking experiences and a mechanism to share the knowledge they have gained in their role as senior policymakers. I am hopeful any findings of the study will help inform future environment policymaking efforts including the scope to identify early warning signals of barriers to success and a mechanism to identify programs that warrant early implementation review.

While your role as Secretary of the Department commenced after the study period, I would be keen to interview you in the second half of 2012 should you agree. I am particularly interested in your views on barriers to successful environment policy implementation given your central agency experience and your current role.

If you have any concerns in regard to the proposed study, your office may wish to contact me on 04xxxxxxxx.
Thank you for your time.

Yours sincerely

Kathleen Mackie
School of Business
ADFA, UNSW k.mackie@student.adfa.com.au

13 February 2012

Australian Government

Department of Sustainability, Environment, Water, Population and Communities

Secretary

Ref: C12/2468

Kathleen Mackie
School of Business
University of New South Wales at the Australian Defence Force Academy
Northcott Drive,
Canberra ACT 2600

Dear Ms Mackie

Thank you for your letter of 13 February 2012 regarding your proposed PhD research into federal environment policymaking and request for an interview.

I note that respondents will not be asked to disclose any confidential information and that confidentiality will be maintained at all times and the anonymity of all interviewees is assured. Given this, I am pleased to support your research and agree to the participation of departmental officers.

In regards to your request for an interview, I am also pleased to be able to agree to a short meeting. I will ask my office to contact you directly to arrange a suitable time.

Yours sincerely

Paul Grimes
2 March 2012

256

Appendix 4: History of federal engagement in environment policy

This survey of the history of federal engagement in environment policy in Australia provides context for the study. This appendix[30] discusses the evolution of Australian environment policy at the federal level and the parallel growth of the Department is outlined. It traces the Government's primary policy responses to environment issues. These include the emergence of national strategies (Table A4.1), the evolution of major programs (Table A4.2) and the introduction of national environment legislation. A chronology of selected environment policy events from 1970, when the Federal Government began to engage in national environment issues, to 2013 is provided at Table A4.3. The list of federal Environment Ministers over the study period is at Table A4.4.

In summary, the history of environment policy at the federal level in Australia can be understood as the interplay of four key forces influencing environment policy outcomes:

- The increasing role of the Commonwealth in environmental matters since the 1970s through using the full weight of its constitutional powers and through the emergence of large grants programs and national legislation.

- The related transformation of the Department from a minor office in 1971 to a Department whose Minister held a seat in the Cabinet by 1996.

- The pressure brought by minor parties (the Australian Democrats and the Australian Greens) and independent Senators in negotiating political deals to secure environment policy decisions and funding.

- The instrumental actions by Environment Ministers, in particular Senator Richardson (1998-90) under the Labor Government and Senator Hill (1996-2001) under the Liberal-Coalition Government in delivering breakthrough changes in environment protection across biodiversity, energy, marine, water and Indigenous land management policy.

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[30] The appendix draws on Portfolio Budget documentation. It also makes reference to a history of the Department, Department of Environment and Heritage 2004. History of the Department of the Environment and Heritage. Canberra: Commonwealth of Australia. It is compiled from interviews with departmental officers. It builds on Dovers (2013) tracing the Federal Government's environment policy agenda from the early 1960s. The history outlined here is also informed by the interviews conducted for this study, as collectively the interviewees hold a detailed but largely unrecorded knowledge of the history of environment policy and the Department.

The shifts in responsibility for environment policy between the Federal and State Governments are key to understanding the evolution and successes and failures of environment policy at the national level. Until the 1990s, environment issues were largely marginal for the Federal Government, with spikes of political activity provoked by intense community concern over specific sites of high environmental value.

The site-by-site efforts of conservationists to save areas of high-conservation value began to shape government engagement in environment policy. The first significant fight was over a small lake in Tasmania. In May 1971, the Tasmanian Government approved a dam to provide hydro-electric power. The resulting loss of Lake Pedder had far-reaching implications for the future division of roles and responsibilities between the States and the Commonwealth. That decision also spawned an environment movement and a new political party that was to become a third force in federal politics (Department of Environment and Heritage, 2004, 11).

Following the Lake Pedder conflict, several other high-profile cases to protect iconic areas, such as Fraser Island in Queensland in 1976, the Franklin River in Tasmania in 1983 and the rainforests in the Wet Tropics of Northern Queensland in 1988, served as lightning rods for a shift in treatment of environmental matters.

The Australian Constitution divides powers in Australia between the Australian Government and the six States and two Territories. The Constitution does not expressly provide for the Commonwealth Parliament to make laws with respect to the environment. That omission meant regulation of most environmental matters, including management of land, coasts, rivers, water and the atmosphere, fell exclusively to the States but it did so by default (Economou, 1999). The Australian Government's role was largely confined to the environmental consequences of its own actions (Early, 2008, 4).

Consequently, until the 1970s, the Commonwealth had no comprehensive regime for the protection of the environment. The primary national environment legislation from the mid-1970s, the *Environment Protection (Impact of Proposals) Act 1974* (Cth) (*EPIP Act 1974)* only applied to decisions involving the Commonwealth or a Commonwealth authority and the Environment Minister's role was advisory only. In his review of the *EPBC Act 1999*, Hawke (2009, 3) found this remarkable. However, at the time, it was the norm in environment impact assessment legislation to focus on informing decision-makers rather than specifying who the decision-maker would be (Interviewee 49).

By the late 1990s, the use of existing Commonwealth legislation, notably the *EPIP Act 1974* and other powers related to trade or corporations, to protect the environment was becoming increasingly ineffectual and random (Interviewee 51). The disparate nature of federal environment legislation and the unsettling tug-of-war between the Federal Government and the States over who had legislative control in environmental disputes were the precursors to the reform that resulted in the passage of the *EPBC Act 1999*. The new Act repealed the *EPIP Act 1974* and combined four other pieces of environment legislation into an overarching national environment Act. For the first time, the Environment Minister held the primary decision- making role on matters of NES (Hawke, 2009, 3). That Act is now the most significant national environment legislation, leaving matters of state, regional or local significance to the States or to local government (Department of Environment, 2013a).

Under the Act (as at March 2014) any proposed action, such as a project, development or activity, requires approval from the Environment Minister if it is likely to have a significant impact on a matter protected by the Act. Fundamental to the framework of the Act is that a person must not take such a 'controlled action' except in accordance with that approval (Early, 2008, 11).

The initial principal objects of the Act in 1999 were to:

> **provide for the protection of the environment, especially those aspects of the environment that are matters of national environmental significance including threatened species and ecologically significant communities, wetlands and migratory species, world heritage;**

> **promote ecologically sustainable development through the conservation and ecologically sustainable use of natural resources; and**

> **promote the conservation of biodiversity (Early, 2008, 10).**

The assessment and approval process tries to negotiate conditions to mitigate, offset or avoid those impacts (Interviewee 39). By 2009-10, only eight proposals had been rejected outright on the grounds of an unacceptable impact on the environment (Department of Environment Water Heritage and the Arts, 2010a, 114). Two further proposals had been rejected outright up to November 2013.

The Act did set up a more effective national framework for environment protection and biodiversity conservation than the previous series of Acts. It entrenched the principles of ESD including the precautionary principle at the centre of decision-making (Early, 2008, 45). It had been used to stop several proposals that would have degraded environmental values, notably the

Traveston Dam proposal in Queensland, the placement of oil rigs in the GBR and a Victorian Government proposal to allow cattle grazing in the Alps, although the Abbott Government opened up that decision with a cattle grazing trial in the Victorian Alps in March 2014 (Hunt, 6 March 2014). Most importantly, the Act did place the Environment Minister and the Environment Department at the centre of decision-making on matters of NES. As Interviewee 49 commented:

> One of the key reforms under the *EPBC Act 1999* was that the Environment Minister was the decision-maker rather than just providing advice to line Ministers. If you look at other systems in Australia and overseas, we are either unique or close to unique, in having the Environment Minister as the decision-maker. That is very powerful and one of the most important elements of the original reform.

The more trenchant critics of the Act regard it as a fractionated legislative instrument designed to relinquish biodiversity where saving it would threaten development interests. For example, the express exclusion of addressing the impact of forestry within *RFA* areas became increasingly problematic as the RFAs increasingly were seen to have failed to deliver ecologically sustainable forestry management (Interviewees 06 and 47). It has not been able to stem the impact of unsustainable rates of water use as water was not a matter of NES. Further, it has not contributed in any substantive way to the efforts to stem the rate of native vegetation clearing, in part because it was designed to operate on a challenge or exception basis.

Despite its weaknesses, the *EPBC Act 1999* has served as a key piece of armoury at the Federal Government's disposal, if it so chose to use it. The Environment Minister has considerable discretion under the Act. The Act can be used to control the extent of impact that future developments have on nationally significant environmental assets. The recent move by the Abbott Government to make far greater use of the scope to devolve assessment and accreditation to States' approval processes under the Act may place more responsibility on the States to find the balance between economic development and environment protection (Department of Environment, 2014a).

An expanding federal Environment Department

The slow expansion in the size and remit of the Department paralleled the increasing incursion of federal engagement in environmental matters (Table A4.3). Table A4.3 gives a sense of the long tradition of merging and demerging the environment function with other major functions. These functions included at different times water, science, population policy, climate change and energy efficiency, plus minor functions such as housing affordability, communities, home affairs, arts, heritage, sport, tourism and territories. In the Department's 2011 manifestation, for the first time, the functions of population and sustainability were added. With the election of the

260

Abbott Government, the Department became, simply, the Department of the Environment. It regained climate change functions in the Administrative Arrangement Orders of 18 September 2013.

The growth in environment protection through federal action

Despite the constant mergers, demergers and name changes, the Environment Portfolio delivered early environmental outcomes (Table A4.3). For example, under the 1973-75 Whitlam Government, the fledgling Environment Department laid a foundation for future legislative and management action by successive federal governments to protect the environment. These actions included the first environmental legislation, the *EPIP Act 1974,* the *States Grants (Nature Conservation) Act 1974*, and the legislative machinery to establish the National Parks and Wildlife Service and Australian Heritage Commission (Department of Environment and Heritage, 2004, 12). Between 1975 and 1981 the Fraser Government halted sand mining on Fraser Island (1976), declared national parks at Uluru (1977) and Kakadu (1979), and listed the GBR as a World Heritage Area (1981).

That there were five different Environment Ministers in the first five years of the Department's existence[31] suggests the initial fragility of the environment function. It also reflects the position of the Department as marginal, holding little weight in Cabinet.

By 1990 the Australian Government, the States and local governments had begun working to achieve a more co-operative and orderly approach to national environmental issues, reflected in the 1992 IGAE (Early, 2008, 6). Under the IGAE, all Australian jurisdictions agreed to integrate environmental considerations into their decision-making and pursue ESD principles. On the international front, the 1992 Rio Declaration and in Australia the *1992 NSESD* (Commonwealth of Australia, December 1992) further entrenched the notion of sustainability across all levels of government. These documents were 'aspirational' and until the enactment of the *EPBC Act 1999*, no national environment laws enshrined the concepts of ESD and the precautionary principle (Early, 2008, 7).

The mid 1990s saw three related changes that strengthened the hand of the Government in environment policy.

Firstly, with the election of the Howard Government in 1996, Senator Robert Hill was appointed Environment Minister. As Leader of the Senate, Hill was a key Cabinet member. For the first time, the Government (notably a Liberal not Labor Government) had an Environment

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[31] http://www.environment.gov.au/about/ministers.html (Accessed 5 August 2013)

Minister in Cabinet. This was to be of great significance for the scope of the Government to make headway in protecting the environment.

Secondly, after 1996, under the firm hand of Minister Hill and Roger Beale AO, the Departmental Secretary, the Environment Portfolio transformed from a minor and fragmented player to a force in Cabinet. The five small environment agencies charged with aspects of protecting the environment were amalgamated into one larger and more coherent Environment Department. Coming from a central agency perspective, Beale understood the need for reform of the governance structures as a necessary condition for being able to effectively develop and implement policy. Up until that time, the Department operated as five separate and often warring fiefdoms (national parks, heritage, policy, environment protection and Antarctic Division). The five agencies failed to present to the rest of government a united front working together to protect the range of environment values for which they held responsibility.

Thirdly, with Hill as Minister and Beale as Secretary, a pathway opened for significant reform of the plethora of environment laws. The suite of environmental legislation had been largely unchanged for 25 years. It focused on Commonwealth intervention, often at the last minute.

The 1990s closed with the passage of the *EPBC Act* in 1999. The enactment of the *EPBC Act 1999* enshrined the role of the Environment Minister as decision-maker on matters of NES. That achievement was in large part due to the combined efforts of Senator Hill as Minister and Beale as Secretary.

Summary

By 1993, the starting period of this study:

- all levels of government had reached an agreement on their respective roles and responsibilities which, while at times tested, remains in place today

- the Department itself had begun to operate as a unified whole rather than a fragmented set of uncoordinated agencies

- the philosophical underpinnings for a more integrated approach to environmental protection had filtered through from the international arena to the Australia policy scene in the central agencies of PM&C, Finance and Treasury and within the Environment Department itself

- broad national strategies for many aspects of the environment such as biodiversity, forest and marine policy had been agreed by Cabinet

- the advent of SoE Reports and the increasing number of scientific studies since 1993 provide a better information base on which to assess federal environment policy

- the Department was beginning to amass useful databases, including through the *RFA* process, on which to base its policy advice.

Full suite of Departmental policies over the study period

Over the study period, the Department had implemented a wide range of national strategies, legislation and funded programs. To situate the 12 policies in the study, the full suite of policies is summarised below.

National strategies

In the wake of the 1992 NSESD, the broad national environment strategies on a wide range of environment matters from forests to biodiversity, to oceans policy and population policy, generally failed to deliver on their stated objectives. The strategies were useful to the extent that they established frameworks for new policy measures. Those frameworks encouraged consideration of sustainability criteria, and improved consultation and data collation. They also provided a mechanism for greater transparency in the efforts at federal-state co-operation and collaboration on environmental matters. The ESD process in Australian did lead to more co-operation and national consistency between the Federal and State Governments. This included avenues such as Councils of Federal and State environment ministers, National Environment Protection Measures and voluntary agreements such as the National Packaging Covenant.

The environmental gains through this consensus approach were ultimately disappointing, but the national strategies reflected a maturing of the governance arrangements for environment protection in Australia, at least up until September 2013. As the national strategies are typically an articulation of policy intent, they are characterised by intangible or unreachable aims and lack measurable targets in specified timeframes. Where targets and timeframes were specified, generally they were not met. Moreover, implementation was typically unfunded or poorly funded. In short, successful implementation was beset by a lack of political will, vague or unrealistic targets, and inadequate funding. In Marsh and McConnell's Framework (2010) terms, the strategies were successful on the process and political dimensions but failed along the programmatic dimension.

The major strategies in which the Department has had a role between 1992 and 2011 are set out in Table A4.1 below.

Table A4.1 National environment strategies: 1992-2011

Date of release	Strategy
1992	The National Strategy for Ecologically Sustainable Development (NSESD)
1992	National Forest Policy Statement
1995	Regional Forest Agreement (RFA) Process
1996 to 2010	National Strategies for the Conservation of Australia's Biological Diversity
1999	National Oceans Policy
1999	Strategic Plan of Action for the National Representative System of MPAs
2011	National Population Strategy

Over that period, the Department also had a role in delivering greenhouse strategies. As climate change is not a focus of this study, those strategies are not included above.

Legislation

The Department administers numerous Acts relating to aspects of the environment, from sea dumping to the recent *Product Stewardship Act 2011*. The *NHT* for example has a legislative base in the *Natural Heritage Trust of Australia Act 1997*. The *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* and the *Fuel Quality Standards Act 2000* are widely recognised as highly successful. Both Acts had bi-partisan support and an effective process for implementation. Their objectives continued to be met and they have both delivered significant environmental benefits.

Programs

The funded programs delivered by the Department can be broadly grouped into the following categories:

- Biodiversity protection including Landcare, *NHT*, *Caring for Our Country* and the *Biodiversity Fund*

- Climate change and energy efficiency programs – including renewable energy programs, greenhouse gas abatement programs, *Solar Rebate Programs*, *Smart Grid*, *Solar Cities*, *Home Insulation Program* and the *Green Loans Program*

- Water reform policies and programs – water quality, Murray Darling Basin, infrastructure investment, structural adjustment

- Coastal, oceans and marine programs including Coasts and Clean Seas, Coastcare, Reef Rescue

- Indigenous land management programs – CEPANCRM, IPA, *Working on Country*

- Protected area management – national parks and the NRS

- *MPAs* including the GBR MPA extension

- Pollution control programs to address air quality, chemical and waste management.

Table A4.2 below sets out objectives, budget and timeframe of the eight programs of the 12 selected policies in this study. The programs are listed in order of size of funding from largest to smallest. The eight programs are discrete, are generally national in scale and constitute the majority of the Department's annual program (grant) expenditure. Unless terminated early, the programs ran for at least one forward estimates period (four years).

The *NHT* and *Caring for Our Country* are large programs with national, state and local streams. They funded many smaller programs and projects. Interviewees made reference to the whole program and elements of the program. No additional programs to those listed in the table were raised in the interviews by more than three interviewees.

Program budgets are included to provide a sense of the scale of the programs. Budgets are referred to as indicative, as they are based on the initial announced budgets. Actual budgets vary, depending on expenditure and subsequent budget and program allocation decisions. From 2004-05 a complete list of grant programs was included in each Annual Report for the Department. The Portfolio Budget Statements are not used as a source of data, as funding is provided by outcome rather than program in that document whereas, taken together, the Environment Budget documents and the Annual Reports from 2004-05 list all grant programs over the study period.

From 2000-01 to 2007-08 the Department published a comprehensive list of all Federal Government environment programs in its Environment Budget statement/overview documents. From 2008-09 to 2009-10 the Environment Budget Overview document included new measures only. The document was not produced after 2010-11.

Table A4.2: Major programs 1993–2013: objectives, timeframe and budget[32]

Program stated objectives	Program timeframe and Indicative Budget
Home Insulation Program To provide assistance of up to $1,600 (reduced to $1,200 in November 2009) to install ceiling insulation to make homes more energy efficient, boosting the economy and supporting jobs during the GFC.	**$2.7 billion over 2 years April 2009 – April 2011** **or until funds fully expended** Announced as part of the second phase of the 2007 Rudd Government's $42 billion response to the GFC. Actual expenditure was $2.2 billion on the program with residual funds of over $500 million spent on safety, inspection and repair programs. The program was terminated 19 February 2010, and the residual audit and safety functions moved to the Department of Climate Change and Energy Efficiency (DCCEE) on 8 March 2010.
Natural Heritage Trust (NHT) Section 3 of the *Natural Heritage Trust of Australia Act 1997* states: "The main objective of the establishment of the Reserve is to conserve, repair and replenish Australia's natural capital infrastructure".	**$3 billion July 1996 – June 2008** Delivered in two phases: NHT 1 over the first 6 years (1996–97 to 2001–02) with $1.5 billion and NHT 2 (2002–03 to 2007–08) with $1.3 billion. Brokered by the Howard Government to facilitate agreement with the Democrats to the partial sale of Telstra. Primarily funded small to medium projects in the regions to support community action to undertake environmental works. Some funding was paid directly to State and regional NRM bodies for projects. Provided funding for many programs including Landcare, Coastcare, Rivercare and Bushcare and a wide range of functions including air pollution and waste management. Jointly delivered by the Environment and Agriculture Departments.
Caring for Our Country To achieve "an environment that is healthy, better protected, well managed, resilient and provides essential ecosystem services in a changing climate" (Department of the Environment Water Heritage and the Arts, 2008).	**$2.25 billion over 5 years 2008-09 to 2012-13** Announced by the incoming 2007 Rudd Government. By 30 November 2010, $1.7 billion of the $2 billion had been committed. Designed to overcome some of the flaws of the NHT. Investment strategy targeted priorities (determined by the Government) as compared to the regional approach of the NHT. Jointly delivered by the Environment and Agriculture Departments until July 2013. Incorporated the pre-existing NRS, the *IPA Program* and provided an additional stream of funding for *Working on Country*. The NRS purchases, establishes or maintains land (including IPAs) that has ecosystems poorly represented in protected areas. Also included the Reef Rescue program and the Environmental Stewardship Program.

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32 Sources: Environment Department Annual Reports 1993-94 to 2012-13 Australian Government. 1996-2013. *Past Budgets* [Online]. Available: http://www.budget.gov.au/past_budgets.htm [Accessed 19 March 2014], Department of Environment. 2013b. *Annual Reports* [Online]. Available: http://www.environment.gov.au/topics/about-us/accountability-reporting/annual-reports [Accessed 29 October 2013].; Department of Environment Budgets Australian Government. 1996-2013. *Past Budgets* [Online]. Available: http://www.budget.gov.au/past_budgets.htm [Accessed 19 March 2014].; Commonwealth Environment Budget Expenditure 2000-01 to 2003-04, Environment Budget Statement 2004-05, Environment Budget; Sources for the program objectives also include legislation and program guidelines.

Program stated objectives	Program timeframe and Indicative Budget
Solar Homes and Communities Plan Aimed to promote the awareness, acceptance and uptake of renewable energy, reduce greenhouse gas emissions and help develop an Australian Photovoltaic industry.	**$815 million over 4 years to June 2010** The program concept commenced in 2000 as the Photovoltaic Rebate Program to provide rebates to households to acquire solar photovoltaic panels as part of the MBE package negotiated in 1999 with the Democrats to introduce the GST. It became the *Solar Homes and Communities Plan* after the change in Government in November 2007 and was a 2007 election commitment. The *Solar Homes and Communities Plan* was one of the few programs funded under the Australian Greenhouse Office to continue after that Office was abolished. The program provided various benefits including, at one time, rebates of up to $8,000 for the installation of solar power panels in homes. It also provided for grants of up to half the cost of a 2 kilowatt system for up to 400 community buildings a year. Approximately 70,000 installations were supported under the program by 9 June 2009. Replaced by Solar Credits program after June 2009. Terminated 9 June 2009. Residual functions moved to the then DCCEE on 8 March 2010.
Solar Hot Water Rebate Program Aimed to replace electric hot water systems with solar systems.	**$507 million over 4 years July 2009 - June 2012** Built on an earlier solar hot water program that was initially introduced in July 2007 with a rebate of $1,000 for hot water systems or heat pumps that replaced existing electrical systems. Under the Nation Building and Jobs Plan stimulus package that rate was increased to $1,600 in February 2009. Replaced by the Renewable Energy Bonus Scheme. Terminated 19 Feb 2010. Residual functions moved to DCCEE on 8 March 2010.
National Solar Schools Plan Aimed to provide grants of up to $50,000 to all Australian schools to install solar panels and for energy and water efficiency improvements.	**$361.6 million over 4 years July 2008 to June 2012** (A further $119.3 was announced in the 2008-09 budget for the three years to 2014-15) A Rudd Government 2007 election commitment. Announced in 2008-09 Budget. Provided grants of up to $50,000 to all Australian schools to install solar panels and for energy and water efficiency improvements. The program was suspended in October 2009 as the annual budget for the program had been reached. The program was moved to DCCEE on 8 March 2010.
Working on Country To provide opportunities for Indigenous people to undertake work that protects and manages Australia's environmental and heritage values (as at April 2011).	**$298 million over six years from 2007-08 to 2013-16** Commenced in 2007-08 with an initial budget of $47.6 million over four years for 100 positions as part of the Australian Government's A Better Future for Indigenous Australians: Building an Indigenous Workforce in Government Service Delivery. That initiative aimed to reduce the use of CDEP. Further reforms to CDEP and the election commitments provided an expansion of funds. In 2008 it was incorporated as a stream in *Caring for Our Country*. At April 2011, almost 80% of the funding was classified as ongoing. (See Table A6.1 for more detail).

Program stated objectives	Program timeframe and Indicative Budget
Green Loans Programs The stated objectives were to provide advice and financial assistance to households on how to improve the energy and water efficiency in existing homes and to reduce annual greenhouse gas emissions (Department of the Environment Water Heritage and the Arts, 2009, 2). The budget provided for an unspecified number of home sustainability assessments (home energy and water audits) to identify cost-effective measures to reduce household energy and water use, such as home insulation, solar panels, rainwater tanks and energy efficient lighting, The budget also provided funds to subsidise the interest component of loans (the loans could be up to $10,000 per home) for the installation of up to ten specified green technologies identified in the home assessment. The announcement also included free Green Renovations packs valued at $50 to each assessed household for water and energy efficiency devices, most of which were never paid to householders. The program was estimated to reduce annual greenhouse gas emissions by around 0.33 million tones of carbon dioxide equivalent	**$300 million over five years July 2008 to Dec 2012 (assessments) and to 31 March 2013 (loans) (or until funds fully expended)** A 2007 election commitment announced in the 2008-09 Budget. In the 2009-10 Budget, savings of $125.7 million was taken by reducing the number of loan interest rate subsidies funded to 75,000, in part due to the slow take-up of that component. The original budget was sufficient to provide for 360,000 home assessments. By 30 June 2010, 335,000 free home sustainability assessments had been completed and a reported 7,381 interest-free loans had been approved, well below the anticipated 200,000. In the 2009-10 Budget, $102.7 million (Department of Climate Change and Energy Efficiency, 2010, 78) was restored to the program budget to address the uncontrolled uptake of the home assessments and the lack of work for the number of assessors who had personally paid to be trained as assessors. By March 2010 the high level of demand driven by the high number of assessors seeking work meant the remaining budget would be exhausted within one year of the program start. Responsibility for program shifted to the then DCCEE on 8 March 2010. On 8 July 2010 the Government announced the program would be phased out (Department of Climate Change and Energy Efficiency, 2010, 79).

Major environment policy outcomes 1970 to 2013

In the shift of environment policy from marginal to mainstream, some success in environment policy outcomes can be attributed to actions taken by the Federal Government. The expanded role for the Federal Government *has* led to improvements in areas such as ozone protection, urban air quality, water quality and fuel quality. It *has* led to significant areas of land and sea being placed under protection through the NRS, national parks, IPAs and *MPAs*. Iconic areas such as Fraser Island and the Wet Tropics were more protected from unsustainable resource use (although the level of protection is now being called into question). In addition, a slowing of the pace of land clearing of native vegetation and forests occurred through federal interventions.

National strategies were used as overarching frameworks to establish policy agendas new to the Commonwealth in areas ranging from forest to marine policy. There have been some unexpected successes in challenging policy areas in the case of the *Working on Country* program. These positive environmental outcomes delivered through federal intervention are captured in Table A4.3 below, demonstrating that environment policy is perhaps somewhat better than the "litany of failure" that Crowley and Walker (2012, 7) suggested.

Tables A4.3 and A4.4 below provide a history of key environment policy from 1970 and funding events and a list of federal Environment Ministers over the study period.

Table A4.3 Chronology of selected environment policy events 1970–2013

1970–1980	

Liberal Party of Australia (LPA) Gorton (1968–1971)	
1970 Nov	First Commonwealth Office of the Environment established within PM&C with no staff. Prior to the 1970s, federal involvement in environment protection had been primarily limited to actions in Antarctica.

LPA McMahon (1971–1972)	
1971 May	In a response to the growing public concern and inquiries into air and water pollution, the Liberal-Coalition Government established an Office of the Environment in the Department of Environment, Aborigines and the Arts set up as a minor department with two staff and a $140,000 budget) and focused on pollution control.

Australian Labor Party (ALP) Whitlam (1972–1975)	
1972 Dec	First Department of Environment and Conservation established as separate department with 93 staff and a $200,000 budget and with Dr Moss Cass as the Minister (Vernon, 2004, 94). It had the most junior Ministry outside Cabinet and a marginal voice in federal policy matters (Vernon, 2004, 77-78).
1972	United Nations (UN) Conference on the Human Environment (Stockholm Conference). First attempt at global regulation of the environment.
1972	United Tasmania Group set up with Bob Brown and Milo Dunphy as co-directors, largely to campaign against damming of Lake Pedder. Regarded as the world's first 'green' political party.
1972	Lake Pedder in Tasmania flooded by dam for hydro-electricity despite offer from Whitlam Government to provide financial assistance to prevent the damming.
1974	*Environment Protection (Impact of Proposals) Act* passed. *States Grants (Nature Conservation) Act* passed.
1975	*National Parks and Wildlife Conservation Act* enacted. Australian National Parks & Wildlife Service established.
1975 Apr	Department of the Environment renamed -–230 staff; $13 million budget.

LPA Fraser (1975–1983)	
1975	Great Barrier Reef declared a Marine Park.
1976	Fraser Island Environmental Inquiry halts sand mining on the island.
1976	The Tasmanian Wilderness Society (later to become The Wilderness Society) set up.
1976	NT Land Rights Act passed.
1977	Ayers Rock declared a National Park and renamed Uluru-Kata Tjuta.
1978	Australian whaling ends.
1979	Protests at Terania Creek in Northern NSW as part of the Save the Rainforests campaign with protestors blocking logging: the first large, on-site, direct action environmental protest in Australia.
1979	Kakadu National Park (Stage 1) established.

1980–1990	
1981	Kakadu National Park, GBR and the Willandra Lakes Region in Western NSW inscribed as World Heritage Areas.
1982	Government's nomination for World Heritage status for Southwest Tasmania as a World Heritage Area.
1982	Rainforest Conservation Society set up to campaign to protect the Daintree Rainforest in

Queensland.

| 1982 | Commencement of blockades and other direct action campaigns to prevent damming of the Franklin River. |

ALP Hawke (1983–1991)

1983	The Sydney Greens registers as the first Australian Greens party.
1983	National Conservation Strategy for Australia announced.
1983	Federal Government grants South West Tasmania World Heritage status to prevent damming of the Franklin River by Tasmania's Hydro-Electric Commission following a grassroots campaign.
1983	Campaign to save the Gordon River from being dammed. The 1983 decision to take the Tasmanian Government to the High Court to prevent the damming of the Franklin River led to a significant shift in the balance of power between the Commonwealth and the States on environmental matters (Department of Environment and Heritage, 2004, 15). The 1983 decision by the High Court, with a four to three majority that the Franklin Dam should not be built, is regarded as a turning point for environmental campaigners in recognising their power and the scope to use the Federal Government policy levers despite State wishes (Vernon, 2004).
1985	Murray-Darling Basin Ministerial Council established.
1984	Tasmanian Wilderness Society becomes a national organisation as The Wilderness Society.
1986	First national SoE Report published by the Federal Government.
1986	Landcare commenced in Victoria in 1986. Grew out of a growing concern about the health of land and water in Australia.
1987	Montreal Protocol bans chlorfluorocarbons that are causing the hole in the ozone layer over Antarctica.
1988	Richardson becomes Environment Minister (first appointment).
1988	Wet Tropics of Queensland declared a World Heritage Area.
1989	Prime Minister Hawke released an Environment Statement.
1989	Hawke, with bi-partisan support, announced the Decade of Landcare, giving a significant boost to federal expenditure on the environment (Caring for our Country Review Team, 2012, 102).
1989	One Billion Trees program announced.
1989	Australian Government bans use of chlorfluorocarbons to combat widening hole in ozone layer.

1990–2000

1990	Prime Minister Hawke announced the Decade of Landcare.
1990	ESD process commenced in Australia.
1991	Federal Government agreed to postpone mining at Coronation Hill in the NT.

ALP Keating (1991–1996)

1992	UN Conference on Environment and Development (the Earth Summit) in Rio de Janeiro.
1992	IGAE signed by Prime Minister Keating, State Premiers and the Australian Local Government Association to achieve a more co-operative national approach.
1992	All levels of government through the COAG adopted the final NSESD (Commonwealth of

271

Dec	Australia, December 1992).
1992 Dec	Environment Statement released.
1992	NRS announced as part of the Environment Statement with initial funding of $11.5 million over four years.
1992	Decade of Landcare launched.
1992	National Forest Policy Statement agreed by all states except Tasmania which signed up three years later.
1993	Native Title Act. This enabled Indigenous people in Australia to claim traditional rights to unalienated land and was a necessary legislative base for the IPA and *Working on Country*.

LPA Howard (1996–2007)

1996 June	*NHT* of Australia Bill to establish the $1 billion trust fund to protect Australia's natural environment following the sale of one half of Telstra. The concept underpinning the *NHT* had its genesis in Landcare, a small initiative started in Victoria in 1985.
1996 Sept	Second SoE report released.
1996	Great Australian Bight Marine Park declared.
1996	Australia bans the import and manufacture of ozone depleting chemicals.
1996	National Strategy for the Conservation of Australia's Biological Diversity.
1996	*IPA Program* established to support Indigenous landowners to develop, declare and manage IPAs on their lands as part of the NRS. In total the *IPA Program* attracted a budget in the order of $100 million from 1996 to 2013.
1997 Nov	Prime Minister's *Safeguarding the Future* $180m package over five years to address climate change.
1997	Australia's Wetlands Policy announced.
1997 June	*EPBC* Bill passed through the Senate.
1997 Dec	Minister Hill secured agreement to an emissions target for Australia of an 8% increase over 1990 levels at the 1997 international climate change negotiations.
1997	Prime Minister Howard refuses to ratify Kyoto Protocol.
1998	Nantawarrina, South Australia, first IPA announced.
1998 Dec	AOP launched to manage 14 million square kilometres of ocean between three and 200 nautical miles from the Australian coastline.
1998 April	Australian Greenhouse Office established.
1998 Nov	Australia's National Greenhouse Strategy launched.
1999 Aug	National Packaging Covenant to managing packaging waste signed by Australian Government, New Zealand, Australian State governments, local governments and some industries.
1999 Nov	MBE $400 million over four years environment package negotiated with the Democrats to

272

	achieve Senate passage of the GST legislation.
2000 July	*Product Stewardship (Oil) Act 2000* comes into force.
2000 July	*EPBC Act 1999* comes into force.
2000 Nov	Greater Blue Mountains Area inscribed on World Heritage List.

2001–2014

2001	*RFA* completed.
2001 May	Announcement for *NHT* extension for a further five years commencing 2002–03 with $1 billion in funding.
2001 July	Environmental assessment process commences for Commonwealth fisheries under the *EPBC Act 2000*.
2001Sept	Australian Government and NSW, Victoria, SA, WA and ACT sign up to the 2001 National Biodiversity Conservation Strategy.
2002 Jan	Amendments to *EPBC Act 1999* to support sustainable wildlife trade activities and tackle illegal wildlife smuggling.
2002 Jan	*Fuel Quality Standards Act 2000* came into effect.
2002 March	Third SoE report (2001) released.
2002 April	Envirofund ($20 million) launched as part of *NHT* to fund community grants.
2002 June	Prime Minister Howard announced Australia would not ratify the Kyoto Protocol.
2002 Oct	Heard Island and McDonald Islands Marine Reserve declared under the *EPBC Act 1999*.
2003 Sept	National Greenhouse Gas Inventory reports.
2003 Oct	15 National Biodiversity Hotspots announced.
2003 Nov	Living Murray Initiative of $500 million to restore flows to the river announced.
2003 Dec	GBR Water Quality Protection Plan finalised to arrest and reverse the decline of quality of water entering the GBR lagoon within ten years.
2004 Jan	New national heritage regime under the *EPBC Act 1999* came into effect covering natural, Indigenous and historic heritage values.
2004 April	*State of the Air* report released providing the first comprehensive picture of Australia's air quality and the evidence base for later air quality and fuel quality policies.
2004	Australia's first national energy policy announced: *Securing Australia's Energy Future*.
2004 June	The National Water Initiative and the establishment of the National Water Commission agreed by the COAG.
2004 July	Australian Government announced its campaign to reduce plastic bags to meet a 25% reduction in use by the end of 2004 was on track.
2004 July	GBR Marine Park new zoning plan increased the area of 'no take' fishing zones in the Park from 4.5% to 33.3% supported by an initial approved budget of up to $86.7 million for structural adjustment.
2005 May	Commonwealth Environment Research Facilities program announced with $100 million over five years to support public good research into environmental issues, in part to replace termination of environment-related Commonwealth Research Centres.
2006 May	RMP funding extended for four years at $10 million per annum.
2006 May	Tasmanian Community Forest Agreement announced.
2006 Dec	African Big-headed ant, a threat to biodiversity, successfully eradicated from Kakadu National Park under joint initiative by CSIRO and Parks Australia – claimed to be the largest eradication of a pest ant infestation in the world.[33]

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[33] http://www.terc.csiro.au/resources/CSIRO_TERC%20Big%20headed%20ants%20-%2003%2012%2002.pdf (Accessed 21 August 2012)

2007 Jan	National Plan for Water Security $10 billion over 10 years.
2007 May	*Working on Country* announced with $47.9 million over four years for 100 ranger jobs.
2007 May	Environmental Stewardship Program announced with $50 million over four years with follow-up payments for up to 15 years.
2007 May	A further $2 billion announced for the *NHT* and $1.4 billion for the National Action Plan for Salinity and Water Quality.
2007 May	$70.6 million over four years provided to administer the *EPBC Act 1999*.
2007 May	$200 million provided over six years for Community Water Grants.

ALP Rudd (Dec 2007–June 2010)

2007 Dec	Australia signed the Kyoto Protocol, the international agreement to limit greenhouse gas emissions passed in the United Nations in 1997.
2007 Dec	Rudd Government confirmed commitments made in the election process for $815 million for a *Solar Homes and Communities Plan*, $507 million for a *Solar Hot Water Program*, $361.6 million for a *National Solar Schools Plan*.
2008 May	$2.2 billion announced for the *Caring for Our Country* program over five years including an injection of $50 million over five years to 2012–13 for IPAs, a quadrupling of funds for the NRS (Garrett, 2009) and $200 million Reef Rescue plan announced to protect the GBR from the effects of climate change and declining water quality.
2008 May	*Green Loans Program* ($300 million over five years) announced, designed to provide up to 200,000 low-interest green loans of up to $10,000 over five years to install water, energy and solar efficient products in homes with the aim of reducing national greenhouse gas emissions by more than 600,000 tonnes of abatement each year.
2009 Feb	The $4.3 billion Energy Efficient Homes Package announced, the largest funding tranche ever received by the Department. It included funds for the *Home Insulation Program* to install insulation in 2.9 million homes to help households save up to 40% on their electricity bills as part of the $42 billion National Building and Jobs Plan (stimulus measure) (Prime Minister, 3 February 2009a).
2009 May	$33 million in additional funding to manage national parks (Kakadu, Uluru Kata Tjuta etc.) and to support the National Landscapes program (partnership between Tourism Australia and Parks Australia).

ALP Gillard (June 2010-June 2013)

2011 May	Release of Australia's first national strategy on population: *Sustainable Australia Sustainable Communities – A Sustainable Population Strategy for Australia* (Department of Sustainability Environment Water Population and Communities, 2011c). It provided for $95 million to support a sustainable population in Australia through measures on suburban jobs, sustainable regional development, business opportunities in regional areas and a set of sustainability indicators to try to measure sustainability.
2011 May	$84.2 million over four years to continue the Environmental Stewardship Program.
2011 May	$9.7 million for management of proposed marine reserves and bioregional plans.
2011 Dec	$946 million Biodiversity Fund over six years announced as part of a Land Sector Package of the Clean Energy Future Plan, in the negotiations between the Gillard Government and the Australian Greens to facilitate passage of the carbon tax legislation through both Houses of Parliament.
2012 May	Continuation of the *Caring for Our Country* program for a further five years with $2.2 billion from 2013–2014 to 2017–2018.

ALP Rudd (27 June 2013–September 2013)

2012 Nov	Proclamation of more than 2.3 million square kilometres within the network of Commonwealth marine reserves for protection under the *EPBC Act 1999*.
2013 July	*Caring for Our Country* to be delivered through two separate streams – sustainable

environment and sustainable farming, ending the long-standing joint management arrangements between the Federal Environment and Agriculture Departments.

	LPA Abbott (18 September 2013 – current)
2013 Oct	Government announced framework to streamline environmental approvals including through bilateral agreements with States to secure 'swifter' decisions.
2013 Dec	Government announced its intention to replace *Caring for Our Country* with a National Landcare Program.
	Remaining uncommitted funds of the Biodiversity Fund were reallocated and the program was disbanded.[34]
2013 Dec	Royal Commission into *Home Insulation Program* established with the Environment Department contributing $6.9 million from a reallocation of uncommitted *Caring for Our Country* funds.[35]
2013 Dec	Release of Emissions Reduction Fund Green Paper as centrepiece of the Government's Direct Action Plan – their replacement policy to the carbon tax.
2014 Feb	Legislation to establish a 'Green Army' introduced to Parliament to support action to support local environment conservation projects as a key plank of the Government's biodiversity strategy with a target of 15,000 participants by 2018.
2014 Mar	Abbott Government confirmed its commitment to removing the Carbon Tax.
2014 Apr	Macquarie Island declared pest free (funded under *Caring for Our Country*).

Sources:
Environment Portfolio Budget, Annual Reports, and Environment Budget Overview/Statement booklets produced by the Environment Department each year from 2000–01 through to 2008–09
(Australian Government, 1996-2013) (Department of Environment, 2013b)
http://www.environment.gov.au/about/publications/budget/2013/pubs/pbs-portfolio-budget-statements-2013–14.pdf)
Appendix B of the History of the Department of Environment and Heritage (2004) produced by the Department;
Media Releases http://www.environment.gov.au/minister/archive/index.htmlother docs (Accessed August 21 2012).
Media Releases http://www.environment.gov.au/minister/hunt/2014/index.html (Accessed 17 April 2014)

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[34] http://www.budget.gov.au/2013-14/content/myefo/html/12_appendix_a_expense-08.htm (Accessed 1 May 2014)

[35] http://www.budget.gov.au/2013-14/content/myefo/html/12_appendix_a_expense-08.htm (Accessed 1 May 2014)

Table A4.4 List of federal Environment Ministers 1988–2013[36]

Year	Environment Minister	Federal Party
Sep 2013 – current	The Hon Greg Hunt MP	Liberal
Sep 2010 – Sept 2013	The Hon Tony Burke AM MP	Labor
Dec 2007 – Sept 2010	The Hon Peter Garrett AM MP	Labor
Jan 2007 – Dec 2007	The Hon Malcolm Turnbull MP	Liberal
July 2004 – Jan 2007	Senator the Hon Ian Campbell MP	Liberal
Nov 2001 – July 2004	The Hon Dr David Kemp MP	Liberal
Mar 1996 – Nov 2001	Senator the Hon Robert Hill MP	Liberal
Mar 1994 – Mar 1996	Senator the Hon John Faulkner MP	Labor
Mar 1994 – Mar 1994	The Hon G Richardson MP	Labor
Apr 1990 – Mar 1994	The Hon Ros Kelly MP	Labor
Jan 1988 – Apr 1990	Senator the Hon G Richardson MP	Labor

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[36] http://www.environment.gov.au/node/13269 (Accessed 17 April 2014)

Appendix 5: Case study 1: Home Insulation Program

A policy process can fail if the politics overwhelm the clear evidence as in the case of the *Home Insulation Program* (Interviewee 08).

Overview

This case study examines the genesis of the program, the findings of audits and inquiries and the opinions of interviewees involved. The key drivers of success (or failure) identified in this study in Chapter 2 (Table 2.3) and confirmed in Chapter 4 (Table 4.3) are then discussed in relation to the program. A chronology of the key events is set out at Table A5.1. My assessment against the Marsh and McConnell Framework is set out at Table A5.2.

This case study draws firstly on the views of the environment policy officials interviewed. In total, 32 interviews, including all the Tier 1 interviewees, commented on the program. Of the 32 interviewees, 12 had a direct role in the design, delivery and transition out of the program; four in each of Tiers 1 to 3 (Figure 3.4). This high level of commentary on the program indicates the impact the program had on the Department. It attracted the highest number of comments of all policies raised by the interviewees and the highest number of assessments of failure (Table 4.2). (Interview comments in relation to whether they had a sense the program would succeed and their assessment of the program are reported in Chapter 4.)

In addition to the interviewee reflections, the analysis is informed by the publicly available government reports, academic papers, reviews and inquiries, including the hearings and documents made public through the 2014 Royal Commission.[37] The pathway of the program from stimulus measure to program failure is well established in the April 2010 Hawke Review (2010), the July 2010 Senate Inquiry into the program (Commonwealth of Australia, 2010), and the October ANAO audit (2010c). At the State level, there were Coronial inquiries in NSW (4 October 2012) and Queensland (4 July 2013) and several investigations into relevant regulatory matters. All the above reports had specific terms of reference and did not address policy success or failure. However, their evidence and insights are incorporated here where relevant.

Key findings

The ill-conceived scale of the program and the hasty design and implementation were the result of the Rudd Government's desire to inject stimulus funds into the economy to forestall the impact of the GFC in Australia. In summary, the primary factors constraining success can be

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[37] The Royal Commission was scheduled to submit its final report by 30 June 2014. As that report was not available at the completion of this study, reference is made to witness statements and hearing transcripts, but not to the interpretations and findings of the Commission.

linked back to the unclear and conflicting multiple objectives; a failure to fully consult or to heed the expert advice provided in the initial consultation stage; a failure to base key decisions on the evidence; and a failure to provide the Environment Minister with sufficiently clear or emphatic advice on risk and compliance at critical points. In addition, the program suffered from a weak and unclear policy mandate in that the Commonwealth relied on State regulatory systems for the health and safety of installers.

The case study identifies the changes in the delivery model from households re-claiming the rebate to one of direct payment to installer bank accounts from July 1 2009 as leading to a rapid escalation in take-up, and opening up easy avenues for the entry of unscrupulous installers to 'rort' the program. This in turn led to safety breaches, poor quality installations, house fires, fatalities and fraud. The high level of rebate, the lack of any required payment from most households and the low bar of entry for installer businesses combined to generate an unsustainable level of demand, to such an extent that the funds would have been fully spent well before December 2011 if the program had not been terminated.

As context, the following section sets out the key features, outcomes and origins of the program.

Policy Description

The program was part of a larger Energy Efficiency Homes Package. Its specific objectives were to:

- provide free ceiling insulation for around 2.7 million homes

- generate economic stimulus and support jobs for trades people and workers employed in the manufacturing, distribution and installation of residential ceiling insulation

- improve the energy efficiency, comfort and value of homes

- help households save an average of $200 per household per year on their heating and cooling energy bills

- reduce greenhouse gas emissions by around 40 million tonnes by 2020 (Department of Environment Water Heritage and the Arts, 2009b, Prime Minister, 3 February 2009a, b).

Assessment against the Marsh and McConnell Framework

Assessment against the Marsh and McConnell Framework (Table A5.2) places the program towards failure. On the programmatic dimension, Table A5.2 reports the actual outcomes against the five stated objectives listed above. In total, $1.4 billion in program funds were expensed in a 12-month period and a large number of houses were insulated.

On the <u>process</u> dimension there was a lack of documentation supporting the policy proposal, a lack of full consideration of alternative policy options to meet the stimulus objective, a limited evidence base, a lack of consultation on the design and risks and limited and untested stakeholder guidance.

It is on the Marsh and McConnell Framework <u>political</u> dimension that the failure of the program is most evident. The program was a 'front page' policy over a protracted period and broke all the Marsh and McConnell criteria along the political dimension of success.

The series of inquiries, the most recent being the 12 December 2013 Royal Commission into the fatalities, underscore the failure of the program at the political level. In trying to decipher who knew what when, the July 2010 Senate Inquiry faced Ministers unwilling to answer questions, documents kept secret to Government, and conflicting, vague or unhelpful answers (Commonwealth of Australia, 2010, 58-60). In 2010, that Inquiry (6.21-22) considered a Royal Commission imperative to overcome these obstacles.

In the lead-up to the September 2013 federal election, the Opposition made a commitment to hold a judicial inquiry into the program.[38] Once in Government the Attorney-General, Senator the Hon George Brandis QC and the Environment Minister, the Hon Greg Hunt, MP (14 November 2013) announced a Royal Commission into the "failed home insulation programme".

Mr Fuller, the father of Matthew Fuller, who died on the 14 October 2009 while installing metal-based insulation sheeting (foil) under the program, had been pushing for a Royal Commission. He wanted the officials involved to admit to and take responsibility for any mistakes on their part. More broadly, he wanted a nationally consistent, accountable and effective approach to workplace safety. The Abbott Government cast the Royal Commission as an exercise in accountability, with a focus on the process and decisions leading up to the establishment of the program and the treatment of risk, advice, warnings and recommendations provided to the Government (Brandis George QC Attorney-General, 14 November 2013). The Labor and Green opposition parties cast the inquiry as an exercise in politics and a waste of taxpayers' funds. Either way, this continued politicisation highlights the importance of an improved understanding of the political dimensions of policy failure and success.

The policy context

The genesis of the policy, and how home insulation came to be a component of the $42 billion second stimulus package, proved to be important precursors to the final outcomes of the

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[38] https://www.nsw.liberal.org.au/tony-abbott-joint-press-release-judicial-inquiry-kevin-rudds-home-insulation-programme (Accessed 28 October 2013).

program. Home insulation as a cost-effective energy efficiency measure had a much earlier history in Australia and overseas before it was put forward as a minor component to the stimulus package in January 2009. Before that, there were several streams of activity within and outside government in relation to home insulation (Table A5.1).

The GFC hit Australia in September 2008. Treasury and PM&C were of a like mind that a cash injection into the economy before Christmas 2008 was a sound response. Ken Henry as head of Treasury was reported as advising the Rudd Government "Go hard, go early and go households" (Swan, April 9-10, 2011). After the first stimulus package, which included an increase in the aged pension, the Government was keen to do more. At the time, a government rebate to householders to encourage home insulation was seen as a high-benefit low-cost policy option. In searching for options for a stimulus injection, the Government turned its attention to the work of the Energy Efficiency Taskforce in PM&C. The origins of the program as a small environment component of a huge economic stimulus measure had consequences for the final policy outcomes.

The final program design differed markedly from the proposal put forward by the Environment Department. When asked by officers from PM&C for the outline of a program concept in January 2009, Mary Wiley-Smith (Band 1) and Beth Brunoro (Executive Level 2) put forward a design that involved a phased regional delivery by large reputable firms over five years with a co-contribution by households (Hindmoor and McConnell, 2013, 5, Royal Commission into the Home Insulation Program, 2014, 222). Critically, the regional provider model with reputable firms provided scope to manage demand and ensure the OH&S obligations and requirements were met, so as to give as much possible protection to installers and their safety (Royal Commission into the Home Insulation Program, 2014, 246).

The final design parameters required by the Government had significant implications for the scope for success. Driven by the GFC imperatives, funding was increased and the timeframe shortened from five to two years (ANAO, 2010c, 32). There was also to be a low entry bar enabling entry by new installer businesses and unskilled workers.

A Tier 2 interviewee identified the early warning signs of failure: a lack of documentation and debate over the design, limited consideration of risks and assessment through a narrow Canberra prism without consideration of how individuals and installer businesses might operate:

> The *Home Insulation Program* was designed over a three-day period and announced so there was no scope to change it. It was to be Australia-wide and rolled out all at the one time. We had proposed a five-year rollout but the timeframe was reduced to two years and anyone could install, and it was crazy. Nothing was written down, so there was no scope to comment. It wasn't a responsible policy, or a policy with integrity.

The following description by a Tier 2 interviewee involved in the early phase of the program illustrates the known (at least to some officers) risks and the pressure on the Department for a speedy rollout, the lack of genuineness in the consultation, the politicisation of the mounting problems and the ensuing chaos in implementation:

> I asked, 'Why are we, a general policy department, getting this large program to deliver in one of the most risky sectors?' My family is in the housing business so we have some understanding of the industry. We had insulation put in my roof well before the program started, and the men who came to install it, when they got out of their truck looked like they were from a scene in *Deliverance*. I knew what the industry was like. We knew it was not controlled and it was 'as dodgy as'. I couldn't understand why the Environment Department was going into the household sector with program delivery.

> I said, 'You have to have a really good stakeholder strategy not just the look of having one or a tick the box one. A proper one. You need to have all the stakeholders under control and in the tent with you.' The *Home Insulation Program* work was dominating everything and sucking us dry.

> It was like a soap opera. Anything could happen. It was like watching this big train wreck. I still feel so bitter about it. There were these young boys dying and we had this idiotic program to manage. It makes me cringe. Queensland houses were in poor condition. It was a huge failure on so many fronts. I know that technically it was not the Government's or Department's or our fault. Cabinet made the decision to deliver the program in two years, so it wasn't the Department's fault in that respect. We were dogged. The program was dodgy. We were overwhelmed by the media reaction. It was too hard to be on the front foot. Ray Hadley [radio commentator] got scent of things going wrong. Some stakeholders were providing material to Hadley.

> The whole policy and program was just so poor. We had no selling points by then to counter what was coming out in the media. There was nothing we could say once the deaths and fires started. After the first death I knew there would be more. You can't sell that. We had the stats on numbers on installations, numbers of households, amount of energy efficiency gained, other benefits, but a young boy had died.

> After the first death, I recommended the program be closed down. I don't know how it was eventually closed down. Minister Garrett had reached that point, of wanting to close it down. He got no support from Rudd. He was told to continue, to get the money out the door.

> An experienced Band 2 was brought in and did the *Green Loans* clean up. The solar hot water and solar panels programs also had issues with rapid ramp ups. There was no learning or sharing of lessons from each of the programs that were failing.

The following statement by Interviewee 29 captures the position the officials found themselves in. It confirms that the risks were flagged, but that the posture of the officials was, having given their advice, to then set about implementing the decision of the government of the day, albeit with an eye to adaptive management:

> In the *Home Insulation Program* the risk analysis did identify the problems. Once the decision was taken to not accredit the installers we had problems. The States were caught with their pants down as well. The States couldn't do it [manage the safety and workplace issues]. We couldn't do it.

The risk [of the program] was too high. You do what the Government wants. Public servants are about providing frank and fearless advice upfront. Government makes the decision. You get on with it. As problems arise you provide advice about some of the problems and potential solutions. You don't say "cut the program". In the end it was the right thing to advise to terminate the *Home Insulation Program* at the time when it became such high risk. The public servants were doing exactly what they were meant to do. To implement that program the Government made the decision. But [the Department] was giving advice that there were problems and also giving advice on solutions. The Minister was responding and changing things but it was slow. It wasn't agile. And it needed to be quick and agile. And there were competing pressures. The central agencies were saying get on with it, the implementers were saying we have got problems, it is all going out very fast as you want but [there are problems] (Interviewee 29).

These interview statements highlight important aspects of this case study: sound implementation was confounded by the political imperative of a rapid rollout. Risks were identified and advised to Government. Ultimately, householder frustration with unscrupulous operators, inflamed by 'shock jock' radio journalists and the wider media, placed implementation in crisis mode. By November 2009, policy was being set in response to media coverage:

There was a failure to apply the normal checks and balances in the APS bureaucracy and a lack of rationality in the decision-making at the highest level. The Department and Government were quite schizophrenic – they would swing between a position of zero tolerance (taking installers on for poor practices) and a position of not wanting to deny natural justice. If an installer business rang the Prime Minister's Office, the Government would retreat (Interviewee 04).

The turning point in the fate of the program was the first fatality of an installer. Interviewee 24 pointed out that people died every year from installing insulation. In fact, the rate of deaths and fires under the program was statistically lower than the pre-program rate (Table A5.2). However, once the first death occurred, the Government failed to provide a clear message to the public about the rationale and public benefits or the limits of its regulatory responsibilities. Interview 24 outlined his assessment of that failure in communication:

The issue was the Government was astonishingly inept in handling what happened; in handling the stakeholders. One senior manager's view is that the program fell down on the role of one manager. But the managers were handed the world's biggest challenge. The Division was larger than the entire Federal Industry Department. The management had an 'easy' approach. There was a lot of trust placed in the advice given rather than having a position of 'show me the evidence'. So they were skating on thinner and thinner ice. It was pretty brutal. It wasn't all one person. What turned it from a difficult policy to, in most people's view, a failed policy was the ineptitude of the Government in letting it be accepted that it was the Minister's fault if someone gets electrocuted in a roof. In the same way that if someone dies at a road crossing or in a hospital, it is not the fault of the Minister of Transport or the Minister of Health. Somehow, it became the Government's fault. The installers should have done proper OH&S and training and the States got off scot-free. The Government pumps money all the time into things, so the fault does not lie with Government because they provided the rebate. The Minister was a 'nice guy' and shouldn't have allowed for one minute the fault to be laid with him. An attack on who was really responsible should have been launched.

In summary, the origins of the program had implications for the scope for success. The program concept was based on a macro-economic rationale of an injection of public funds to moderate the risk of recession.

Discussion of key factors driving success

The key factors in policy success emphasised in the public policy literature were virtually absent in the design and implementation of the program. The following section explores the key factors leading to the termination of the program.

Resourcing

The high level of resourcing for the program was driven by the need for sufficient funding to contribute to the stimulus objective. Mr Levey, Minister Garrett's adviser, stated at the Royal Commission (2014, 641):

> **[The *Home Insulation Program*] was primarily an economic stimulus measure. I think it's fair to say the funding wouldn't have existed if there hadn't been a stimulus program.**

That required a large number of households (amounting to around 70% of all homes thought to be without insulation in 2008) and a high level of rebate of $1,600. No co-payment was required on the part of the householder, if the cost of installation was less than $1,600.

Stakeholder consultation

Stakeholder consultation did occur in the design and implementation of the program but in many instances was inadequate and ineffective. Three central problems were that consultation was not sufficiently comprehensive; information gathered was not tested against other sources of advice; and critical warnings were not swiftly acted on.

Interviewee comments and the findings of the investigations into the program suggest stakeholder consultation was procedural rather than genuine. For example, the ANAO (2010c, 26) found that the proposals for the Energy Efficiency Homes Package (which included the *Home Insulation Program*) were "developed with a sense of urgency" by PM&C with limited consultation with the Environment Department. Insufficient time was afforded to consultation at the critical design stage, with the insulation industry, or with peak electrical and trade organisations.

Conflicting information from different sectors in the home insulation industry was not tested against competing claims. There was a lack of discipline on the part of the Government in weighing up information accessed through consultation with the industry. For example, the Queensland Coronial Inquiry found that:

> **Unfortunately, electrical trades organisations such as NECA (National Electrical and Communications Association) and the Master Electricians Association were not consulted earlier about the use of foil and metal staples in the program. If there had been such consultation, the safety issues in relation to the use of these products might have emerged at an earlier time. The industry representatives who did participate in planning meetings seemed to have been preoccupied with 'getting a slice of the pie' for their members rather than contributing to any objective consideration of how to maximise safety (Office of the State Coroner, 4 July 2013, 68).**

The many investigations of the program have established the Government had received clear warnings of the serious risks posed by insulating ceilings in older houses by unskilled, untrained and unsupervised workers (Commonwealth of Australia, 2010, 3.59). In particular, the Senate Inquiry in 2010 established that stakeholders, including NECA, had warned the Government of the electrical and fire safety risks as early as 18 February 2009 (Table A5.1). The failure to consult adequately effectively meant that critical lessons from New Zealand were ignored.

Clarity of policy objectives

Both the Hawke Review (2010) and the Senate Inquiry (Commonwealth of Australia, 2010, 6.19-6.20) found that the imperative of responding to the GFC and the hasty rollout to achieve the stimulus objectives subordinated the environment objectives of the program. Achieving the energy efficiency gains in a cost-effective way would have required a far more controlled delivery. The Senate Inquiry (Commonwealth of Australia, 2010, 6.9) identified the inherent ambiguity and conflicts in the program's objectives as contributing to the program's "monumental failure".

Interviewees (12, 16 and 36) identified blurring of objectives as the main reason for the program's failure. Interviewee 16 explained how the objective of the program proposal underwent a sea change:

> Originally, it was an environment program but then it changed overnight to a stimulus program (Interviewee 16).

In Interviewee 12's view, that shift in objectives had consequences:

> The main thing is the intent of the program – the issue with the *Home Insulation Program* was that the intent was job creation, not environment, and that was the fundamental flaw – everything stemmed from that.

In the overall view of interviewees, the focus of the program was keeping people in work. The environment outcomes were a secondary potential benefit. Interviewee 36 for example argued that as the overriding aim was to stimulate the economy, the Government was not alert to risks in implementation relating to environmental and social impacts:

> I read all the bits and pieces. A whole series of errors contributed to what happened. Conceptually it was a good program. If you were going to spend money on stimulating the

284

economy, why not do it in a way that had an enduring impact and that reduced costs for people? That logic is impeccable actually. But it got into trouble. Politically, Minister Garrett was trying to fix the problems with the program but no one was listening. That was an issue. The problems were not within the program; they were more to do with where the Government was going at the time in terms of stimulating the economy. The direction was to get out there and spend the funds.

In summary, the program conflated economic stimulus and environmental objectives and proved a costly way of achieving greenhouse gas abatement.

Evidence to support the policy proposal

The stimulus rationale and the consequential haste in implementation had implications for the extent to which policy decisions were evidence based. Environment policy officials made it clear at the 2010 Senate Inquiry (Commonwealth of Australia, 2010, 3.10, 3.45, 3.57) that evidence on the risks of installing insulation in ceiling cavities had been provided to the Government. Warnings were provided to Minister Garrett by the Departmental officials, by industry and peak body representatives and by State agencies (ANAO, 2010c, Commonwealth of Australia, 2010, Section 3.57, Hawke, 2010, Office of the State Coroner, 4 July 2013). Those warnings, however, were not sufficiently heeded at high levels in Government (Commonwealth of Australia, 2010, 3.54, 3.59, Hawke, 2010).

The handling of evidence relating to foil insulation proved life threatening. The decision to include a wide range of insulation products was not based on the evidence in Australia and overseas available in January 2009. The peak body representing foil installers wrote to the Prime Minister on 9 February 2009, within a week of the announcement of the program, seeking inclusion of foil products (suited to tropical climates) and raised no concerns in regard to the use of metal staples to affix the insulation to ceiling joists (Keeffe, 2014, 3). Inclusion of foil, in housing stock in Queensland with a high pre-existing rate of faulty wiring of around 30 per cent, and installation by inexperienced young people, was a recipe for a high risk to safety. The Government's overriding requirement for hasty roll out combined with reluctance to favour or disfavour any part of the industry led to the inclusion of foil insulation (Keeffe, 2014, 3).

In regard to the capacity to predict the high level of risk associated with the program, in light of the evidence available, the Queensland Coronial Inquiry into the three deaths in that State curtly concluded:

> **The risk of physical danger, damage to property and fraud should have been obvious – all eventuated (Office of the State Coroner, 4 July 2013, 67).**

> **It is reasonable to conclude the dangers in regard to death from electrocution when working in roof cavities in general and when installing foil insulation in particular should**

have been foreseen and mitigated before three people died in Queensland and another in New South Wales (Office of the State Coroner, 4 July 2013, 71).

Critically, the Royal Commission hearings (2014, 252, 345, 1678-1730) suggested that the officer within the Environment Department with primary responsibility for managing the implementation failed to brief Minister Garrett promptly and clearly on the unfolding problems and mounting safety and fraud incidents arising between July and October 2009. At the Royal Commission hearing of May 12 (2014), Minister Garrett stated he became increasingly distrustful of the Department's advice in regard to the program, at least from some quarters.

Strength of the policy mandate

The Commonwealth mandate for implementation of the program was, at best, murky. Although the Commonwealth was providing the rebate, the likely risks to installers working in confined spaces with electrical wiring were left to the State agencies to manage as part of their legislative responsibilities. However, no additional funds were provided to State agencies to support them to undertake any additional regulatory workload arising because of the scale of the program.

A fundamental problem facing program administrators was that the *Home Insulation Program* was an administered and not a legislated program. Payments of rebates for energy efficiency measures had been historically more the province of State Governments than the Federal Government. A Tier 1 interviewee explained how up to January 2009 he had been pushing hard for the States to deliver the program.

> The States had the experience with these kinds of programs already and they were in charge of the regulatory framework in that space. The argument against that was that the Commonwealth wanted the credit but I think that is a bullshit argument. We had the States deliver large programs like *NHT* and we still got the credit.

The Commonwealth considered that it had handled that risk, insofar as the contractual relationship underpinning the program was between the installer business and the household, not between the Government and the installer business or the household.

In the Government's assessment and in the assessment of the Department's external consultant, Margaret Coaldrake, the responsibility for worker safety lay with the employer, and the responsibility for workplace safety and training lay with State regulatory agencies. The identified risk of electrocution was therefore discounted as a risk for the Commonwealth. Stewart and Mackie's (2011) case study of the program argued that failure of the program could be understood in terms of the Government's belief that the responsibility for managing risk had been outsourced to State regulatory agencies (for OH&S, training and fair trading matters) and to installer businesses (for worker safety). The Queensland Coronial Inquiry emphasised,

however, that *because* the Government had funded the program it shouldered a degree of responsibility that could not be transferred fully to third parties. Their finding underscores the criticality of a clear mandate to ensure clear lines of responsibility and accountability.

In summary, in regard to the primary drivers of policy failure discussed above, the over-weighting to the stimulus objective meant that houses were not selected on the basis of the unit cost of energy savings. The environmental objectives were therefore met at a high financial cost. Because of the hasty roll out, the program was implemented with inadequate consideration of advice from industry and State experts, without sufficient recognition of the evidence that was available internationally and in Australia on risks in retrofitting foil insulation in existing homes, and in the absence of sufficiently robust risk, project management and compliance frameworks. Stakeholder 'evidence' was not tested against a range of sources or factually verified. The delivery model meant that local knowledge and expertise was not used to inform the design and implementation parameters. The lack of clear and agreed lines of responsibility for installer safety meant worker safety was poorly managed by the Government, the Department, the State agencies and in many cases by installer businesses. The origins of the program, the excessive level of program funds and insufficient funds to administer the program were all key contributing factors to failure. The critical design change applying from 1 July was the trigger for uncontrolled take-up, 'rorting' and safety issues. In sum, the genesis, design and implementation of the program met few if any of the preconditions of policy success.

With the decision taken in late March 2009 by the Government on advice from PM&C for the new delivery model from 1 July 2009, the officials worked frantically to manage the unintended consequences relating to safety and fraud as they became manifest in implementation. At the Royal Commission hearing of 16 May (2014, 4932-4933), Minister Combet emphasised his view that the design of the program was flawed and allowed for numerous unscrupulous registered installer business to operate under the program. Kevin Fuller, the father of Matthew Fuller, explained at the hearings also on the 16 May that his son's registered employer under the program, QHI, was also a registered bankrupt (2014, 4996).

Finally, Interviewee 09 identified the failure of politicians and officials to anticipate that some outside Canberra would game the system:

> Hindsight is a beautiful thing and you can say 'well of course you we should have seen that coming' and I think it some ways we did. They were modelling and planning for what a reasonable person would do, but if you stop and you ask 'what would I do in that situation?' and the answer is different, maybe your theory is just a theory and it wouldn't work in the real world. For example, 'no an installer would not defraud the Government because it is illegal'. So that won't happen because there is a law and people wouldn't do that [break the law]. A public

287

servant would think that wouldn't happen, but it clearly did and it resulted in deaths as a result of some of the things that were done but we just never saw that coming. You know, a reasonable person would have done it the way the public servants thought about it but what if someone could see that a lot of money could be made and that opportunity may not come around again – are they going to make the same decisions that I would with my very well-paying job and the security that my job brings? I mean, we were all surprised.

In summary, while there was some awareness of the scope for failure, the depth of failure was not widely anticipated. Interviewee 04 explained that no one expected the program to take off so quickly and there was a failure to realise how "greedy all the players" were going to be.

The Office of the State Coroner Inquiry (4 July 2013, 68) in Queensland similarly concluded that the implementers of the program relied on the "honesty, integrity and competence of the registered installers to comply with state industrial safety, laws, and to be aware of the directions contained in the pocket book and emailed advices".

Before turning to the case study findings, the assessments of the program outcomes provided in the academic literature, in the reports and inquiries, and in the Queensland coronial inquiry, are summarised below.

Academic literature

Surprisingly, to date, as Kortt and Dollery (2012) pointed out, the failure of the program has received scant scholarly attention apart from the work of Dollery and Hovey (2010) and Lewis (2010). The few academic analyses of the program completed to date cast it as a clear failure and a prime example of poor public policy. Tiffen (26 March 2010), however, makes the case that the sources of failure lay deeper than the policy capacity of the Federal Government. He considered that State agencies and installer businesses should shoulder some of the responsibility.

Kortt and Dollery (2012, 74) classified the program as a failure of government rather than policy. In their analysis, failure could have been avoided if it had been implemented by State and local governments and not in undue haste. They acknowledged that under their preferred design, the stimulus objectives would never have been met and there was no guarantee that the States would have necessarily been any more successful than the Federal Government. In addition to government failure, Kortt and Dollery (2012) also identified bureaucratic failure and apportion blame to the managers responsible for administering the program, citing the Auditor-General's (2010c, 82) assessment that the officials involved failed to manage and treat risk.

Lewis (2010) argued that *Home Insulation Program* failed to pass the tests of good public policymaking set out in the works of Althaus et al. (2007) and Colebatch (2006a). Dollery and Hovey (2010) described the program as representing "a case study of how governments should

288

not pursue public expenditure programs". In 2012, the IPAA (April 2012) assessed the program as failing to meet all ten of their tenets of good public policy (Chapter 2).

The general consensus in the academic literature is that the program was a failure but not to the degree the then Opposition claimed. Tiffen (26 March 2010) stated the media presentation of the program as a disaster was unbalanced and poorly researched. He argued for some recognition of a view that the program had contributed to the stimulus objectives and energy efficiency objectives; that the scale of the program had exposed pre-existing weaknesses in Australia's work safety regimes; and that, on some matters at least, the Government had acted fairly, promptly and properly.

Tiffen's judgment found support in the findings of the Queensland Coronial Inquiry. In considering the causes of the deaths in Queensland, the Coroner pointed out that the circumstances of the three deaths differed but all involved common elements. These included a lack of training and active supervision, a failure to isolate the work site from electric power, pre-existing electrical faults and a failure to follow directions or advice. It found that all three employers of the young men who had died in Queensland had failed to adequately discharge their responsibilities for the safety of their employees. This view, the Inquiry found, is evidenced by their conviction for offences under electrical and workplace safety legislation (4 July 2013, 64-66). The Coroner came to the view that:

> **the two responsible Queensland safety agencies did not react with sufficient urgency or decisiveness to information and activity that should have alerted them to the real likelihood that the risk of death or injury in home insulation activity would significantly increase with the commencement and implementation of the Home Insulation Program (Office of the State Coroner, 4 July 2013, 66).**

Summary of case study findings

This case study has explored the failure of the *Home Insulation Program,* drawing on the interviewee statements and many inquiries. The Rudd Government, some of the academic analyses, audits and inquiries and a few interviewees assessed aspects of the program as successful. The program was perceived as contributing to moderating the impact of the GFC on Australia's economy. It did insulate around 1.1 million homes (less than one-third of the initial projection) to the satisfaction of the majority of those households. The actual stimulus contribution of the program, however, was never assessed. It amounted to a mere 6.4 per cent of the second stimulus package.

Contrary to the preconditions literature discussed in Chapter 2, there was no clear link between the policy issue and solution. The overriding stimulus objective required fast implementation.

The speed of delivery compromised the environmental aims. The commensurate reduction in household energy bills and emission abatement has never been verified. Around 30 per cent of the installations had a range of safety and quality issues. Incorrect installations and 'rorting' further diminished potential energy efficiency gains. Assessment against the Marsh and McConnell Framework, in the context of this study, places the program towards the failure end of the success–failure continuum.

The case study discussed the range of factors (Table 2.3) influencing policy outcomes and contributing to the program's ultimate failure. Stakeholder consultation was limited. When concrete and serious warnings of fraud and safety were given to officials and politicians, that information was not shared frankly with key decision-makers at key junctures. Those who were informed, and were in a position to provide 'frank and fearless' advice or argue for policy variations, did not do so decisively.

This case study highlights how an *absence* of agency was a factor limiting the scope for achieving policy success. At the outset, more courageous Environment Department officials may have been able to sidestep carriage of the program, as other departments had with equally risky stimulus measure proposals. The lack of agency can also be observed in implementation. This includes a failure by program managers in key roles to take advice on how to implement a program of that scale; a failure to allocate early effort in the Environment Department to compliance and audit; a culture of avoiding sending bad news 'up the line'; inadequate corporate systems; and a diffusion of responsibility and accountability.

Policy officials and politicians in Canberra misread the extent to which the lack of normal controls (so that the speed of implementation could be met) would be gamed by rogue operators. That, combined with householder frustration, shock-jock radio and adversarial federal politics, proved a heady mix of circumstances. Together, that set of circumstances meant efforts to deliver environmental outcomes were overwhelmed by crisis management of political fallout. The unfolding safety and compliance problems ultimately led to the unusual event of program termination.

From the refuge of academia, it is all too easy to judge failure in hindsight. At the commencement of the program, on 3 February 2009, officials in the Department and the central agencies were carrying out their respective roles in advising on and delivering the policy of the Government of the day to establish the program as an economic stimulus measure in the context of the GFC. They undertook those roles within the constraints of the time pressures and policy and political imperatives facing them.

The *Home Insulation Program*, however, does provide a stark example of how policy success is contingent on political success. The fatalities, tragic individually, and the house fires, were not statistical anomalies compared to the worker death and fire rates for pre-program home insulation installations. They meant, however, that the program was not politically sustainable.

The highly politicised nature of the program creates a challenge in unpacking issues of interest to this study: the scope to predict success and the key factors in success. The difficulty in deriving an objective assessment of the program's outcomes and the complexity of factors leading to its early termination make it a problematic but compelling case study for this research. The case study, for all its intricacy, highlights the extent to which policy officials *can* take action to avoid failure and pursue success.

The ANAO (2010c, 27) after auditing the program concluded that the experience "underlines very starkly just how critical sound program design and implementation practices are to achieving policy outcomes". The ANAO went on to conclude that the experience held important lessons for agencies with responsibility for policy implementation and policy development. Can the lessons of the failure be applied in other public policy contexts, or were its circumstances unique? In either event, the case study underscores the importance of the key factors for policy success in the public policy literature: clear objectives, genuine consultation and a sound evidence base.

A key lesson extracted from interviewing the policy officials is the importance of officials holding firm and straight in their advice, even when it is at odds with political and economic imperatives. Such a role is interpreted in this case study as the level of 'instrumentality' or 'agency' each individual official in key policy development and advisory positions is willing to exercise. If officials had been (more) emphatic in their advice, it may be that the Government would have looked elsewhere for a less risky stimulus measure. Had the advice of the environment policy officials (and others outside Government) involved been heeded, the extent of the failure may have been moderated, although it is unlikely a rapid injection of stimulus funds would have been delivered.

In reflecting on witness statements and the hearings, Commission Hanger (2014) settled on a shortfall in the provision of "frank and fearless" advice as a possible explanation of "what really went wrong and why". How far any individual policy official is willing to provide advice that calls into question a Government policy decision is a product of their individual judgment, their level of authority and the particular circumstances at the time. Other lessons beyond the need for 'frank and fearless' advice are the importance of understanding the Government intent underneath the policy objectives; calibrating the scale of the response to industry capacity; and

291

testing stakeholder information against other sources. Divesting responsibilities for key risks to State Governments, with no commensurate funding for the States to undertake the increased workload arising from the program, proved a key to failure. The Government and its officials miscued the extent to which (and in what ways) a government can limit the boundaries of its 'mandate' and therefore accountability.

The *Home Insulation Program* is a prime example of the contested nature of policy success. The Government, the Opposition, the media, the insulation industry, State agencies, the community, academics, homeowners, installer businesses and families all held differing perspectives on whether the program was a success or failure. Assessments range from an unmitigated policy disaster attracting negative international attention to a worthwhile program that helped mitigate the impact of the GFC in Australia and made many homes more energy efficient. The many differing perspectives on whether the program was a success or failure, and the shifting views over time, underscore the subjectivity and plasticity of the concept of policy success. The measure of success changed over time as Interviewee 38 explained:

> The Government's risk appetite and possibly its own measures of success shifted and they shifted because four people were killed in the implementation of that program. So that is a different measure.

The reports and inquiries stepped out the domino effect of undue haste in implementation leading to the poor and late handling of risk. A compliance and audit plan was put in place late in the process and was inadequate. As a consequence risks were poorly handled. By November 2009 claims were escalating and the Department was overwhelmed by increasing numbers of faulty installations and ensuing media and political attention (see ANAO, 2010, 27). The conflation of economic and environment policy objectives meant a poorly conceived program design and poor consideration of the evidence.

The scope for the Environment Department officials to avoid failure and pursue a successful energy efficiency outcome with the inordinate amount of funds allocated to the program was compromised by PM&C's and the Office of the Co-ordinator General's apparent drive for a rapid rollout. Within the Environment Department experienced program managers, in predicting likely failure, stepped away from involvement. The absence of agency by policy officials is identified in this case study as a key factor in the final failure of the program insofar as key officials involved were unable to temper the overriding imperative of the Rudd Government to meet its GFC economic stimulus objectives.

292

Table A5.1 Home Insulation Program: chronology of key events and decisions

The chronology below sets out dates relating to the broader energy efficiency policy context, the genesis of the policy proposal for the program, key government funding and approval decisions and dates of related activities such as program audits and reviews[39]. It demonstrates the turbulent policy environment and multiple changes to program design from October 2009.

Date	Key Event
2007	In or around September 2007, a Coroner in New Zealand was critical of the New Zealand government for doing little to warn of the dangers of do-it -yourself insulation concerning the death of a man who was electrocuted while stapling aluminium foil to a floor joist under his home (Office of the State Coroner, 4 July 2013, 78).
2008	The Environment Department was analysing the benefits of home insulation as an energy efficiency measure.
	(Royal Commission into the Home Insulation Program, 2014, 270)
	In October 2008 COAG agreed to develop a National Strategy on Energy Efficiency to help households and businesses prepare for the introduction of the Carbon Pollution Reduction Scheme (COAG, July 2009, 4). As part of that national strategy, an Energy Efficiency Taskforce in PM&C was working on proposals for climate change actions.
	In addition to the work in government, the Insulation Council of Australia and New Zealand (ICANZ), was lobbying the Howard Government in 2006-07 to provide subsidies for householders (Dennis, 2014, 2). ICANZ argued for government assistance to increase the number of retrofitted installations in ceilings, estimating that up to 2.7 million homes could be insulated over ten years (Senate Inquiry Hearing, February 22, 2010, ECA 39).
2009	
3 Feb	Prime Minister Rudd announced the *Home Insulation Program* as part the Energy Efficient Homes Package in the Nation Building and Jobs Plan to provide assistance of up to $1,600 for ceiling insulation for 2.9 million households (2.4 million owner occupied and 0.5 million rental properties). The owner occupied figure was reduced in subsequent announcements to 2.2 million and then 2 million.
At 3 Feb 2009	At the commencement of the program there were very little available in the way of regulations, standards, or training covering insulation installation (ICANZ at Senate Estimates, ECA60, Wednesday 17 February 2010). South Australia was the only State that required insulation installers to hold a trade

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[39] The chronology is compiled from an amalgam of sources including: Budget papers; Media Releases; Senate Estimates transcripts; the ANAO Audit report (2010); the Hawke Review (2010); the Commonwealth of Australia Senate Inquiry (2010); the Office of the State Coroner Inquest into the deaths of Matthew James FULLER, Rueben Kelly BARNES and Mitchell Scott SWEENEY (2013); and the Local Court of NSW Coronial Jurisdiction Inquest into the death of Marcus WILSON (2012).

	licence. Queensland had regulated the industry but at the industry's request had subsequently removed those provisions.
3 Feb to 20 June 2009	Phase 1 of the *Home Insulation Program* commenced. Under that program householders were required to obtain two quotes and then organise for the installation. They could then apply to the Department for reimbursement of up to $1,600.
9 February	Mr Tikey, the President of the Aluminium Foil Insulation Association, wrote to the Prime Minister seeking the inclusion of foil products in the program and for consultation with that sector of the industry. There were no risk factors raised by Mr Tikey concerning the use of aluminium foil in the program (Office of the State Coroner, 4 July 2013, 78).
18 February	The first industry consultation meeting with representatives of the different sectors of the insulation industry and building industry organisations. No representatives from the electrical industry were in attendance. At the meeting, Mr Peter Ruz of Fletcher Insulation advised that a similar program in New Zealand had been suspended from July 2008 because three installers had died from electrocution in 2007 (Commonwealth of Australia, 2010, 3.58). Eight months later, within a week after the first fatality in Australia involving foil installation, the New Zealand Government on 20 October 2009 confirmed it had banned the use of foil due to three previous fatalities involving foil installation. (Royal Commission into the Home Insulation Program, 2014, 3859-3560)
	The majority at the 18 February industry consultation meeting strongly recommended mandatory training for insulation installers. It was agreed that a common training regime should be given to new entrants to ensure safety and quality (Office of the State Coroner, 4 July 2013, 78-79).
26 Feb	Early Installation Guidelines (Phase one) released. Householders were required to obtain two written quotes. Householders were to submit a form to the Environment Department to claim for a reimbursement of up to $1,600 for homeowner and $1,000 for renters and landlords.
9 March	Mr Tinslay, Chief Executive Officer of NECA, warned Minister Garrett in writing of the fire risks associated with downlights under the program and emphasised the importance of training.
13 March	Minter Ellison Consulting (Canberra) Pty Ltd was contracted to conduct a risk assessment for the program and to produce a document referred to as the Risk Register which set out the risks and their treatment.
20 March	Second Industry Roundtable held.
27 March	Minter Ellison Consulting risk assessment provided to Environment Department and PM&C.
30 March	First rebates paid under the program.

1 April 2009	Queensland Building Services Authority wrote to Ms Julie Yeend of PM&C detailing their concerns in relation to the installation of insulation around downlights under the program. No reply was sent. (Office of the State Coroner, 4 July 2013, 81-82).
8 April 2009	A Project Control Group was established to oversee administration at a high level. It was chaired by the Environment Department. Membership included PM&C and Medicare. The Group met weekly.
9 April	Minter Ellison Consulting provided Department with the Risk Register. None of the 19 over-arching risks included safety. Briefing provided to the Minister on risk but the Risk Register was not attached to the brief.
29 June	Third industry consultation meeting held. Keeffe emphasised the importance of keeping the entry level into the program, in terms of training requirements, low (Office of the State Coroner, 4 July 2013, 86).
29 June	The Installer Provider Register launched in preparation for Phase 2. Phase 2 Guidelines applied: two quotes no longer required and the online payment system launched, with payments made directly to registered installers by Medicare and no upfront payment required by households.
6 June	National Register of Installers opened.
1 July	Phase 2 commenced. Householders only now required to get one written quote not two. Installers claimed payments up to $1,600 direct from Medicare through an online system.
1 July	The Construction Industry Pocket Book (July 2009), a pocket-size guide on how to install ceiling insulation safely, was "made available" online from 1 July (Senate Inquiry Hearing, 22 February 2010, ECA 12). It was not 'released' in hard copy until 3 August 2009 (Hawke, 2010, 4). The Pocket Book emphasised the duty of care of employers and employees for a safe workplace and safe practices and highlighted the need to turn off or isolate power to the building at the main switchboard before starting any work (three of the deaths under the program occurred from electrocution).
31 July	Secondment of two officials from the ATO who were to provide guidance on compliance based on their ATO expertise.
31 July	The Risk Register was updated. The risk of 'unsafe or incorrectly installed product leads to fire/damage, injury or death' was added.
1 September	*Home Insulation Program* budget reduced to $2.7 billion. Installer businesses required to provide proof of insurance. The forerunner program to the *Home Insulation Program*, the Low Emissions Assistance Plan for Renters, was closed.
10 August	First desktop audits of installer businesses were conducted to check compliance with program guidelines. First in-the-field roof inspections.
7 September	Department advised of first fire incident under the program.

13 October 2009	Internal review by Ernst and Young of reporting errors to the Minister in five demand-based programs, including Home Insulation.
14 October	First fatality. Matthew Fuller, working for Countrywide Insulation suffered a fatal electric shock while laying metal based (foil laminate) insulation in Queensland after a metal staple pierced an electrical wire. QHI Installations, a sub-contractor to Countrywide Insulation, was fined $100,000 as a result of the incident. The firm, 'Countrywide Installers' continued to use metal staples for foil insulation after the ban of 2 November 2009. They were not suspended from the program until 11 February 2010 despite many complaints and the fatality. The company was later fined.
16 October	Malcolm Richards, Chief Executive Officer of the Master Electricians Australia, wrote to Minister Garrett warning of further potential fatalities and calling for the rebate for metal insulation products to be withdrawn.
20 October	Malcolm Richards met with Minister Garrett to discuss his letter of 16 October. The Queensland Coronial Inquiry (4 July 2013, 95) found that Mr Richards said that he and the Minister discussed the content of his letter of 16 October 2009 and he provided first hand advice. He thought he said words to the effect, "if you don't remove this rebate from foil base products there would be more deaths in the program". Mr Richards said that he pushed the Minister to take action and he agreed to put an industry group together to discuss the issues.
21 October	Installer Pocket Guide printed.
26 October	The Environment Department issued an installer advisory notice to all registered installers reinforcing employer and supervisor OH&S responsibilities and the duty of care to provide a safe working environment. The advisory notice provided a link to the Pocket Book and reminded installers that the Pocket Book (which was not available in hard copy until 3 August) provided information on safe working methods and practices while installing.
27 October	The Environment Department convened a meeting with training organisations, industry bodies and regulators to discuss electrical and safety issues, with a particular focus on fire hazards and foil insulation. The training package was reviewed and guidelines revised. The Queensland Electrical Safety Office under their legislation banned the use of metal fasteners (Senate Inquiry Hearing, 22 February 2009, ECA 26).
2 Nov	Ministerial announcement of 1 Nov 2009 applied: reduction in the rebate to $1,200 and additional safety measures including a ban on metal fasteners for foil insulation products and the mandatory use of downlight covers. Prior to that date, the Guidelines required that installations met Australian Standards which required minimum distances from the insulation to lights, including downlights.
2 Nov	Minister Garrett announced targeted electrical safety inspections for 10% of homes insulated using foil in Queensland.
2 Nov	*Home Insulation Program* budget reduced to $2.45 billion.
10 Nov 2009	A new Risk Committee, separate to the Project Control Group, met for the first time and weekly thereafter to focus on the Risk Register and risk reporting and to report back to the Project Control Group.

296

18 Nov 2009	Second fatality. Rueben Barnes, a 16-year old working for Arrow Property Maintenance Services died from electrocution while laying fibreglass insulation batts under the program in Queensland. Mr Barnes used a metal pole to push the insulation into place. The pole came into contact with a live electrical wire. Arrow Property Maintenance was fined $135,000. That company was de-registered from participating in the program from 8 December 2009.
12 Nov	For the first time, the Department agreed to mail a hard copy of the Pocket Book to all installer businesses.
21 Nov	Third fatality in NSW. Marcus Wilson, a 19 year old, working for Pride Building NSW, died from heat exposure. The company was being investigated by the Department at that time for non-compliance. The company was de-registered on 4 December 2009.
1 Dec	Further safety and consumer measures introduced including a mandatory risk assessment for installers, the requirement for two quotes reintroduced, banning the use of conductive implements when installing and a requirement for installers to agree to have their name published if de-registered for non-compliance with the new requirements.
2 Dec	De-registered Installer List went live.
17 Dec	Minister Garrett announced new mandatory training requirements to come into effect 12 Feb 2010 and to apply to all installers, not just supervisors.
24 Dec	An 'Approved Insulation Product List' was introduced mandating that only products on the list could be used under the program.
2010	
4 Feb	Fourth fatality. Mitchell Sweeney, a 22 year old died from suspected electrocution at an installation in Queensland while working for Titan Insulations, using metal staples to fix metal based insulation sheeting (foil laminate insulation). All non-essential circuits were not switched off during the installation. Metal staples were banned three months earlier. Titan Insulations was fined $100,000 for breach of the workplace health and safety legislation. That company had made 506 claims under the program for a total of $663,600. The company was de-registered on 4 February 2010.
9 Feb	Five days after the death of Matthew Sweeney, Minister Garrett announced suspension of the use of foil insulation. Senate Estimates commenced. Calls in the media and by the Opposition for Minister Garrett to resign mounted.
10 Feb	The Government announced a program to inspect the 49,000 homes that had foil insulation installed under the program.
12 Feb	All installers required to meet mandatory competencies. Every installer business required to provide evidence that every person working for them who will be entering the roof space to install insulation has OH&S training as well as a trade-specific competency or qualification, or an insulation-specific competency or prior industry experience, or has completed a registered or accredited training course. Any installer business who had not responded to this requirement was to be suspended from the Installer Provider Register and would no longer be able to lodge claims for payment under the program.

14 Feb 2010	1,114,000 claims paid at cost of $1,471 billion.
15 Feb	Independent inquiry (Hawke) commenced.
19 Feb	The *Home Insulation Program* was terminated.
26 Feb	The Government announced that the energy efficiency function of the Environment Department, including the *Home Insulation Program,* would be moving to a new DCCEE. The new Department was formally established on 8 March 2010. Minister Combet was given responsibility for the oversight and implementation of the wind-up of the *Home Insulation Program* and the roll out of a new household Renewable Energy Bonus Scheme.
December	The Queensland Department of Justice and Attorney-General laid charges against Titan Insulations and its directors for the death of Matthew Sweeney.

Table A5.2 Assessment work sheet for the Home Insulation Program

Home Insulation Program		
Dimension		Data Sources
Process	Rating	
The processes to establish the program were unusual (because of the emergency nature of the package as a stimulus measure) and not the processes the Environment Department normally followed.	towards failure	Carter Statement of Witness Home Insulation Program Royal Commission (Carter, 2014, 5)
Normal Cabinet processes in terms of consultation and comment wwere not followed. No opportunity for whole-of-government consideration through coordination comments.	towards failure	Hawke Review (2010) ANAO (2010c) Commonwealth of Australia Senate Inquiry (2010) Royal Commission Hearing of 20 March (2014, 354)
Revised model to deliver the program from 31 March 2009 provided to the Department by the Parliamentary Secretary Mr Mark Arbib and the Office of the Co-ordinator-General without scope for the consideration of input.	towards failure	Carter Statement of Witness Home Insulation Program Royal Commission(Carter, 2014, 7)
Poor and late handling of risk and compliance.	towards failure	Hawke Review (2010) ANAO (2010c)
The program, despite the large budget, was a funded program and not given effect in legislation.	mixed	Forbes Statement of Witness Home Insulation Program Royal Commission (Forbes, 2014, 5)
Insufficient consultation with State Governments who held the expertise in home insulation and the home insulation industry.	towards failure	Hawke Review (2010) ANAO (2010c) (Royal Commission into the Home Insulation Program, 2014, 953)
Assessed by IPAA as meeting only one (communication) of ten steps for a strong business case for a policy.	towards failure	IPAA (April 2012)
Weak processes leading to fraud and safety issues (deaths and fires). For example, initially, installer businesses were not required to provide a copy of their insurance certificate. This was a major design flaw and compliance weak point. If it had been mandatory at the outset to provide the certificate many of the fly-by-night operators would not have been able to register under the program.	towards failure	Hawke Review (2010) ANAO (2010c) Commonwealth of Australia Senate Inquiry (2010) Royal Commission Transcripts (2014)

Sound governance in that a weekly PCG with representation from the Department, the central agencies, the ATO and Medicare met. Weekly meetings included consideration of the Risk Register although the large membership of the group meant a diffusion of responsibility and lack of accountability.	mixed	Royal Commission Transcripts (2014) Forbes Statement of Witness Home Insulation Program Royal Commission (Forbes, 2014, 5)
Despite the intense media scrutiny, the program received a low level of formal complaints at around 0.6% of the 1.14 million installations.	towards success	Department of Environment submission to Senate Inquiry (2009b)
Clear guidelines were provided at the outset on the relevant Australian standards and on the relevant State and local government laws and regulations.	towards success	Department of Environment submission to Senate Inquiry (2009b)
The Government and the high-level program managers in the Environment Department assumed OH&S safety issues would be dealt with at a State Government level	towards failure	Royal Commission Transcripts (2014, 379)
Programmatic		
Injected significant funds into the economy in a short timeframe allowing the Government to claim the program had contributed to its economic stimulus objective, although the program amounted to only 6.4% of the second stimulus package.	towards success	Wayne Swan (April 9-10, 2011) National Building – Economic Stimulus Report (Department of Prime Minister and Cabinet, 2009)
That the stimulus component of the program had the desired effect in that after July 2009 the take-up was 'extraordinary and unexpected'. The Treasurer at the time, Wayne Swan (April 9-10, 2011), argued that investment in the program dampened the impact of the recession in Australia. However, the extent of the role of the stimulus spending in dampening recession is unclear. The program constituted a mere 6.4% ($2.7 billion of $42 billion) of the second stimulus package. Moreover, foil-based insulation, a product directly related to two of the fatalities, was an approved product under the program up to 10 February 2010. It accounted for a mere 4.5% of all installations and was therefore a minor factor in any economic stimulation benefits. More broadly, Australia's sound financial regulatory framework and low national debt levels at that time may also have moderated the impact of the GFC.	towards failure	Hawke Review (2010, xi)

300

Provided short-term employment for unskilled workers but led to four deaths, over 200 house fires and decreased the capacity of the home insulation industry over the mid-term to provide stable and ongoing employment. The incidence of workplace fatality and house fires in the context of home insulation re-fits was lower than the pre-program rate. About 80 house fires relating to 65,000-70,000 insulation installations (0.12%) occurred each year before the program (Hawke, 2010, vii), compared to 220 fires relating to the 1.1 million installations under the program, a proportionally lower rate of fire incidence.	mixed	Hawke Review (2010) ANAO (2010c)
Of the (up to) 90,000 jobs the second stimulus package was to create, the Home Insulation Program was expected to contribute 9,800. The actual jobs created were never monitored or reported. Industry and Government estimates placed the number of individuals participating in the program at around 12,000, some of whom would have been involved in home installations prior to the program. Many of the 'jobs' created did not endure beyond the 12-month life of the program. Moreover, the program reduced the ongoing stability and viability of the installation retrofit industry.	mixed	Prime Minister Media Release (3 February 2009b) ANAO (2010c, 27, 37). The ANAO refers to estimates of 6000-10,000 jobs created under the program
Measured against the stated objective of insulating 2.7 million homes, the program delivered just over one-third of that target. The unspent funds were directed towards a major safety and risk program to address faulty and unsafe installations.	mixed	DCCEE Fact Sheet (2013) Departmental Submission to Senate Inquiry (2009b) Prime Minister Media Release (Department of Climate Change and Energy Efficiency, 2013, Department of Environment Water Heritage and the Arts, 2009b, 3 February 2009b)

301

Was successful in bringing forward greenhouse gas abatement that would not have otherwise occurred.	mixed	Prime Minister Media Release (3 February 2009b)
The Energy Efficiency Homes Package, of which the Home Insulation Program was the major part, was to reduce greenhouse gas emissions by around 49.4 million tonnes of CO2e by 2020 The program was projected to contribute around an estimated 40 of the 49.4 million tonnes or 80%.		
The cumulative estimate was reduced (in part because the projected target of 2.7 million installations was never met and in part due to estimation errors) to 14.3 million tonnes by 2020, less than one-third the original estimate provided by the Environment Department.		DCCEE Fact Sheet (2013)
Over and above these downward revisions, Browne et al. (2011) questioned the assumption of causal links between ceiling insulation, energy use and emissions reduction.		
The actual emissions reduction achieved was never measured.		
Program terminated after 12 months of operation and before all program funds were expensed, due to safety concerns.	towards failure	
Of the 13,808 installations inspected by March 2010, almost 10% had some kind of safety hazard; 18.5 % had a quality issue such as batt splitting or incomplete installation; and 1.1% involved potential fraud. In total, around 29% had minor or major safety or quality issues.		ANAO (2010c, 142)
At least 4,000 individual cases of fraud were identified.		ANAO (2010c, 30)
The full cost of remediation and related payments was in excess of $700 million.		
The program has been costly for the outcomes achieved.	towards failure	ANAO (2010c, 27)
High 'make good' costs through the safety program.	towards failure	
Good training package developed leading to improvements in training for home installers.	towards success	
Political		
Failed to assist the Government's electoral prospects, as it became a major source of political embarrassment for the Rudd Government in 2009 and again from July 2013, due to the safety risks leading to deaths and fires.	towards failure	
Persistently used by the federal Opposition to try to undermine the Prime Minister, the Environment Minister and the Government between 2009 and 2013. The program failure provided an instrument for the Opposition to continually question the Government's competence.	towards failure	Media reports

302

In its final report of 15 July 2010, the Senate Standing Committee on Environment, Communications and the Arts concluded that overall the program had been "a breathtaking and disastrous waste of more than a billion dollars of tax-payers' money which has had devastating consequences for many honest and hard-working Australian families". In the Committee's words, "the design and delivery of the program had been a monumental failure with serious and lasting consequences of the highest magnitude".	towards failure	Senate Inquiry initiated by the then Opposition

Commonwealth of Australia Senate Inquiry (2010, 6.1 to 6.6)

Stewart and Mackie (2011) |
The program proved to be highly costly for the Rudd and Gillard Labor Governments in political terms. Almost four years after the program had been terminated, it was still providing an opportunity for newly elected Prime Minister Abbott to inflict political damage on the ALP, Rudd and former Minister Garrett.	towards failure	
Government unable to convey positive messages on programmatic achievements.	towards failure	
Caused reputational damage to the Environment Department.	towards failure	
Placement on success–failure continuum	Towards failure	

303

304

Appendix 6: Case study 2: Working on Country

[In *Working on Country*] we went for success. We had several discussions about how this isn't about equity. We picked winners because if we fail it will be another 10-15 years before it would be tried again. If we succeeded, there was the potential for growth. We didn't know that it would work. But what we knew was there were large parts of Australia that were in pretty good shape environmentally, which were under Indigenous ownership and management. Part of what I think successful environment policy is, is basically how you can anchor it into a social and economic context (Deputy Secretary, Environment Department).

Overview

This case study discussion and analysis draws primarily on the perspective of the 16 officials closely involved in the design and delivery of the program. (Interview comments in relation to whether they had a sense the program would succeed and their final assessment of the program are reported in Chapter 4.) The case study is supported by publicly available government and academic reports, reviews and studies. Stakeholders external to government have provided comments on the case study from an academic and Land Council perspective.

The *Working on Country* program was initiated by the Howard Government in 2007 as part of a package of broader Indigenous reforms. The annual budget of around $10 million funded 100 Indigenous rangers to manage environmental values on Indigenous tenure. In 2013, with a ten-fold increase in the annual budget, over 690 rangers in over 90 ranger groups were managing over 1.5 million square kilometres of land and sea country.[40] (Department of Sustainability Environment Water Population and Communities, 2013 24).

Working on Country is selected for case study analysis because it is rated as highly successful on several bases. First, it attracted the highest number of assessments as successful (23) with no negative comments of all policies discussed by the interviewees (Figure 4.3):

> The most successful program since I have been in the Department is the *Working on Country* program. It is very successful. It is loved by everyone. It has multiple objectives and is seen to be contributing to all of them. The great thing about that program is that it pays decent award wages for land management work (Interviewee 18).

Second, it is rated as successful using the Marsh and McConnell Framework (Table A6.3).

Indigenous stakeholders, the Federal Government, audits and evaluations of the program, most researchers and all interviewees who commented on the program, universally assessed the program as a marked success. More recently, scientific and economic studies have provided

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[40] Indigenous land management is taken to include land and sea management as Indigenous people do not traditionally distinguish between concepts of 'land' and 'sea' in the broader notion of caring for country. Caring for Indigenous sea tenure had become an increasingly important part of Indigenous land management.

hard evidence of the program's health, economic and social benefits. The program therefore affords a recent opportunity to examine the factors driving policy success.

This case study sets out the evolution of the program, evidence of its success, and the inside story of the policy officials involved in its inception and implementation. The key drivers of success identified in Chapter 2 (Table 2.3) and confirmed in Chapter 4 (Table 4.3) are then discussed. A chronology of the key events relating to the growth of the program is set out at Table A6.2.

Key findings

There was a clear rationale for the program concept. It met a need that had been growing over time that had never been addressed. The program started small, with adequate time for implementation and was tailored to local needs. The program design was the product of a genuine consultation process. It learnt from and built on earlier models in the state-based Aboriginal ranger programs, the Caring for Country unit in the NLC, CEPANCRM and the *IPA programs*. These forerunner programs provided a strong legacy of engagement by the Land Councils and the Federal Government in Indigenous land management. In addition, the program employed policy officials with experience in the precursor programs, and was supported by high-level policy champions in the Department and the central agencies. In addition, it was well resourced, and the level of incentive ensured full award wages were paid to the rangers.

The case study demonstrates the agency on the part of the policy officials initiating the policy proposal. A primary example is the way a series of policy windows were edged open. Policy officials crafted a multi-layered policy narrative that wove together Indigenous, employment and environment objectives. The then Secretary of the Environment Department had the foresight to take key executives from the central agencies to visit similar ranger groups, thereby securing later support of the policy concept.

Policy Description

Objectives and Design

Working on Country was first announced by the Australian Government in May 2007 with funding of $47.6m over four years, ramping up from an initial 100 positions to 200 full-time jobs per annum from 2010-11 (Department of the Environment and Water Resources, 2007). The program was part of a larger initiative: A Better Future for Indigenous Australians: Building an Indigenous Workforce in Government Service Delivery designed to support the transition of Indigenous people from CDEP into paid employment (ANAO, 2011). The funding for *Working on Country* as one element of that initiative was the largest injection of funding in

306

Australia for Indigenous environment work (Turnbull, 8 May 2007). By November 2013, the program had met its 2012-13 target of employing over 690 Indigenous rangers with a further 50 to be employed by June 2015 (Department of Sustainability Environment Water Population and Communities, 2013). Map 1 shows the *Working on Country* projects and the IPA areas at May 2013.

The policy concept was very simple: to enlist the capabilities of Indigenous elders, men, women and young people to protect environmental values through award wages for work completed, and to combine Western science and Indigenous ecological knowledge in caring for country. Policy officials involved in the development of the policy proposal linked those two aims to the creation of employment opportunities for Indigenous people living in remote areas in order to increase the likelihood of support from the central agencies and Cabinet. The policy concept has a solid basis in the pre-existing Caring for Country movement in the NLC and other regions.

The initial objectives of the program were two-fold:

- to provide the means for Indigenous people to undertake environmental work on country that meets both their aspirations for caring for country and the Australian Government's environmental responsibilities

- to provide a mechanism through which Indigenous people, including those involved with the CDEP program, can move into jobs.

The rationale of providing permanent ongoing employment by paying Indigenous people to provide environmental services gained traction within Government.

Rapid growth of the program

Working on Country started as a very small-scale program introduced in a policy context characterised by a high level of turbulence but grew at a rate (Table A6.1) unprecedented in a land management or biodiversity program

Map 1: Working on Country Indigenous Ranger Groups and IPAs May 2013
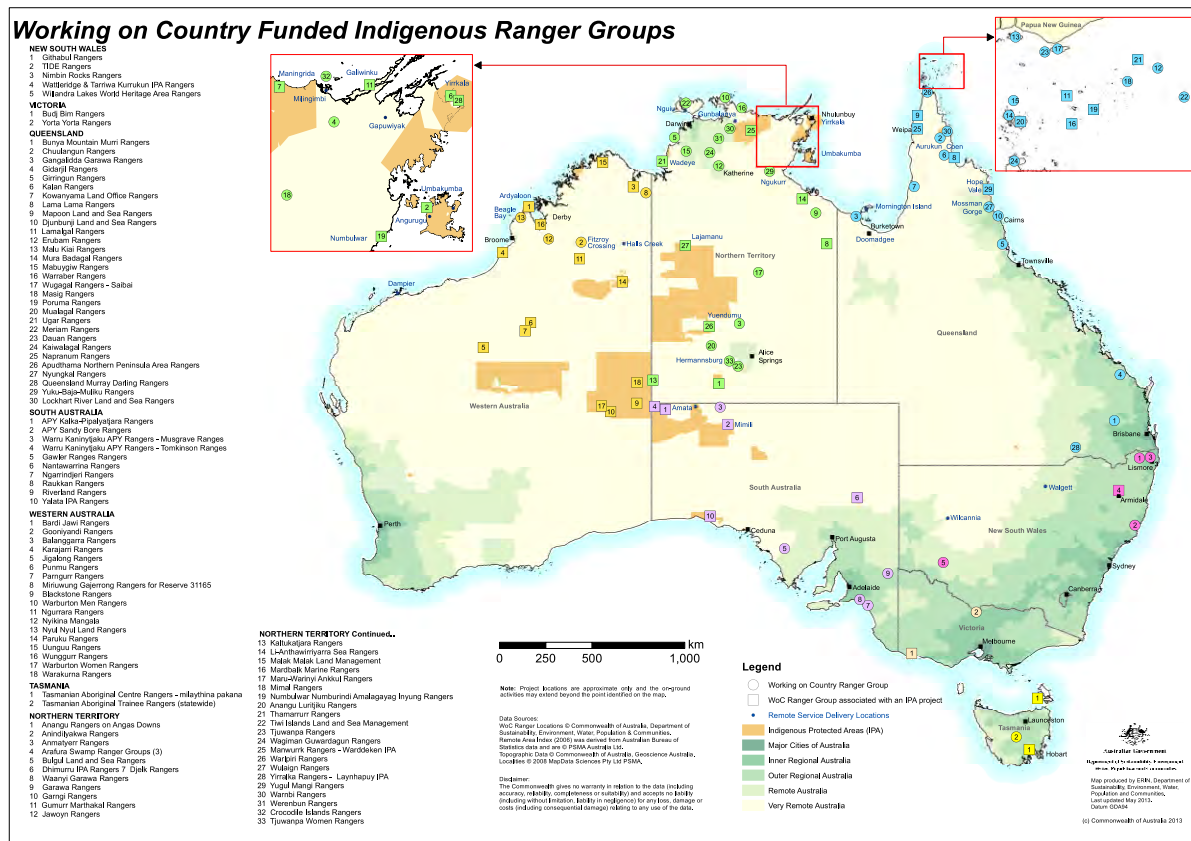
Source: (Department of Environment, 2013c)

Table A6.1 Working on Country funding and jobs 2007-12

Date	Policy Driver	Funding	Jobs
May 2007	CDEP reforms.	$47.6 million over 4 years	100
September 2007	On 21 June, within two months of the May 2007 announcement, the Government announced the CDEP reforms as part of phased removal of CDEP under the NT Emergency Response[41] to address child sexual abuse reported by Anderson and Wild (2007).	$63.7 million over 3 years	169
December 2007	Rudd election commitment as part of the new *Caring for Our Country*.	$90 million over 5 years	200
November 2008	COAG National Agreement on Indigenous Reform in Economic Participation – abolition of CDEP in regional areas from 1 July 2009 – for ranger positions on land not under Indigenous tenure; mature age and trainee ranger positions.	$64.3 million over 5 years consisting of $42.48 million for 100 positions (regional), $15.6 for 60 positions (casual), and $6.18 million for 32 traineeships (initially announced at 50 traineeships)	192
May 2010	CDEP reforms in the Torres Strait.	$9.2 million over 5 years	21
February 2012	Stronger Futures Package as part of the second phase of the NT Emergency Response under the Gillard Government.	$23.3 million over 4 years	50
Total		**$298.1 million**	**732**

Assessment against the Marsh and McConnell Framework

Tangible evidence of success is found in the environment and employment, health and other social outcomes (Table A6.3). These outcomes are well documented. Reviews and evaluations undertaken by both the government and external researchers have established that *Working on*

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[41] The 2007 report by Anderson and Wild to the NT Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse was the trigger for the National Emergency Response. The report itself did not recommend a national emergency response in any of its 97 recommendations. Rather, Recommendation 1 suggested the sexual abuse of Aboriginal children in the NT should be designated as an issue of urgent national significance. High-level officials in Government at the time drew on that wording to justify what became the National Emergency Response. The terms 'national' and 'urgent' were used by Government to provide the platform for widespread Government intervention recast as an 'emergency response'. The intervention began under the Howard Government in 2007 and continued under the Rudd and Gillard Governments. It involved taking control of a large number of NT Aboriginal settlements and included: additional police; health checks for children; restrictions on alcohol and kava and pornography; the compulsory acquisition of townships through five-year leases; Commonwealth funding for community services; removal of customary law and cultural practices; quarantining of some welfare benefits; and the progressive abolition of CDEP.

309

County has been successful in terms of meeting its stated objectives and delivering across a broader range of economic, social and health outcomes (Allen Consulting Group, 2011, Caring for our Country Review Team, 2012, Department of Sustainability Environment Water Population and Communities, 2011a, Smyth, 2011a, Smyth, 2011b, Urbis, 2012, WalterTurnbull, 2010).

Compared to the other policies considered in this study, there is a rare consistency in its assessment as highly successful across all three dimensions of policy success. On the process dimension, the program has the support of a wide coalition of interests with strong stakeholder support. On the programmatic dimension, it has met all stated objectives and performance measures. On the political dimension, it enjoys bi-partisan support, morphing smoothly from Liberal to a Labor and then back to Liberal Government policy. With the change to the Rudd Labor Government in November 2007, six months after the program had commenced, support for the program continued. Six years later, with the re-election of the Liberal-Coalition Government in September 2013 it survived yet another change of government and a move from the Environment Department to the Prime Minister's own portfolio. Third, the program has been assessed as successful by numerous audits, reports, reviews and evaluations.

In summary, the *Working on Country* proposal came to fruition in a wider policy context that was both receptive to the notion of funding Indigenous people to care for country yet still primarily driven by an overriding concern to address Indigenous unemployment in remote Australia. It was through the reform of CDEP that the Environment Department came to receive funding through the 2007 Budget process. Once the first round of funding was agreed, it became a matter of persistence in using each successive policy window: the NT Emergency Response, further reforms to CDEP and the Carbon Tax (Table A6.1).

The key factors driving the success of the program are discussed below.

Discussion of key factors driving success

Resourcing

The level of incentive provided to ensure engagement by Indigenous organisations and Indigenous workers was instrumental in the successful roll out of the program. The program was "very well received by Indigenous land and sea management groups as it responded to their calls for the government to fund paid positions to employ Indigenous people" (Putnis et al., 2007, 71). The rates of pay for Indigenous rangers employed through the program range from $30,000 for a traineeship to around $65,000 for a Regional Senior Ranger. The pay rates are set by each organisation contracted under the program. The wage rate had to be in accord with the

relevant award and local conditions (Department of the Environment and Water Resources, 2007, 2-11).

The payment of full award wages was therefore a significant policy shift within the Government. It was a key factor in the degree of support from Indigenous stakeholders for the program, as for the first time in the long history of Indigenous land management the value of the work was properly recognised by government.

Stakeholder engagement

The program was characterised by genuine stakeholder engagement from the initial design through to implementation. The policy design was tested with stakeholders. Project staff held the knowledge and understanding and the commitment, and were not afraid to go out into communities and talk about what was possible. Interviewee 01 viewed the success of *Working on Country* in terms of stakeholder consultation:

> *Working on Country* worked because, first of all having an understanding of what country means to people and secondly, having again the networks, the relationships and being prepared to be in the communities. Taking the call when someone says 'I want to talk to you about the program', and getting yourself on a plane and then driving yourself west of wherever you land and meeting with a group of people you have never met in your life and talking with them. That didn't happen much. Not many programs did that. *Working on Country* deliberately based itself on the relationships that were built up over the years of the *IPA Program*.

Consultation also occurred beyond Government with Aboriginal people and experts with on-ground experience in working with Aboriginal people in land and sea management prior to the formal announcement of the program. This allowed the final program design to be informed by the program target audience as explained by one senior official:

> **We were pretty keen not to reinvent the wheel, even though it was a different program, there were a lot of learnings to be had from people. In the short period between the decision by the Government to fund the program and its announcement, we did take the unusual step of flying key Indigenous leaders and other experts in Indigenous land management to Canberra to seek their feedback on the key design features of a hypothetical ranger program such as tenure, wage rates, 'no work no pay' and so forth. As well, we just wanted to check whether the program was 'do-able'. We wanted to get some reassurance that the Land Councils had the capacity to deliver something of that scale and whether there were enough people out there who were already sufficiently trained up who could fill the jobs. This was a risk in regard to the Budget process and compromising Budget media announcements, but no attendee revealed the discussions on that day, and it was a key step in garnering support for the program from Indigenous leaders and from those who had been lobbying for increased funding for Indigenous land management.**
>
> **It seems ironic now when you think there are 660 full positions but we were worried about whether we could fill the 100 positions. We didn't get any criticism of 'only 100'. In fact, we heard a lot of the people in the meeting had to go back through Alice to get home, and they ran into some other Indigenous people that said 'oh, don't say anything but the Government is thinking about paying wages for rangers'. People thought they were pulling**

311

their legs, so it was a really significant proposal, but none of them said anything about it. I think they respected that we wanted to talk to them but we couldn't really say 'the Government's going to announce a ranger program'. I think we got important design guidance from that meeting, but also in hindsight it was probably important because the key stakeholders would have felt consulted with as well (unpublished Environment Department document, 2010).

Policy objectives

The program does not meet one the most common indicators of success identified in the policy literature: a clear rationale with clear objectives (Chapter 2). Over half of interviewees in this study identified clarity of policy objectives as a key factor to achieve policy success (Table 4.3). Intriguingly, this was not the case in *Working on Country*. Indeed all three Indigenous land management programs discussed above exhibit dual and at times muddied objectives. The objectives were couched, with biodiversity conservation objectives subsumed under the Indigenous employment objective.

There is a clear biodiversity protection and land management rationale for the program in terms of scale of land area and significance of the conservation values. In regard to scale, the area of land formally owned and managed by Indigenous Australians is now 23 per cent of Australia's land area (State of the Environment 2011 Committee, 2011, 274). In regard to conservation significance, the Indigenous estate includes some of the most biologically diverse lands in Australia (Altman et al., 2007). There is then a strong environment rationale for the program. For the interviewees the rationale for the program resided in the alignment between the Department's portfolio responsibilities and Indigenous peoples' interests. That alignment recognised the importance of the relationship between language, identity and land for Indigenous people. As a consequence, the program objectives had an unparalleled clarity to the primary client of the program. Further, the policy concept responded to a long-term demand for recognition of the work undertaken by Indigenous rangers who were previously supported through CDEP. A Tier 2 interviewee who held corporate budget responsibilities explained the success of the program in terms of clarity of purpose from the perspective of Indigenous people:

> *Working on Country* is successful. It is seen as working compared to many of the other Indigenous programs across the agencies. It is seen as a shining light in the Indigenous budget material compared to the range of other Indigenous programs. It has a clear intent and purpose. There was enormous demand for it among the Indigenous stakeholders. Its logic was clear in that it builds on the connection between Indigenous people and land. It is starting to draw resources from other parts of *Caring for Our Country* because of its clarity in outcomes. Policy is more likely to be successful where the logic and argument for the policy is clear – two steps and you are there. That was the case with the Indigenous land management work – the logic was clear to Indigenous people. In an administrative sense, the outcomes are very clear and measurable. People could understand *Working on Country* intuitively (Interviewee 36).

From the Government's perspective, the rationale for the program was grounded in job creation rather than protection of biodiversity. The Indigenous employment outcomes meant the policy proposal could piggyback onto the Government's agenda to reform CDEP and the subsequent NT Emergency Response. The initial tranches of funding flowed from those agendas, rather than from any interest in the Government at the time in protecting environment values on the Indigenous estate (Table A6.1). Although the employment rationale is defensible and clear, it was not the primary reason the programs were funded. This was well understood by the policy officials involved in the instigation and design of *Working on Country*. A Tier 2 interviewee with extensive budget and strategic policy experience in the Department explained how the blurring of objectives played out from a corporate perspective:

> *Working on Country* is one of the better programs to come out of the Department. It wasn't just environment policy. It was support for jobs and social cohesion. Initially, it was seen as an 'add on' policy but now it is a core program of the Department. It has taken us into new territory. It has been exceptional. *Working on Country* is now winning recognition in a way that a lot of other programs don't go close to winning (Interviewee 25).

The way officials crafted a policy narrative around Indigenous employment is an example of how they sought to link political imperatives of Government with real environment outcomes on the ground. While the environment objectives and outcomes of the program are, to a degree, opaque, the employment outcomes, which were of primary interest to the politicians, could be evidenced statistically. The move of the program to PM&C under the September 18 2013 Machinery of Government changes of the Abbott Government reinforces the view that the program is more to do with Indigenous disadvantage than environment protection or Indigenous customary land practices.

Rather than the clarity of objectives called for in the literature (Chapter 2), the deliberate duality if not muddying of the objective meant the policy narrative could be tailored to respond to multiple government agendas. Altough it is difficult to demonstrate the environmental outcomes, the policy officials involved in its genesis saw the program as clearly falling within an environment remit.

The dual objectives of jobs and environment allowed the Department to be able to immediately provide from the first day of implementation statistical evidence on jobs outcomes. This afforded the Department time to then amass over the ensuing five years the evidence outlined above on the economic, health and social outcomes. Unwittingly, the dual objectives allowed the Department to demonstrate the short-term jobs outcomes while buying time to build the case on environmental outcomes:

> At some point we will be asked about the environment outcomes but we are not often asked that. The focus now is more on Indigenous outcomes. *Working on Country* will need to produce and report on environment outcomes in time, otherwise it is just a 'gammon' Indigenous make-work jobs program that could go the way of many other Indigenous job support programs, that is, be abolished. The Close the Gap focus is important now, but the environment outcomes should receive prominence in the longer term. For taxpayers, the program needs to deliver environment outcomes over the longer term (Interviewee 14).

Interviewee 14 however considered that the very crossover between the employment and environment outcomes lay at the core of the success of the program. This analysis suggests that the calls for clarity in policy objectives with a demonstrable link between rationale and solution in the public policy literature as a precursor to policy success may need rethinking for some policy areas, at least where muddied or multiple objectives and a certain plasticity in the policy rationale can support policy success.

Evidence to support the policy proposal

The *Working on Country* new policy proposal lacked substantive scientific evidence on the wider social and economic benefits of Indigenous people working on land and sea management activities. In crafting the policy case, officials found, at the time in 2007, the rhetoric around the social and health benefits of Indigenous people caring for country could not be matched by hard health data. The policy proposal was supported within the central agencies because it delivered job numbers (Interviewee 42).

Attention to design

Concerted attention was paid to program design. The design proved fit for purpose and had required very little change over the six years of implementation. Initially, the program had five critical design features, which allowed a certainty and speed rare in the delivery of environment programs:

- the pre-existing ranger groups and networks providing the governance structures through the Land Councils and other Indigenous land management bodies and a existing supply of Indigenous rangers with sound track records in land management to draw on to fill the funded positions

- the modest scale (100 jobs in the first year)

- funding was on 'ongoing' rather than 'lapsing' (i.e. requiring re-submission in four years)

- implementation was not dependent in any way on State Governments as the Federal Government fully funded the program and it was delivered primarily on Indigenous-held tenure rather than State managed land

- the Minister for Environment agreed to delegate his authority under the *Financial Management Act 1997* to the Secretary or his deputies to expend program funds for the successful projects.

These design features strengthened the prospects for success.

The above five design features were mutually reinforcing in that the small scale reduced concerns in regard to the funding decisions in terms of ongoing, rather than only four years, and delegation of financial decisions by the Minister to the Secretary. A final key design feature that laid the foundation for success was the sidestepping of any potential for the abiding conflict between the Federal and State Governments over the legitimacy of federal engagement in Indigenous land management matters.

Like many environment policies, *Working on Country* experienced its share of sheer error, luck and serendipity. One success factor arose almost unwittingly from the Department Executive by virtue of their 'top down' request for 'bottom up' delivery. The Executive required that the projects were to be managed by third parties (Land Councils and local Indigenous organisations) rather than the Government. This arm's length delivery, serendipitously, left autonomy and a sense of ownership of the program with Indigenous organisations. At the same time it meant risk was outsourced to the Indigenous organisations funded to deliver the program.

For the Government, the program provides a compelling success story. It was highlighted in the first paragraph of the Environment Secretary's review of policy successes for the year in the 2009-10 Departmental Annual Report (2010a, 7). More broadly, the SoE Report (State of the Environment 2011 Committee, 2011, 9, 341, 575) profiled it as the primary example of a successful environment program, identifying the well-funded, multi-year contracts crafted to align Government and Indigenous conservation and cultural objectives as a key successful element of the program. The Department (Department of Sustainability Environment Water Population and Communities, 2012) attributed the program's success to Indigenous people's desire to have their active caring for vast tracts of Australia recognised as paid employment.

The move of the program to PM&C positions the program more as a plank in meeting the employment components of the Close the Gap agenda and severed the link to the environmental core of the program. This may have implications for the future success of the program, as this case study found that the link between Indigenous caring for country aspirations and the biodiversity aims of the Department were integral to the program's success. The shift to PM&C reinforces Kerins' (2012) concern that *Working on Country* was a step in what he saw as an

unhealthy transition from the initial Caring for Country Indigenous movement that characterised genuine decision-making control (although limited funds) to the "top-down government development model that seeks to mainstream Indigenous peoples".

Summary of case study findings

Working on Country as a case study in program design and implementation provides fertile ground to explore the drivers of policy success. The existence of the ranger groups supported by Land Councils and CDEP funding was a critical factor in its success. The program met a pre-existing need for real wages.

The policy context of Indigenous reform was highly challenging, with a history of policy failure, cultural disconnect and intractable problems. Policy officials were nonetheless able to pursue success despite the turbulent policy context and the marginal nature of Indigenous land management as an issue of policy concern to the Government.

This case study highlights that deliberate and persistent actions of policy officials are key explanatory factors of policy success. A Deputy Secretary in the Department with a history of delivering on stalled policy processes, such as the forest negotiations and RMP, through a practical approach and willingness to confront and address vested interests, was determined that the program succeed as the opportunities to secure funding for Indigenous land management were rare.

Somewhat surprisingly, the drivers of success do not closely align with the factors in success identified in Chapter 2 (Table 2.3) derived from a reading of policy theory. In particular, the policy did not satisfy the two primary preconditions of policy success identified in the policy literature: the policy concept behind the program was not based on hard evidence and the program objectives lack clarity in that they held different meanings for Indigenous people, for the Government and for the Departmental officials involved in implementation. This imprecision proved to be a lubricant rather than a barrier to success.

Rather, the success of the program can be understood in terms of the sound level of resourcing afforded to delivery, strong bipartisan support, close attention to design, an appropriate scale, genuine engagement with stakeholders and a clear mandate. Overall, success can be understood in terms of two forces: the long evolution and the agency of the officials from Secretary level to Executive Level 1 project officers involved. The insights of officials involved in the policy design and development suggest that in the field of environment policy, a blurring of the objectives can lie at the core of understanding success given effect by a high degree of agency. A long evolution to the policy can facilitate success.

This case study has explored drivers of the success of the *Working on Country* drawing on academic, government and interview material. The case has provided insight into how policy gets up, the roles played by officials and how a small innovative program can find success within the context of a 'wicked' policy problem.

It is worth asking whether the lessons in the success of *Working on Country* can be learnt and applied to emerging environment policy endeavours, or were they a unique set of circumstances particular to that context. While the context for each reform agenda is unique, the capacity of officials and politicians to seize the windows of policy opportunity in among a tumultuous reform agenda, such as that occurring between 2005 and 2010 with Indigenous reform, is entirely replicable. The shape of the program was informed by the experience and expertise of policy officials who were able to bring knowledge acquired from as far back as the 1970s to the table. The long history of effort and engagement by a small group of policy officials in Indigenous land management, albeit on a microcosmic scale, ensured the design of the program could be sensitive to the aspirations of the Indigenous people. That degree of continuity over a long policy evolution of policy officials operating at lower levels in the bureaucracy was then 'pulled through' to fruition by policy champions at Ministerial (Turnbull, Garrett and Burke), Parliamentary Secretary (Hunt) and Departmental Secretary and Deputy levels. Such a long evolution and broadly based support, all instrumental to this instance of policy success, are replicable but not always available for emerging policies.

Table A6.2 Working on Country: chronology of key events and decisions

The chronology sets out dates relating to the broader Indigenous policy context, the genesis of the policy proposal for the program, key government funding and approval decisions and dates of related activities such as program evaluation. The chronology demonstrates the complexities and sensitivities of the broader policy context (for example the advent of the NT Emergency Response). It underscores the initial small scale of the program and the subsequent rapid growth.

Date	Key Event
May 1977	CDEP was introduced by the Federal Government primarily to provide Indigenous people with skills needed in the mainstream labour market. CDEP enabled Aboriginal people in remote areas to obtain work, albeit at unemployment benefit rates.
1979	First Aboriginal Ranger Training Program begins in Kakadu National Park with six trainees.
1985	The Commonwealth Government commissioned a review of Aboriginal employment and training programs (the Miller Report).
1987	CEPANCRM established by the then Federal Environment Department (Environment Australia), to encourage Indigenous participation in the management of Australia's natural and cultural environment. CEPANCRM provided short-term casual funding for Aboriginal people undertaking land and sea management work. The program was very small scale, attracting a mere $24.6 million in funds in total over the 10-year period and provided less than an average 40 days work (in total for each person over the life of the program) for each of the 8,490 people. Despite its small scale, CEPANCRM established the merits of providing payment for Aboriginal people to work on country (Breckwoldt et al., 1997, 7). CEPANCRM proved to be an important foundation stone for the *IPA Program*. That small program provided a strong policy context to introduce the notion of paying wages for Indigenous land management work.
1991	*Caring for Country: Aborigines and Land Management* report (Young et al., 1991) published, setting out the relationship between Indigenous people, land and culture.
1996	The NLC established a Caring for Country Unit to support community-based land and sea management programs. Known as 'the ranger program', it evolved into a successful grass-roots program with around 400 Aboriginal people participating in over 30 ranger groups by 2006 (Northern Land Council (NLC), 2006).
1997	CEPANCRM ceased on 30 June despite a favorable evaluation published by Breckwoldt Consulting Services, which recommended the program for further funding.

318

2004	Aboriginal and Torres Strait Islander Commission abolished. Australian Government established new whole-of-government arrangements for handling Indigenous affairs. The coordination of Indigenous policy and programs within the Environment Department fell into disarray. That disarray led to the Branch responsible for the Portfolio budget taking on coordination of Indigenous policy across the Portfolio. That gave rise to the synergy of budget and Indigenous functions within the one Branch. This synergy facilitated the passage of the first new policy proposal for the *Working on Country* program.
March 2006	NLC organised to take a Secretaries group out to North East Arnhem Land to Yilpara at Blue Mud Bay, Yirrkala and Nhulunbuy. Land Council officers were able to brief the Secretaries including those in PM&C and the Environment Department on the importance of the Indigenous ranger land and sea work being supported through CDEP and other sources, the governance issues and the uncertainty and inefficiencies created by the fragmented nature of funding for Indigenous land management work. That trip was an important forerunner to the NT Bilateral Agreement.
6 April 2006	Bilateral Agreement signed between Australian and NT Governments to achieve better outcomes for Indigenous people in the NT. The agreement provided overarching framework for government co-operation.
Sept 2006	A schedule under the above agreement called 'Healthy Country, Healthy People: Supporting Indigenous Engagement in the Sustainable Management of Land and Seas' was signed by the Prime Minister and the Chief Minister of the NT. The Schedule proved to be a very useful governance framework for *Working on Country* in the NT. The signatory agencies to the Schedule commissioned a research project into the critical success factors in Indigenous land and sea management projects in the NT (Putnis et al., 2007).
Sept 2006	The Dhimurru community in the NT made a case to the Environment Department that they were receiving small and patchy funding under 19 separate funding sources. They asked for longer-term integrated funding to pay for the local rangers to continue land and sea management work. This reinforced for the Environment Department the need for a coordinated approach to securing the services of Aboriginal people to provide land and sea management functions to government.
Sept 2006	Environment Department officials prepared a new policy proposal for an Indigenous ranger program. Lobbying efforts by Joe Morrison from NAILSMA and Jon Altman at the Centre for Aboriginal Economic Policy Research supported by a desire on the part of the then Parliamentary Secretary for the Environment, Mr Greg Hunt to support Indigenous interests, provided a receptive political environment. The policy proposal was included as part of the Environment Department's 2008-09 budget bid.
Sept 2006	The *Working on Country* budget bid was folded into a larger whole-of-government proposal for funding for jobs for Indigenous people linked to the progressive removal of CDEP.
Nov 2006	NLC (2006) published the *Celebrating Ten Years of Caring for Country* booklet. That booklet proved influential in showing what was successful in Indigenous land management work and where investment and partnerships were needed. The NLC sent a copy to every Secretary in the Federal Government.

2006	Indigenous affairs re-located with families and community services under Minister Brough.
Feb 2007	High-level consultation group established within the Environment Department to draw on expertise within the Department in the design of the proposed Indigenous ranger program.
Feb 2007	Whole-of-government meeting chaired by Head of PM&C to agree which departments, programs and jobs would receive funding under a 2007 May Budget initiative to support the abolition of CDEP. There was little support from the central agencies or other line agencies to support funding for Indigenous rangers. Following comments by Ken Henry, the Head of Treasury, on the value of ranger work at Laynhapuy, the ranger jobs were included in this package as the Head of PM&C (Peter Shergold) then made the decision to include the ranger program in the package of measures.
April 2007	The *Little Children are Sacred* report by a NT Board of Inquiry into child sexual abuse on Aboriginal communities was released (Anderson and Wild, 2007). The Howard Government used wording in the report that the level of abuse constituted a state of 'national emergency' to justify the NT Emergency Response.
23 April 2007	Key Indigenous stakeholders invited to Canberra to provide guidance on a hypothetical Indigenous ranger program. Useful design and implementation features came out of the consultations, such as support for a principle of 'no work, no pay'.
8 May 2007	The Federal Government announced the *Working on Country* – 100 positions over four years with a ramp up to 200 full-time jobs (or equivalents) per annum from 2010-11. The program was to provide a way for Indigenous people including those on CDEP to move into funded jobs on award wages doing work on their land that met their caring for country aspirations and contributed to Australian Government environmental responsibilities. The funding was part of a larger whole-of-government program called A Better Future for Indigenous Australians: Building an Indigenous Workforce in Government Service Delivery as part of the process of converting jobs providing a range of health, legal, policing and other functions formerly funded under CDEP at unemployment rates.
21 May 2007	Indigenous Policy Branch established to deliver *Working on Country*.
June 2007	The Environment Minister agreed the Head of the Environment Department, rather than he (the Minister) could approve projects. This streamlined the approval process facilitating rapid implementation and removed the risk of vested interest lobbying for particular projects. This was the first time this type of delegation to approve projects under a program had been given to the Head of the Department and was a key factor in the success of the program as it allowed a timely approval process (quicker than going to the Minister) and allowed the Minister to remain at arm's length from decisions on which communities would receive funding. The Minister was comfortable agreeing to this delegation of responsibility as he was reassured that all the checks and balances were in place for sound and defensible project approval decisions and that he would be informed of decisions, and retained the rights to announce the approved projects.
21 June 2007	The Australian Government announced the NT Emergency Response. It included alcohol restrictions, welfare reforms, enforced school attendance and other tenure and social change. Later, an additional measure for the

320

	replacement of CDEP in the NT with 'real jobs, training and mainstream employment' for 2000 Indigenous people was announced. CDEP provided part-time employment paid at unemployment benefit rates (with 'top-up') to around 8,000 Indigenous people in the NT.
1 July 2007	*Working on Country* program officially commenced. The program was rolled out quickly with the first ten projects (87 jobs) announced in August and a further four projects (16 jobs) announced in Sept 2007
25 July 2007	The Federal Minister of Aboriginal Affairs Mal Brough announced his intention to abolish the CDEP.
28 August 2007	The first ten projects announced – funded over three years at cost of $14.6 million.
18 Sep 2007	Minister Brough announced as part of the decision to remove CDEP in the NT, $78.2 million over three years to support the creation of Australian Government funded jobs in place of CDEP for around 1,600 positions. Of this $78.2 million, $27 million was allocated for 140 ranger positions to provide environmental services to the Australian Government in NT.
Oct 2007	*Healthy Country, Healthy People: Supporting Indigenous Engagement in the Sustainable Management of NT Land and Seas'* (Putnis et al.) published, setting out the case and a five-year investment plan for Indigenous land and sea management jobs in the NT. It became a useful guide for the implementation of the program in the NT.
5 Oct 2007	The ALP gave a pre-election commitment to establish an Indigenous ranger program to train and employ an extra 300 Indigenous rangers ($90 million over five years).
Dec 2007	Rudd Government elected.
Jan 2008	Expansion of *Working on Country* announced consistent with the 5 October election commitment.
13 Feb 2008	The Rudd Government national apology to the Stolen Generation (Aboriginal children taken unlawfully from their homes) in Federal Parliament. This was an important step in the healing of Indigenous–government relations in Australia.
28 Mar 2008	The NT Emergency Response measures (alcohol restrictions, extra police) were beginning to have an impact.
22 May 2008	74 of the 100 initial positions filled within 12 months of announcement and all but ten of the 140 NT positions had been placed eight months after announcement of the funding – this was very rapid implementation for an Indigenous employment program servicing remote areas.
Nov 2008	The Environment Department was asked by the federal Employment Department to bid for 100 further ranger positions as part of a COAG submission. In addition to the 100 positions, the Environment Minister gave approval to seek funds for a further 32 ranger traineeship positions (for young people on a training wage) and 60 'flexible' positions (allowing part-time funding for elders to participate in the program) through the CDEP reform process.

Dec 2008	By the end of 2008, program funding had increased seven-fold from the initial 200 positions to 690 positions over a 18-month period between initiation in July 2007 to Dec 2008. The 690 included the initial 100 positions, 169 positions in the NT (140 and 29), 200 positions through the 2007 election commitment, 100 regional positions, 32 traineeship positions and 60 flexible positions for mature age workers.
15 May 2009	The funding for the 210 new ranger positions was announced in the May Budget ($64.3 million over five years for 100 rangers working across different tenures, 60 flexible positions and 32 traineeship positions (Department of Environment Water Heritage and the Arts, 2009a, 33).
June 2009	The program increased from the initial 14 projects in 2007-08 (92 rangers), to 31 projects in 2008-09 (190 rangers) (Department of Environment Water Heritage and the Arts, 2009a, 65).
April 2010	The first evaluation of *Working on Country* (WalterTurnbull, 2010) found that the program was functioning well and participant feedback was positive. Program weaknesses identified in the evaluation related to the rapid growth and most of the recommendations related to simplifying the program administration.
June 2010	The program had contracted over 590 rangers. The 2009-10 Environment Department Annual Report (2010a, 29) stated that the program was delivering control of weeds and feral animals, fire management, protection of cultural sites, management of sea country and transmission of traditional ecological knowledge. The majority of Indigenous rangers were undertaking accredited and other forms of training to further develop their skills in this area. The program addressed the Government's Closing the Gap targets by directly employing Indigenous people in remote communities and provided ongoing training of rangers to develop transferable skills. The employment of Indigenous rangers also has broader economic and social benefits for the communities.
Oct 2010	*Working on Country* highlighted in the first paragraph of Secretary's executive summary to the 2009-10 Annual Report as one of the major achievements of the Environment Department for that year (Department of Environment Water Heritage and the Arts, 2010a, 7).
1 July 2013	CDEP replaced by the Remote Jobs and Communities Program.
18 September 2013	The program was moved to PM&C under the 18 September Administrative Arrangement Orders of the 2013 Abbott Government.

322

Table A6.3 Assessment work sheet for Working on Country

Working on Country		
Dimension	**Assessment**	**Source**
Process		
Sound decision-making, Budget and Cabinet processes ensured whole-of-government consideration.	Towards success	Interviewees
Program implementation processes respected Indigenous culture and interests as well as the interests of the Government as the funding entity. For example, by 2010 80% of the ranger groups were undertaking activities that involved sharing Indigenous ecological knowledge and 76% undertook management of culturally significant sites.	Towards success	State of the Environment 2011 Committee (2011, 350) Caring for Our Country Review (2012, 79)
Program guidelines meet needs of clients for flexibility and tailoring to local circumstances.	Towards success	Department of the Environment and Water Resources Program guidelines (2007)
Described as a "symbolic and practical breakthrough in recognising, respecting, and recurrently resourcing innovative community based management effort in the Indigenous-owned estate".	Towards success	Altman (4 June 2007)
Pressure placed on the organisational and governance capacity of Indigenous contract managers by the program. Program is fully subscribed with risks arising from unmet expectations by Indigenous communities. Risk of pressure from further expansion of the program or OH&S risk arising from the nature of the work in remote areas.	Towards failure	Caring for Our Country Review (2012, 78)
As a result of the approach to stakeholder engagement, the first evaluation of the program found that the feedback from program participants (the rangers), the communities and other stakeholders was "overwhelmingly positive".	Towards success	WalterTurnbull Evaluation Report (2010, 1)
Programmatic		
Employment and environment objectives met each year, Stated environment outcomes achieved through a cost-effective contribution to managing environmental values in remote and regional areas.	Towards success	Project quarterly and six-monthly reports against contractual commitments Environment Department Annual Reports 2009, 2010, 2012, 2013 WalterTurnbull Evaluation Report (2010)
The program has demonstrated success over a seven-year timeframe (Department of Sustainability Environment Water Population and Communities, June 2013). The Department (2013) has been able to quantify the program's success each year since inception in terms of the metrics specified in the Portfolio Budget Statement 2007-08: the hectares under	Towards success	Department of Sustainability, Environment, Water, Population and Communities (June 2013)

management by ranger groups; and the number of Indigenous people employed each year under the program.		
The program is a successful cross-cultural model that is achieving environmental outcomes of benefit to Australia. The figures offered by the Environment Department in support of this claim are: - All projects are managing matters of NES (under the EPBC Act 1999). - 91% are managing key threatening processes such as feral pigs, cats, marine debris and invasive grasses. - over 91% of projects are undertaking management activities associated with threatened fauna species such as the Flatback Turtle and the Greater Bilby. - 71% of projects are tackling Weeds of National Significance such as African boxthorn, Lantana and Parkinsonia. - 77% of projects involve managing sites of cultural significance such as stone arrangements and rock art sites.	Towards success	Department of Sustainability, Environment, Water, Population and Communities (June 2013)
Employment outcomes of 690 rangers met. Job retention rate of approximately 80% over 12 months by 2011-12.	Towards success	Department of Sustainability, Environment, Water, Population and Communities (June 2013)
Significant co-benefits in health and social outcomes reported by ranger groups in 2009-10.	Towards success	Smyth (2011a, 8) Allen Consulting Group (2011)
Two scientific studies of the work undertaken by Indigenous rangers have produced the first hard evidence through statistical analysis of medical data of wider benefits including blood pressure, lower rates of diabetes and lower risks of cardiovascular disease.	Towards success	Burgess et al. (2009) Garnett and Sithole (2007) Urbis (2012)
Assessed as "a well functioning program and feedback received from participants, community and other stakeholders in relation to the program was overwhelmingly positive. The opportunity for Indigenous people undertaking environmental work on their own land has been recognised as one of, if not the most appropriate means of promoting employment and economic wellbeing within an Indigenous community".	Towards success	WalterTurnbull Evaluation Report (2010)
Assessed as "a highly effective and efficient program delivering strong NRM outcomes for the Australian Government".	Towards success	Caring for Our Country Review (2012, 78)
Research findings released in 2011 are beginning to demonstrate significant cost savings from reduced welfare payments as unemployed people move into paid employment and from the increase in tax revenue generated by Working on Country employees.	Towards success	Department of Sustainability, Environment, Water, Population and Communities Fact Sheet (2012)

324

True cost of the program was at least 17–23% lower than the budget cost due to reduced welfare and increased tax revenue.	Towards success	Allen Consulting Group (2011, v)
Assessed as having the potential to simultaneously ameliorate Indigenous poverty and deliver natural resource management in remote Australia.	Towards success	May (May, 2010).
Political		
Strong bi-partisan support.	Towards success	
Direct and measurable contribution to the Closing the Gap employment targets. Evidence suggests the program also makes an "important indirect contribution to Closing the Gap by providing health and social benefits".	Towards success	Families, Housing, Community Services and Indigenous Affairs Annual Reports Caring for Our Country Review (2012, 78)
Well regarded by Indigenous communities	Towards success	Altman and Kerins (2012) WalterTurnbull Evaluation Report (2010)
Provides positive success story for Governments and Environment and Indigenous Affairs ministers.	Towards success	Reported in the 2011 national Sustainable Population Strategy as an successful initiative (2011c) Reported in the (Department of Environment Water Heritage and the Arts, 2010a)
Placement on success–failure continuum	**Towards success**	

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327

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332

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337

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