

The Allen Consulting Group

# TOWARDS PARTICIPATION 3.0

STAKEHOLDER ENGAGEMENT  
IN THE PUBLIC SECTOR

NEW CHALLENGES

NEW STRATEGIES

AUGUST 2011

A COLLABORATIVE STUDY

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## EXECUTIVE SUMMARY

Allen Consulting Group has conducted three studies on stakeholder and public engagement practices in Australian public sector departments and agencies at six-yearly intervals — in 1999, 2005, and 2011.

About 20 departments and agencies participated in each study, and one quarter of the participants were involved in two or three of the studies. Agencies and departments were involved across the spectrum of central co-ordination, economic, infrastructure, human services, education and environmental portfolios.

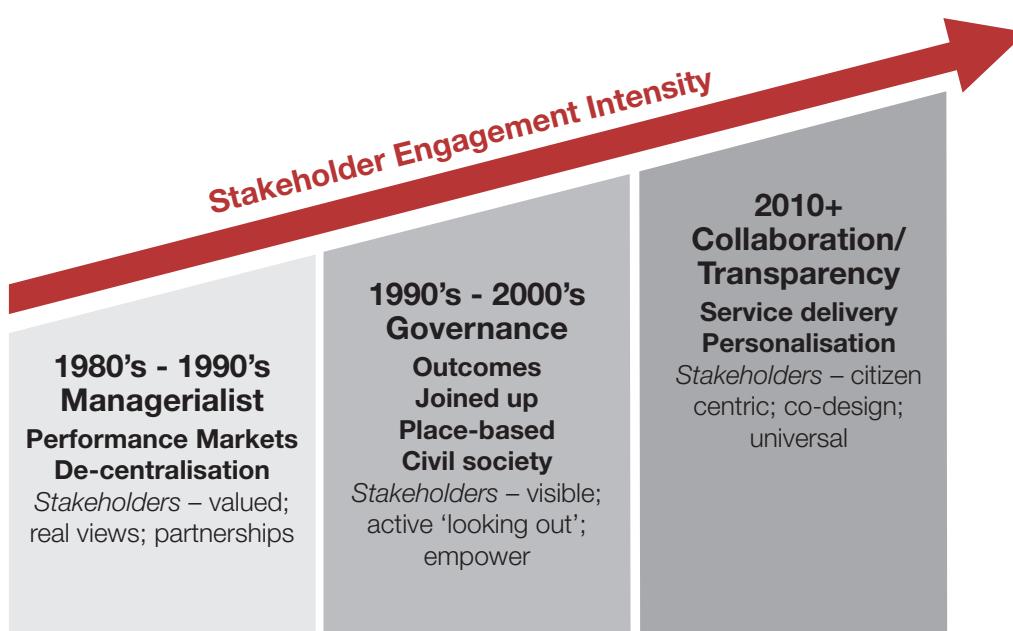
## FINDINGS FROM THE 2011 STUDY

Australia's public sector is moving towards a more stakeholder-centric management paradigm — 'Participation 3.0' — in which stakeholder and public participation in policy development and service delivery is increasing, and is viewed as desirable.

Participation 3.0 is the culmination of three main changes in broader public policy and administrative trends, and the ensuing perspectives on stakeholders and stakeholder engagement (illustrated in Figure ES 1.1). The previous two main changes were highlighted in our 1999 and 2005 studies.

The evolution to Participation 3.0 has been driven by stakeholder demands and expectations, deliberate design in government departments and agencies, and the emergence and influence of new technologies (mainly through the 'participative web' and social media).

FIGURE ES 1.1  
TOWARDS PARTICIPATION 3.0: THE CHANGING PARADIGM



Source: Allen Consulting Group 2011



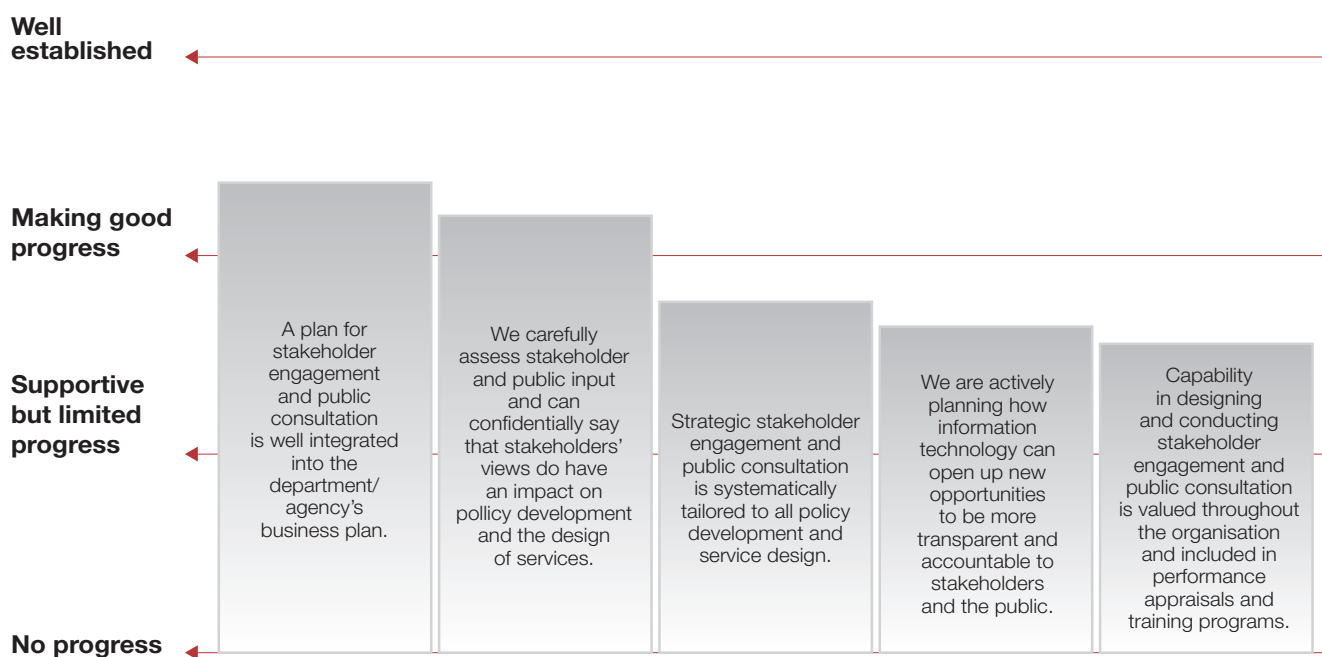
The evolution is not linear.

Some entities are managing approaches, frameworks and tools that were at the cutting edge of innovation and practice at the time of our previous study in 2005. Others are at the forefront of innovation. And some organisations still manage approaches and tools that overlap the 'governance' stakeholder engagement characteristics of the 1990's and 2000's, and characteristics of 'collaboration and transparency' evident in 2011.

Our 2011 study participants' evaluation of their progress towards more active, on-going and intensified stakeholder engagement, which characterises Participation 3.0, is illustrated in Figure ES 1.2.

The evaluation shows strengths in the level of integration of planning for stakeholder engagement into the central business plans of each department and agency.

FIGURE ES 1.2  
AN ASSESSMENT OF CURRENT PRACTICE



Source: Survey of collaborative study participants; Allen Consulting Group 2011; n=22

## TOWARDS PARTICIPATION 3.0

The findings from this third landmark study (involving 22 public entities across Australia, listed in Table ES 1.1) indicate that how and why government departments and agencies engage stakeholders and the broader community is influenced by an erosion of public trust in the capability of governments to make complex and significant decisions without stakeholder and public participation.

Though levels of *actual* participation by citizens varies depending on the issue, department and jurisdiction, the public sector and its political masters are at the pointy end of community *expectations* that citizens have the right to participate in policy decision-making between casting their votes at elections.

The stakeholder landscape has also changed markedly from our past studies of this area.

The stakeholder landscape is characterised by organised groups and entities, individuals and communities of interest. Stakeholders defined by a community of interest, or an organised entity, are not homogenous in their views or expectations. They can be characterised by competing interests and agendas.

This often means that public sector entities seeking to engage stakeholders effectively must do so via a sharp antennae, and sensitivity to the particular dynamics of an organised entity or a community.

The Participation 3.0 model is influenced by the public sector managing more relationships involving some of their stakeholders delivering services to the community on behalf of the government under contractual arrangements. This has required departments and agencies to approach some stakeholders with new ways of managing relationships to deliver the best possible services to the community.

Participation 3.0 is also being influenced by new technologies, including the proliferation and opportunities that social media channels offer citizens to involve and engage themselves in issues, and to do so readily, at a time and a place most convenient to them.

Social media channels and behaviour is providing opportunities for departments and agencies to more readily engage stakeholders and the wider public in their deliberations, and as a means to better inform the community about public policy options and trade-offs.

This study concludes that like many organisations in the private sector, most departments and agencies are finding the social media landscape challenging: the rapid development of social media and other online channels and applications, as well as human resource constraints in the public sector, are challenges, and are likely to remain so for some time.

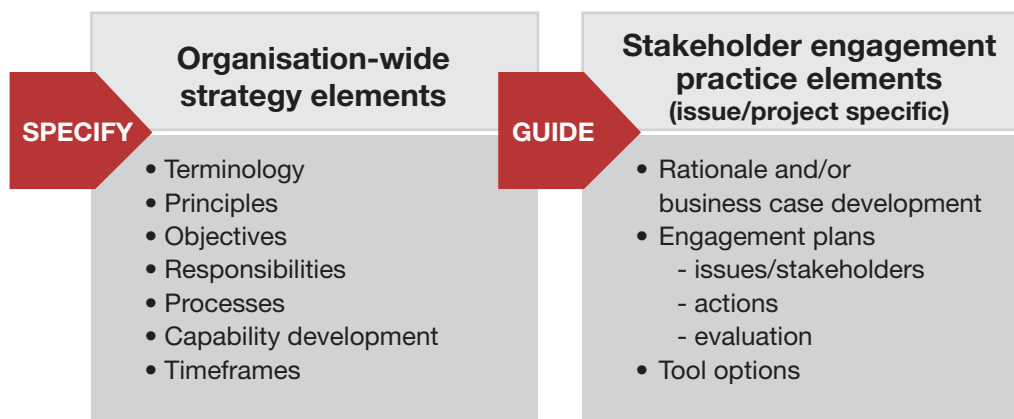
## FRAMEWORKS AND TOOLS

Participation 3.0 is characterised by many public sector organisations using, or seeking to use, frameworks to guide and most effectively manage stakeholder and public engagement.

Organisations participating in this collaborative study have either developed, or are developing, stakeholder and public engagement frameworks to guide and manage their engagement.

Where they exist, these frameworks specify principles for engagement, guide the rationale for engagement, assist departments and agencies identify stakeholders, the most appropriate modes of engagement, tools, measurement, and how outputs from engagement feed into decision-making (see Figure ES 1.3).

FIGURE ES 1.3  
STAKEHOLDER ENGAGEMENT FRAMEWORK ELEMENTS



Source: Allen Consulting Group 2011

Frameworks are most useful when an ‘authorising environment’ — strategy or permission to operate — has been established for a department or agency to pursue stakeholder and public engagement as a desirable and legitimate management tool.

Frameworks are especially important in public sector entities because they establish processes and guidelines in organisations in which due process is valued highly.

The application of frameworks has evolved considerably since our 2005 study.

Many departments develop frameworks to clarify the meaning of stakeholder and public engagement concepts, language and practices in the organisation.

Furthermore, stakeholder engagement frameworks guide public sector organisations to effectively identify stakeholders and issues; determine and implement actions; and evaluate outcomes and report them. Frameworks analysed as part of this study also assist departments and agencies define the capability they require to most effectively conduct and manage stakeholder and public engagement.

Most frameworks in use in Australia’s departments and agencies are ‘fit to purpose’, and are developed taking into consideration: organisational strategy; the nature of the policy issues and environment in which an organisation operates; the nature of stakeholders engaged regularly; previous experience; and local and international good and best practice.

## ENGAGEMENT ONLINE

Participation 3.0 is characterised by government departments and agencies engaging, or seeking to engage stakeholders, using online channels and tools, especially social media platforms.

While public sector entities do not see social media and other online platforms replacing other tools of stakeholder and community engagement, they do expect that for some issues, in some communities, and for some stakeholders, it will be a preferred engagement approach.

Many departments and agencies are using and managing bespoke and publicly available applications and platforms to engage stakeholders and the broader public, and expect to be doing far more engagement online over the next few years.

Based on the data we have captured from departments and agencies participating in this study, we predict that between 2011-2015, social media and other online platforms and channels will be embedded into the frameworks and tools for stakeholder and public engagement.

This study reveals that some government departments and agencies are at the forefront of how organisations (including publicly listed corporations) are engaging stakeholders via online platforms and channels. Other public sector entities are curious about how they can harness social media and online channels to improve engagement processes, but are at the very beginning of considering how to proceed.

Many departments and agencies are expecting that the roll out of Australia's National Broadband Network will provide more bandwidth and opportunities for engaging stakeholders online, especially in outer suburban, regional and remote areas of the nation.

Our analysis suggests that the relatively lower cost of engaging stakeholders online is not a primary consideration in departments and agencies developing web-based stakeholder engagement: in 2011, the key drivers are stakeholder preference, and organisational innovation.

## PARTICIPATION 3.0 CHALLENGES

### Engaging Indigenous Australians

One of the challenges with which many departments and agencies are grappling is how to effectively engage with, and secure the participation of, Indigenous Australians and Indigenous communities in public policy and service delivery.

For these departments, strategy, approaches and tools for engagement with Indigenous Australians remains vexed, though there has been significant progress in how some departments are approaching engagement to implement policy.

Approaches to engaging Indigenous individuals and communities continue to evolve away from public entities employing generic engagement models, and to tailoring engagement that seeks also to better understand the stakeholders being engaged.

### Leadership, consistency, value and capability

This study found also that senior leadership support of and accountability for stakeholder engagement is an attribute of effective engagement.

Another management challenge for the public sector is to ensure engagement remains embedded in how policy is developed, following a commitment that this is desirable and valuable.

The experience of many departments in the absence of support by senior leadership, is that stakeholder engagement can be seen internally as supplementary, or as a 'bolt-on', to how policy is developed.

There have been particular innovations in the ‘human services’ area of public policy development to embed stakeholder and public engagement into the public policy process, including a tendency to view stakeholder engagement as an essential attribute of successful policy reform.

The challenge of how to embed engagement into the process of policy development is related to another challenge — how to capture and share the information garnered from stakeholder engagement, and ensure it is an input to decision-making.

Some departments are managing this challenge by developing metrics around information sharing, and designing processes such as checklists to promote dissemination of information generated from stakeholder engagement. Engagement frameworks that stipulate that information from engagement be fed back and communicated to stakeholders can increase the internal dissemination of data captured from engagement.

Finally, departments and agencies that have embraced Participation 3.0, or are reacting to it, require both the capacity and capability to manage and operate within this new paradigm.

The public sector faces budgetary and employee head count pressures in every Australian jurisdiction. And as with all other areas of management, effective stakeholder and public engagement requires practitioners with access to training and professional development opportunities, as well as access to traditional as well as state-of-the art engagement tools.

Developing the ‘business case’ and rationale for stakeholder and public engagement, and securing the resources to execute and manage it, have required many entities to develop new skills, recruit or reallocate staff, and either request additional funds, or reallocate existing budgets to fund engagement, and organisational capability to execute it.

For most departments and agencies, this has been difficult, and most organisations expect this to continue into the foreseeable future.

However, as the value of stakeholder engagement becomes more prevalent and better understood in the public sector — including via more robust measurement of outcomes — most entities participating in this study expect stakeholder and public engagement to be seen less as an option, and more as an essential element of how good policy is developed and implemented.

## REPORT STRUCTURE

This report is structured as follows:

- The Introduction outlines how a changing paradigm in government — one that demands more active and intensified stakeholder and public engagement — has progressed across our three collaborative studies (from the late 1990’s to 2011);
- Chapter 1 describes the characteristics and drivers of the changing paradigm, along with its impact and overall challenges for our study’s participants;
- Chapter 2 highlights best practice in designing stakeholder and public engagement, drawn from our discussions with study participants and an international literature review;

- Chapter 3 presents further insights about managing stakeholder and public engagement and the prevailing challenges; and
- Chapter 4 focuses on the impact of new technologies in the changing paradigm.

TABLE ES 1.1

2011 STUDY: PARTICIPATING GOVERNMENT DEPARTMENTS AND AGENCIES

Jurisdiction	Department /Agency
ACT	Department of Disability, Housing and Community Services
Commonwealth	Australian Bureau of Statistics
	Department of Climate Change and Energy Efficiency
	Department of Human Services
	Department of Innovation, Industry, Science and Research
	Department of Veterans' Affairs
NSW	Roads and Traffic Authority (RTA)
	Sydney Water Corporation
	Department of Human Services
NT	Department of the Chief Minister
SA	Attorney-General's Department
	Department of the Premier and Cabinet
TAS	Department of Premier and Cabinet
VIC	Department of Justice
	Department of Education and Early Childhood Development
	Department of Planning and Community Development
	Department of Premier and Cabinet
	Department of Primary Industries
	Department of Treasury and Finance
	Victoria Police
WA	Department of Environment and Conservation
	Department of Housing

## A NOTE ABOUT THE TERMINOLOGY

Throughout the report we use 'stakeholder and public engagement' as umbrella terms to describe the *outcome* of different approaches and tools. Classification continuums that describe levels of engagement (for example communication, consultation, or participation) are presented in Chapter 2 of this report.

The terms 'public' and 'community' are used interchangeably in reference to engagement.



## INTRODUCTION: THE PATH TO PARTICIPATION 3.0

Allen Consulting Group has conducted three studies about stakeholder and public engagement practices in Australian public sector departments and agencies at six-yearly intervals — in 1999, 2005, and 2011.

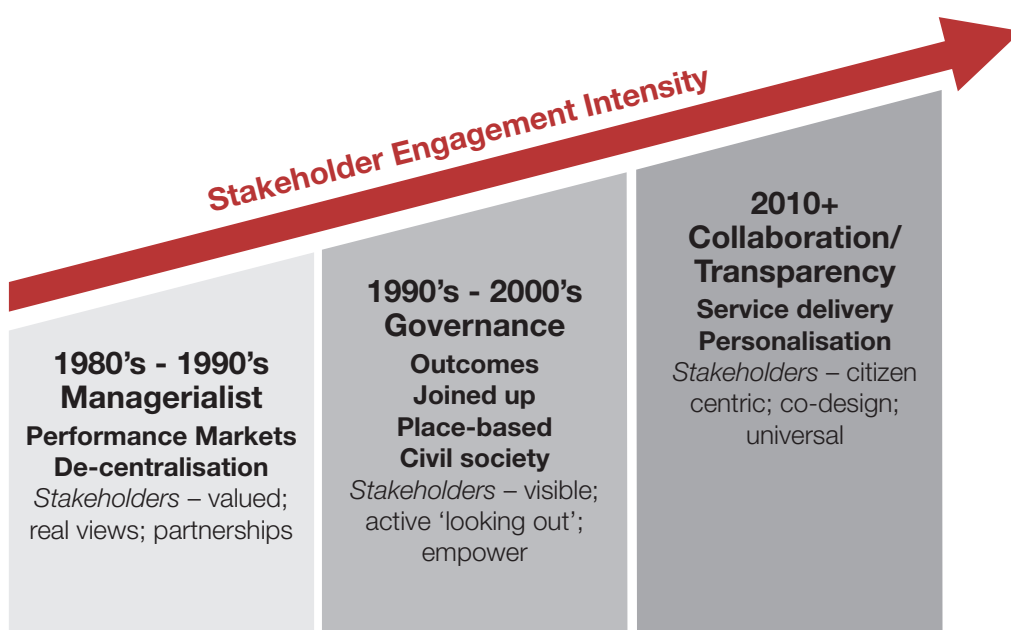
About 20 departments and agencies have participated in each study, with about one quarter of the participants involved in two or three of the studies. A range of agencies and departments were involved across the spectrum of central co-ordination, economic, infrastructure, human services, education and environmental portfolios.

Each study sits within the broader public policy and administrative trends that prevailed at the time.

Understandably, there are variations in rationale for stakeholder engagement and practices of departments and agencies in each study. However there is sufficient alignment in their accounts of the momentum for change and the challenges of new practices to draw conclusions.

The studies are a rich source of descriptive data on the changes occurring in the public sector from the second half of the 1990's to the present, in response to shifts in the citizen-administrative-political nexus during this period.

FIGURE I.1  
TOWARDS PARTICIPATION 3.0: THE CHANGING PARADIGM



Source: Allen Consulting Group 2011

The overriding conclusion from the studies is that the focus on external stakeholders and engagement practices has intensified over this period. Figure I.1 illustrates this move towards a more stakeholder-centric management paradigm in government — 'Participation



3.0' — in which stakeholder and public participation in policy development and service delivery is increasing, and is viewed as desirable.

This changing paradigm — described further in Chapter 1 — sees the government expand its role within the Australian interpretation of the Westminster system.

Stakeholder and public engagement is viewed less as an option, and more as an essential element of how good policy is developed and implemented. Citizen participation, beyond elections, provides opportunities for stakeholders and citizens to participate in the deliberations and machinery of government and governing.

However, not all developments have been linear between 1999 and 2011.

Defining stakeholders — those who have a noticeable 'stake' in the decisions or outcomes of government — and what constitutes 'engagement' for these stakeholders continues to evolve.

Specifically, the work pursued by different government portfolios — whether designing high-level public policy, or delivering services to the public — affects these approaches.

The capacity and capability of organisations to design and implement stakeholder and public engagement is another fundamental differentiation.

Furthermore, few commentators in 2005 anticipated the ensuing rapidity in information technology innovation and the accelerated demands for transparency and collaboration.

No one anticipated the complexities of public participation in the 24/7 media cycle, and the unclear intersection with traditional public policy formation.

Nor did earlier studies foreshadow the significance of the service design agenda, the focus on 'personalisation' of public services, and the future role and scale of citizen engagement.

As a result of these different circumstances, elements from the changing paradigm's previous eras are present in current practice.

Some entities are managing approaches, frameworks and tools that were at the cutting edge of innovation and practice at the time of our previous study in 2005. Others are at the forefront of innovation. And some organisations still manage approaches and tools that overlap the 'governance' stakeholder engagement characteristics of the 1990's and 2000's, and characteristics of 'collaboration and transparency' evident in 2011.

The following subsections highlight insights from our three studies that illustrate further the path towards Participation 3.0. The subsections focus on the main changes in broader public policy and administrative trends, and the ensuing perspectives on stakeholders and stakeholder engagement in each of our study's eras (as illustrated in Figure I.1).

## 1990'S STUDY: PERFORMANCE AND PARTNERSHIPS

The perspective on stakeholder and public engagement in the late 1990's study was concerned with how public sector departments and agencies could meet the demands for more public participation or 'having a say' in government; techniques to reveal the

‘authentic’ or ‘real views’ in the community; the role of departments and ministers in the new partnerships negotiated by government; and determining responsibilities in an era of decentralisation and corporatisation.

For the first time, this paradigm mixed the ‘soft’ constructs of communication, stakeholder engagement and building trust with the ‘harder’ new public management reform constructs of performance, inputs and outputs, market mechanisms, contracting out and purchasing, corporatisation and decentralisation.

Political and wider community expectations for external engagement were being included in how public policy was being developed and implemented. There was considerable interest in re-engineering older advisory structures and learning from the progressive elements in the business sector that had embraced a stakeholder ethos.

However, a tension existed between this approach and managers pursuing performance-driven administrative structural reforms, and required distance between a smaller government and the new providers. This was not an easy amalgam.

Service delivery departments, including human services, vocational education and infrastructure, were managing new commercial partnerships and balancing a hands-off contractual model, expressing mutuality and shared endeavour.

These departments developed a range of new communication models such as Relationship Forums, where time was allocated regularly for open dialogue between department and contracted providers.

This phase saw an infrastructure department use periodic public consultation to reset priorities in a contract to ensure the arms-length service met community needs.

A decentralised education department required local area management to engage with local communities on a regular basis.

Many partnerships or alliances recognised the role of ‘civil society’ in service delivery, and in representing the voice of groups in society. The departments introduced a variety of consultative modes to meet growing public impatience with the established structures like advisory boards and predictable consultation rounds with the usual groups.

A thread running through the late 1990’s study was a level of uncertainty about the respective roles of department officers, ministerial advisors and ministers in stakeholder engagement — how far should officers go in ‘marketing’ a political message to stakeholders, what authority do advisors have, and can major stakeholder engagement occur without ministers?

## MID-2000’S STUDY: ENGAGEMENT AND NETWORKS

By the mid-2000’s, stakeholder engagement in Australia’s public sector was more prevalent and practices less tentative.

Core themes identified in our 2005 study revolved around institutionalising stakeholder engagement and public consultation in strategy and delivery; building workforce capability; adjusting external engagement to whole-of-government or joined-up aspirations;

contributing to solutions for ‘wicked’ or intractable problems; and for some, ‘network governance’ — community participants working collaboratively with government in localities to strengthen communities, solve problems or deliver services.

The public sector was focused on outcomes-based management, measurement and accountability systems, ‘super’ departments, and a wider diversity of providers in the public space.

In this environment the ‘relationship’ dimension became more prominent; a notion of shared governance, rather than simple government decision-making, was being canvassed.

As public policy and strategy development became more codified, planning regimes began to formalise the role of stakeholder engagement.

Stakeholder practices were in a Third Way: an intention to produce public policy outcomes via partnerships between the public, private and third sectors.

Stakeholders were well known by departments and agencies, valued the open-door ethos, and were frequently invited into ‘conversations’ about policy development and service delivery.

Stakeholder groups and non-government organisations were more frequently included in the policy process, sometimes through legislation (as in environmental and infrastructure domains). Large-scale public consultations were held by central agencies, usually sanctioned by the respective political leader, to shape high-level strategies.

However, the practices were uneven across participating departments and agencies; some stakeholders feared that senior public servants paid lip service only to the process, and that budgets were never adequate to meet growing expectations.

Yet, some departments were at the cutting edge of global practice, such as place-based strategies in social policy, the direct involvement of the community sector in core policy decisions, and negotiation of state-wide plans with the community.

## 2011 STUDY: CITIZEN-CENTRIC, COLLABORATION AND TRANSPARENCY

The public sector environment at the beginning of the second decade of the 21<sup>st</sup> century is a more complex mix of structural, governance and transactional features.

The public sector is on a reform trajectory where governments are promising greater transparency, wider public engagement, and multi-level collaboration to deliver commitments.

Implementation and service delivery involves hybrid models that include not-for profit, for profit and government providers.

On this landscape, stakeholder and public engagement is moving rapidly to be core business, and as this report will reveal, departments and agencies are applying an arsenal of established and innovative practices.

Nevertheless, many conceptual questions and logistical issues remain: many departments say stakeholder engagement requires more focus and resources to apply the growing aspirations of the community to contribute to public policy decisions, and determine how resources are delivered.

As understanding of public engagement grows, a stark divide is emerging between engagement for service delivery design and engagement as part of high stakes public policy.

The former is often managed by departments and presented to ministers for final decision-making.

In designing services for family support, programs for the aged, partnerships with the not-for-profit sector, locations for developing infrastructure, departments are not only confidently using tried and true engagement mechanisms, but also innovating.

Australian government departments and agencies are developing and exploring world-class models such as government and citizen co-design of government services, and access to the views and preferences of local citizens.

Approaches to stakeholder engagement in complex policy formation are more fraught. Some departments are suggesting that earlier models for canvassing the views of formal stakeholder groups and feeding them into the policy process are no longer effective.

Not only does the public expect to be engaged, but ministers are also required to be highly visible in the stakeholder engagement process. A substantive increase in online communication by elected officials is anticipated, but the risks are not yet understood.

As stakeholder and public engagement become more intense, the respective roles and responsibilities of ministers and departments will need clarification. All parties will need to enhance their capabilities to sustain interaction, and build trustworthy relationships in increasingly demanding environments.



## CHAPTER 1

# TOWARDS PARTICIPATION 3.0: THE CHANGING PARADIGM

Since our first collaborative study in the late 1990's, momentum has gathered for governments to seek more active stakeholder and public engagement into policy decision-making and implementation between elections — moving towards the Participation 3.0 model.

In this changing paradigm, notions of democracy demand more active engagement of stakeholders and the public in how government develops and implements policy.

As complex as 'evolving democracy' and 'deliberative democracy' may seem, they are essential elements to understanding why government departments and agencies, traditionally seen as the more 'passive' institutions in Australia's version of Westminster parliamentary democracy, are being called on to play a new role in democratic activities.

At the beginning of the second decade of the 21st century, the rationale underpinning why departments and agencies in Australia are moving towards the Participation 3.0 model include:

- social expectations for more transparency in government decision-making (though many departments and agencies remain uncertain as to what more transparency means to them);
- stakeholder expectations that they have a right to be consulted and engaged, and that departments have an obligation to engage them. This was evident in 2005, but was an emerging phenomena;
- erosion of trust in governments to make decisions without requisite stakeholder engagement;
- government dependency on some stakeholder entities to deliver services under contract, positioning such entities as critical to efficient and effective government service delivery; and
- innovation in some public sector departments and agencies to change the way stakeholders (including the broader community) are engaged, and how they can participate in the processes of government between general elections.

The focus of this chapter is on how these elements interact to influence the environment in which state and national government departments and public sector agencies operate.

### 1.1 Towards more active, on-going and intensified engagement

This collaborative study of 22 government departments and agencies across most jurisdictions in Australia concludes that since our last study in 2005, there has been significantly more emphasis and focus on how the public sector approaches, executes, harnesses and values engagement with stakeholders, including the wider community.

Many departments and agencies participating in this study see their role as entities that, beyond citizen participation at elections, provide opportunities for stakeholders and the public to participate in the deliberations and machinery of government and governing.

In this changing paradigm, participating in democratic activities outside traditional institutions has been demand driven (by citizens and civil society), or encouraged by public sector entities as part of good governance, public policy development, and or efficient service delivery.

## GOING BEYOND REPRESENTATIVENESS TO ENGAGING THE COMMUNITY AT LARGE

Theoretical perspectives about deepening public engagement in governing canvass options for democratic processes beyond representative democracy — the prevailing democratic model in the 20<sup>th</sup> century.

In that model — *representative democracy* or ‘democracy elitism’ — citizens choose among political parties, which are accountable solely to the people at elections.

However, contemporary democratic theory has provided a range of new democratic perspectives such as:

- *participatory democracy* (Nielsen et al. 2005) that values the educative and developmental impact of participation itself;
- *deliberative democracy* where individuals who will be affected by a decision should have access to engage fully in the decision-making process; and
- *direct democracy* where citizens are empowered to make a collective decision.

These concepts have already made inroads into how some executives in the public sector describe their public engagement approaches of the organisations in which they work.

Participatory processes that value the intrinsic role of extended engagement, and developing inclusivity, are being employed in social policy domains such as family support and Indigenous policy.

Deliberative forums are being used in complex and technical policy areas where citizen education and understanding trade-offs are required, such as environmental management and infrastructure planning.

Direct democracy empowers people in local areas to make specific decisions about how to allocate resources and services where they live or work.

This more active, on-going and intensified view of stakeholder and public engagement (as opposed to passive) reflects the aspirations and *expectations* of many citizens; more aligned with the view of US libertarian writer James Bovard, who wrote that ‘democracy must be something more than two wolves and a sheep deciding what to have for dinner’ (1995).

The changing paradigm of stakeholder and public engagement in policy formulation and public policy service delivery in Australia sees stakeholders involved as early as possible in the decision-making process, and to solicit as broad a range of opinions and knowledge as possible: a ‘Meet-Understand-Modify’ (MUM) approach, rather than the ‘Decide-Announce-Defend’ (DAD) mode of making decisions (Oughton 2008).

A main challenge associated with this paradigm is that participatory, deliberative, and direct democracy assume commonality of stakeholder and public interests and the potential establishing or constructing common goals (Melo and Baiocchi 2006).

However, this study finds – and this was also becoming evident in our 2005 study – that stakeholders and the public can be divided by contradictory and mutually exclusive views, and frequently so.

Furthermore these new democratic perspectives can impose what some consider as ‘unrealistic demands’ on the time and attention of citizens (Goodin 2003).

Despite these challenges, various public sector reform agendas in Australia, Canada and the United Kingdom (including *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, detailed in Box 1.1) have placed the resident or the citizen at the centre of good public policy development and service delivery; the ‘end user’, the ‘client’, the ‘customer’, the ‘stakeholder’ are embedded in the lexicon of good public policy development and outcomes.

During our discussions and research with participants in this collaborative study, the behest of Terry Moran, the former Secretary of the Australian Government’s Department of Prime Minister & Cabinet, for departments to prioritise stakeholder engagement as a core competency, has elevated the potential value of such engagement to good public policy outcomes and effective governance.

Rather than being a ‘bolt-on’ or incidental to decision-making, or policy or delivery formulation, stakeholder and public engagement is seen by the leadership of a large number of government departments as critical to many public sector undertakings.

#### BOX 1.1

##### MORE ACTIVE ENGAGEMENT AS PART OF GOVERNMENT REFORM

One of the key features of ongoing Australian Government public service reform agendas is the focus on enhancing community engagement and increasing co-design opportunities via stakeholder participation.

The Australian Government recognises that to meet the demands of an increasing and more mobile population, a systematic evaluation of service delivery from the citizen’s perspective is required. Developing a whole-of-government approach to streamline and align technological solutions for service delivery is a key goal.

These directions are highlighted in the *2010 Blueprint for Reform of Australian Government Administration Report*, along with various other options for improving performance and service capabilities.

To support open government and enhance policy capability, the report recommends that improving data availability for public consideration, and conducting surveys, will increase understanding of customer needs, and strengthen the quality of feedback for policy development.

Departments are guided to conduct project consultations with stakeholders and are advised to engage further with community organisations, research institutions and academia.

Further consultations with community organisations are expected to help identify more successful methods of government/community engagement, and help inform development of partnership models between communities and governments, including by using technology such as Web 2.0.

Source: Advisory Group on Reform of Australian Government Administration 2010



## 1.2 What is driving change?

The following subsections highlight the socio-political factors driving innovation and community expectations for government departments and agencies to actively engage stakeholders and the public.

These include social expectations for more transparency in government decision-making, erosion of trust in government and entitlement expectations, and government dependency on some stakeholder entities to deliver services.

An additional factor driving engagement innovation and expectations is new technologies. This is discussed in Chapter 4.

## TRANSPARENCY

In social liberal democracies globally, there are pressures on governments (and corporations) to be more 'transparent' and 'open' in how they make decisions.

This includes expectations that stakeholders, beyond casting their vote at a poll to elect a government, will be able to participate with government when decisions important to them are made.

The challenge for departments and agencies of state, and for elected representatives is to balance the interests of timely decision-making, and the Westminster System's principle of Cabinet-in-Confidence decision-making, with:

- expectations for more insight and confidence in how government decisions are made;
- the vested interests that stakeholders may have when seeking to influence government decisions or outcomes; and
- the appropriate rights of stakeholders and the wider citizenry in government decision-making between general elections.

Research for this study suggests that beyond requirements driven by freedom of information legislation, the meaning of transparency in participatory democracy remains a moot point with most public agencies and government departments.

A natural tension remains between the 'right' of stakeholders to participate in government decision-making, and the efficacy of governments to be able to make decisions in a manner to preserve the trust and confidentiality of the stakeholders involved.

## EROSION OF TRUST IN GOVERNMENT AND ENTITLEMENT EXPECTATIONS

There has been a steady decline in public trust in institutions (especially governments and the media) since the mid-1990's, and there is considerable debate as to why this has occurred.

Marc Dunkelman, a fellow at Johns Hopkins University's Center for Advanced Governmental Studies (USA) posits one compelling rationale.

Dunkelman argues that as the structure of the community changes, so that more people move into less intimate communal environments such as suburbs and cities, and are

connected to many people outside their inner circle via channels such as social media, they are losing the capacity to understand ties and links that once held communities together.

*The spirit of compromise has been sapped from politics. Each individual section of each state's honeycomb is less aware of the struggles or frustrations felt by communities living just across the highway. Politicians, in turn, represent constituents less interested in negotiation, and more suspicious of those who live in increasingly alien pockets nearby. Leaders willing to strike a compromise are accused of apostasy, rather than lauded as keepers of the peace (Dunkelman 2011).*

Dunkelman's hypothesis seeks to explain government and political deadlock and the decline of trust and confidence in government in the United States. But it also resonates in Australia.

Furthermore, many nations are witnessing a decline in long-held allegiances to political parties. This corresponds with growing support for non-partisan opportunities for citizens to participate by way of public deliberations (Turnbull and Aucoin 2006).

These developments have created a strong sense of entitlement in the community, and in organised groups, to be involved in government decisions between general elections, extending the demand for participation beyond casting a vote.

This entitlement fuels the assumption that without such participation and involvement, government decisions or actions have no legitimacy.

The entitlement of stakeholders to be engaged in the policy-making process has been criticised by a number of theorists. They argue that the normal institutions of representative democracy, as would otherwise operate, are sufficiently democratic for our purposes (Stewart 2009).

Since the late 2000's, there has been considerable soul searching as to why public policy development and the politics that brings policy to life has appeared soulless, and why the electorate is so disrespectful and disenchanted with the political process.

Definitive answers to these questions will not be found in this study report: suffice to note that trust in the political process in Australia is driving new community behaviours, including how democracy should evolve; as well as expectations as to what degree citizens should be involved in how public policy is developed and implemented.

## DELIVERY DEPENDENCY

A central tenet of the latest trends and developments in stakeholder engagement in the public sector is the pursuit of more partnerships and collaboration in how government decisions are made and objectives achieved.

Bell and Hindmoor (2009) describe a transition from **government** to **governance**, away from the traditional and more central focus of government to a society-centred perspective involving a wider range of stakeholders within governing processes.

A more elaborate construct of elected representatives and third-party stakeholders in new dialogue and new alliances is being formed. In this construct, crucial elements of public authority are shared with a host of non-government or other-governmental stakeholders.

Non-government stakeholders, once regarded as ‘outsider’ pressure groups, are being drawn into decision-making processes through governance.

In the UK, bodies such as Amnesty International are now invited by the Home Office to provide briefings on the human rights records of countries.

In the European Union, ‘peak’ organisations representing the interests of labour and industry have assumed the role of formal co-legislators, which are able to negotiate the contents of European Union directives alongside the European Commission and Parliament (Treib et al. 2007).

Similar processes occur in Australian jurisdictions. Cabinets and cabinet committees in most Australian jurisdictions have regular access to panels of external advisors for a business or environmental expertise; and committees can comprise external advisors alongside elected parliamentarians. An example of this is the South Australian committee of cabinet for its state wide strategic plan.

Indeed a government that does not overtly showcase its advisory structures and consultative processes places some of its legitimacy at risk.

Current practice is moving from the managerial mode of the 1980’s to 2000’s — where, in many jurisdictions, a performance driven public service opened up to competition in provision of advice and services — to an environment in which competition and diverse governance and delivery modes are welcomed.

This significant shift, which has seen many public services ‘contracted out’ and delivered by the private sector, has changed the balance in relationships between government as a paying ‘customer’, and service providers.

In many instances, service providers in the not-for-profit or ‘third sector’ that were previously regarded as stakeholders in public policy issues, are now considered commercial partners, or suppliers that need to be managed through commercial contractual arrangements.

The stakeholder cum contracted service provider scenario is not peculiar to Australia; it is also common in the UK, nations in Europe, in the US, and in parts of Asia.

Our interviews and discussions with departments and agencies during this study suggested many were continuing to come to grips with defining, understanding and managing their engagement and ongoing relationship with multi-faceted stakeholders — including commercial suppliers contracted to deliver services on their behalf, but which were also public policy and civil society stakeholders.

### 1.3 Manifestations of the changing paradigm

There are several manifestations in how government departments and agencies approach and conduct stakeholder and public engagement.

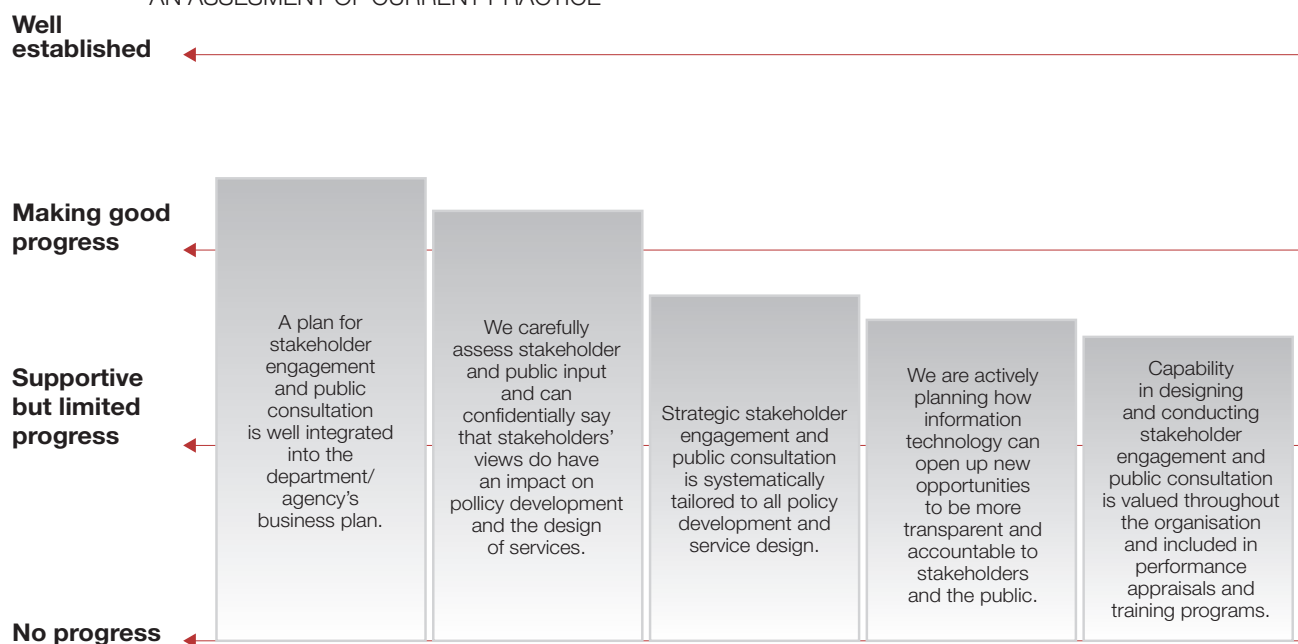
This study identified some impressive efforts in public sector organisations to communicate, seek feedback, or deliberate about policies and their implementation with a broad spectrum of stakeholders and the public.

State governments are now committing themselves to transparency, collaboration and more open relationships with stakeholders and the community, committed to developing long-standing whole-of-state plans, which seek extensive feedback on community developments. Box 1.2 presents further details about these efforts.

As part of our study, we conducted a short survey with participating departments and agencies. The survey captured participant assessment of how the changing paradigm manifests itself in their organisations.

We asked participants to self-assess their department's performance in stakeholder engagement in respect to planning, delivery, measurement and monitoring.

FIGURE 1.1  
AN ASSESMENT OF CURRENT PRACTICE



Source: Survey of collaborative study participants; Allen Consulting Group 2011; n=22

The questionnaire's five dimensions are based on a generic value chain for effective performance management and delivery in the public sector (e.g. Queensland 2009; A Guide to Queensland Government's Performance Management Framework, Department of Premier and Cabinet, Queensland Government, Brisbane, 2009).

Participants were asked to rate statements on a 1-4 scale from 'no progress' to 'well established'.

## BOX 1.2

## A CHANGING PARADIGM IN PRACTICE: ACTIVE STAKEHOLDER ENGAGEMENT IN WHOLE-OF-STATE PLANNING

## South Australia

South Australia's Strategic Plan is a good example of a long-standing whole-of-state policy process that includes extensive public consultation, and has recently taken a more contemporary form by harnessing interactive social media. The then Premier of South Australia saw his state's plan as a:

'living breathing document that comes from the people of the state — not just the government ... and that ... the community should be able to see its way to play a part in new policies and in implementing the plan.'

The South Australian Plan was first developed in 2004, updated in 2007 and 2011 — consistent with a commitment to review the plan every 4 years.

The governance of the plan includes engagement of a number of leading people and organisations from outside the government and the bureaucracy, who bring independence and expertise to the Executive Committee of Cabinet, the Community Engagement Board and the Audit Committee.

- The *Executive Committee of Cabinet* has oversight of the direction of the Plan and its implementation. The Premier chairs the committee with members comprising two external advisers and a number of other Ministers. Heads of each agency report directly to the committee for performance accountability, and review of achievement of the plan's targets.
- The *Community Engagement Board* is responsible for undertaking an independent engagement process on behalf of government. The Board is comprised almost entirely of members of key government boards and committees. Throughout the four yearly cycle, the Board provides leadership and continuity to community involvement in the Plan. It also develops programs and establishes relationships in support of the Plan.
- Progress reports are prepared by an external *Audit Committee*. The committee is an independent body whose primary functions are to provide advice and recommendations to the Executive Committee of Cabinet on interpreting the Plan's targets, indicators and data sources measuring progress against the targets, and on the starting point or baseline for measurement.

Membership of the Audit Committee includes one non-government representative from each of the South Australian Government's major advisory Boards (social inclusion, women, economic development, and climate change). The Audit Committee has met at least quarterly since 2004.

South Australia's Plan serves as a blueprint for government and its governance. The Plan is outcome-based. Ninety-eight targets are met by the relevant agencies.

The Plan provides direction for submissions to Cabinet, the framing of the state budget, policy development, and as the framework for heads of departments' performance agreements.

## Tasmania

'Tasmania Together 2020' is a long-term blueprint for community development. The Plan was created in 2000-01 following extensive community engagement, launched in 2001, reviewed in

2005 and is undergoing a 10-year review in 2011. The State Plan is a framework for State Government policy planning. It comprises targets developed by the community to achieve a collective vision.

The community-based Plan has 12 high level goals, underpinned by 153 benchmarks that measure progress towards the goals. The Plan is reviewed every five years to remain connected to community aspirations.

The Progress Board, an independent statutory body, oversees the Plan and its implementation. The Board reports directly to Parliament, and is responsible for monitoring and reporting on progress; conducting research and data collection; promoting the targets; and developing coalitions of interest within the community.

The 10-year review in 2011 is a 12-month process involving community and sector face-to-face forums; telephone interviews; postal and online questionnaire surveys and written submissions.

The Board collates and analyses public feedback. The Board's Benchmarking Committee has the responsibility to develop and refine the goals and benchmarks with assistance from the Australian Bureau of Statistics, departments and community organisations. Board findings form recommendations made to Parliament for approval, and these determine the priorities for the next five years.

## Victoria

When it took office in 2010, the Baillieu Government made an explicit commitment to transparency, collaboration, and more open relations with stakeholders. This is being demonstrated through the consultation approach as part of implementing the Government's education-related election commitments.

The Victorian Department of Education and Early Childhood Development has established six Election Implementation Taskforces.

Three of these taskforces — Curriculum; Student Engagement and Wellbeing; and School Improvement and Governance — are overseeing implementation of the school education related policy commitments.

The Department has further established three consultation groups to support the three school education-related taskforces: a Principals Reference Group; a Stakeholder Consultation Group; and a Regional Directors Reference Group. These groups provide strategic feedback on policy proposals relating to school education:

- the *Principals Reference Group* comprises school principals from government primary, secondary and specialist schools in metropolitan, regional and rural locations;
- the *Stakeholder Consultation Group* includes representatives from key education stakeholder organisations including the Australian Education Union, the Victorian Association of State Secondary Principals and the Victorian Principals Association. It is anticipated that all organisations will communicate with their members regarding the policy proposals; and
- nine regional directors are providing feedback on policy proposals through the *Regional Directors Reference Group*.

During 2011, Ministers are receiving fortnightly updates on all taskforce activities, and detailed quarterly progress reports on each commitment from the Department.

Figure 1.1 illustrates results for each statement.

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

The results also indicate good progress being made in how stakeholder input and the subsequent impact of stakeholder views on the content of policy and service design is analysed and assessed.

This is significant, as one of the enduring criticisms of stakeholder engagement over the past 15 years has been the ‘window dressing’ factor: where engagement is public relations driven; or, even when the initial intent has been to incorporate stakeholder views, that may have proven too difficult and stakeholders remain sceptical.

Other attributes, however, indicate only moderate progress, where the organisation is committed or supportive, but where actions are not as apparent as they might be.

Even if aspirations for stakeholder engagement are well integrated into business planning, quality input from stakeholders depends largely on tailoring the design of engagement according to stakeholder characteristics, the purpose of engagement and the nature of the outcomes being sought.

Fit-for-purpose engagement, the focus of many models and frameworks is a mode that is not yet sufficiently developed in most organisations.

Similarly, organisational capability to design strategy and conduct engagement is limited by not being strongly valued across whole organisations, and not pursued in performance appraisals and professional learning opportunities.

This study finds that public sector capability to design, conduct and analyse stakeholder engagement has extended well beyond being a routine communications exercise in departments; it now requires a raft of capabilities in relationship management, needs analysis, negotiation, as well as deep knowledge of the substantive policy or service area.

While departments universally identify staff stakeholder engagement capability as a challenge to their effectiveness, an enduring organisational response is yet to emerge.

Finally, information technology will influence how stakeholder engagement in the public sector will develop over the next decade.

Organisations are poised between knowing that the future will require substantial commitments, and making progress now. The present caution in making this progress is driven by a combination of privacy issues, choice of the right technology, operational concerns like the capacity to manage and follow through, and the potential cost of doing this well. Most departments indicated however, that more intense action is just a matter of time.

Participants were asked also to rank a series of statements according to the strength of the perceived benefits that would result from effective stakeholder engagement, and to mention others that apply in their organisations. Table 1.1 lists their responses.

TABLE 1.1  
MAIN BENEFITS OF STAKEHOLDER ENGAGEMENT

Benefits in order of importance	
1	Significantly adds to the quality of the final policy/service.
2	Builds community understanding; secures buy-in.
3	Improves departments' and/or minister's reputation.
4	Reduces vocal opposition; keeps the key stakeholder groups in the tent.
5	Boosts the profile of an initiative in government e.g. Treasury.
Other benefits	<ul style="list-style-type: none"> <li>• Demonstration that the organisation values the client.</li> <li>• Management of risk (financial/legal/ service delivery).</li> <li>• Capacity building in communities.</li> <li>• Make the job enjoyable.</li> <li>• Open dialogue.</li> <li>• Reality check.</li> </ul>

Source: Survey of collaborative study participants; Allen Consulting Group; n=22

The most important benefits are associated with the substantive gains for the quality of policy and services and with serious two-way communication, rather than with reputational and public relations benefits.

This tends to demonstrate a growing maturity about the purpose and conduct of engagement strategies, and points to the imperative of doing this in the most effective manner.

Overall, the survey results indicate that stakeholder and public engagement are moving to a place in the core business of the Australian public sector, where it is expected that the rigors of good strategic planning, administration and management will increasingly deliver a dividend of improved design in policy and services, and the support and understanding of the community.

#### 1.4 Major challenges

The goal of moving to a more 'citizen-centric' mode of government is a political commitment made by many leaders in Australia and elsewhere.

Accounts by departments and agencies participating in this study are testament to the strength of stakeholder and public engagement in Australia. More intense activity is expected in the future.

However, this shift is not without its challenges and criticism.

The new paradigm challenges traditional democratic models, and foreshadows a shift in the conduct of Australian democracy in a fundamental sense: is there a post-Westminster phenomenon occurring where the authority of elected representatives is supplemented by new collaborations with experts, interest groups and the public?



If that is the case, how do public sector officials interact with this?

Alternatively, it may be that requiring more citizen-centric and collaborative engagement with government decision-making is more a signal to elected officials to ‘listen’ more carefully, and for the public sector to be more responsive to citizen or ‘user’ needs and expectations in its front-line delivery of services and development of public policy.

Perhaps citizen-centricity embraces all these aspects.

Yet, debate continues about the extent to which citizens, and especially voters, are prepared to extend their harried personal commitments to participate more actively in Australian democracy.

Furthermore, the capacity and capability of entities to manage and execute the manner of engagement mandated by legislation, organisational strategy or community expectations, remains problematic.

When to consult or engage, how to fund these interactions, how to capture and most effectively use data from interactions, and how to feedback information and outcomes to stakeholders remain areas of challenge and uncertainty for many public sector organisations.

Our work with departments and agencies for this study confirm that the elements and drivers of the new paradigm are challenging public sector entities, and pushing them to better understand the socio-political environment in which they operate.

Results of meeting such challenges include departments and agencies moving to strengthen their internal capacity and capability to better understand and interpret the external stakeholder environment.

This is new territory for many mid-level and senior public servants. Our prediction is that these socio-political skills will be the hallmark of the successful public servant, and the effective department and agency of state, in the remainder of the 21st century.

## CONTINUING CHALLENGES

Our two previous studies canvassed the anticipated future directions and challenges at those times. It is instructive to see the considerable progress of most trends and developments raised in the 1999 and 2005 studies, but note also the persistence of some features and the emergence of a new set of problematic issues.

In 1999, departments and agencies were seeking pathways to identify and categorise the broad sweep of their stakeholders for the first time — who really mattered and how best to engage, especially with those who did not traditionally have a voice in public policy development.

They were looking to move beyond the usual structures, like advisory boards, to ones that were more flexible and responsive.

Departments were grappling with how to blend the new outsourcing and contractual relationships central to public management, with a ‘softer’ relationship building agenda. They were tentatively also considering the respective roles of departments, ministers and ministerial advisors in the external engagement process.



In 2005, with greater assurance about identifying and engaging with stakeholders and with stakeholder engagement beginning to secure a place in business plans, the perceived challenges had moved well beyond the preliminary issues to a wider range of more conceptual and administrative concerns.

Aspirations for joined-up government and placed-based solutions required deeper knowledge of networks and the skills to engage externally, manage expectations and secure outcomes.

A focus on outputs and outcomes called for better measurement of the impact of stakeholder engagement.

Departments sought advice on how to allocate resources to engagement activities, and design internal management structures.

In 2005, departments were also seeking frameworks to guide management and design of stakeholder engagement, particularly those that ensured better knowledge management across organisations.

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

As stakeholder and public engagement has become more pervasive in public sector processes — more like ‘core business’ — and expectations by participants in this study that it will intensify, a new set of questions are being canvassed.

These current challenges and questions can be grouped into three areas:

- First, questions are emerging around the new ***governance*** mechanisms and compatibility with the conventions of the Westminster System, and how the new ‘architecture’ for engagement is best managed.
- Second, there are important ***design*** questions for both ***policy*** and ***service delivery*** about incorporating stakeholder and public engagement processes and their outcomes for the right reasons, and in the appropriate manner.
- Third, there are immediate ***operational*** challenges — like strengthening capabilities for deeper engagement, capturing the most value from technology, understanding the cost-benefit of engagement, and finding ways to engage ‘hard to reach’ demographics, particularly in Indigenous communities — that have to be faced irrespective of the direction of future activity.

We note that these areas are not mutually exclusive — a challenge may involve considerations in more than one area. There are many examples, but the study’s participants believe that closer consideration of these issues is needed in the near future.

‘***We are just getting started***’ is a common refrain among many senior departmental officials, and most likely more resources will be needed to pursue and extract value from the new approaches.

## CHAPTER 2

# DESIGNING FRAMEWORKS FOR STAKEHOLDER AND PUBLIC ENGAGEMENT

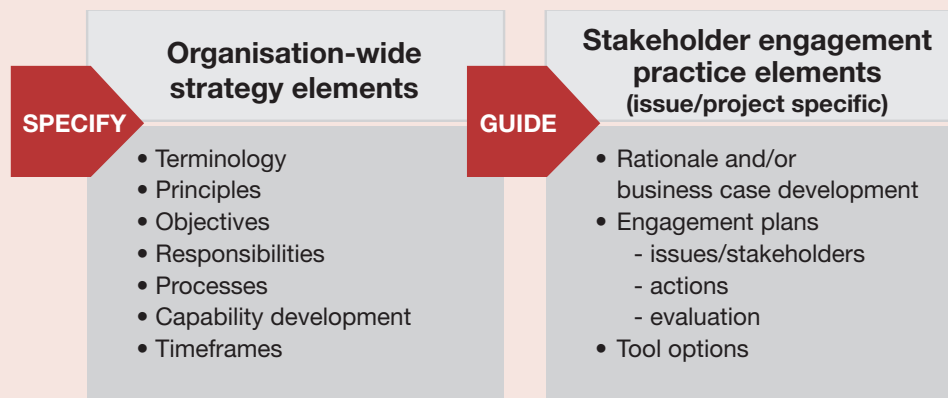
*The departments and agencies participating in our study are exploring different approaches to how stakeholder and public engagement is designed and guided within their organisations.*

*Even though stakeholder engagement is frequently guided by broader policy or project implementation plans, departments and agencies are also considering how to develop organisation-wide frameworks specific to stakeholder engagement.*

*This chapter presents best practice, insights and case studies relevant to the design of such frameworks flowing from our discussions with public sector departments and agencies, and the international literature review conducted as part of this study.*

*Where they exist, departments and agencies have developed stakeholder engagement frameworks that specify terminology, principles, objectives and other strategic considerations for stakeholder engagement, and that guide the development of stakeholder engagement implementation plans and rationale for action for specific projects and/or issues. These elements are illustrated in Figure 2.1.*

FIGURE 2.1  
STAKEHOLDER ENGAGEMENT FRAMEWORK ELEMENTS



Source: Allen Consulting Group 2011

Our study participants' existing frameworks may include some or all of these elements. The information illustrated in Figure 2.1, and provided further in this chapter should not be considered as a checklist or a blueprint for universal implementation. Rather, it should be considered as potentially relevant to each organisation's distinct circumstances and challenges.

## 2.1 Towards better-defined engagement frameworks

As departments and agencies better understand and develop their approaches to engaging their stakeholders, many have sought to design their own ‘architecture’ or structure for engagement — referred to often as stakeholder engagement ‘frameworks’.

By using these frameworks, different departments and agencies are exploring a ‘menu’ of strategies and options to define and engage their stakeholders, including guidance as to which engagement tools to employ, how often to engage, and for what purpose.

Prerequisites to successful development and implementation of stakeholder engagement frameworks are discussed in the following subsections.

### BOX 2.1

#### WHOLE OF GOVERNMENT COMMUNITY ENGAGEMENT NETWORK IN VICTORIA

The Whole of Government Community Engagement Network (CEN) is an informal network of executives from across the Victorian public sector, established in July 2008.

The CEN focuses on further developing principles that support delivery of engagement, to improve its practice across government, and to support innovation.

Since its inception, the group has met regularly to share, discuss and learn about community engagement in Victoria.

The CEN has facilitated a number of working groups focused on:

- establishing a framework and a set of principles to guide community engagement;
- improving skills and capabilities of public servants (learning and development);
- sharing knowledge through the use of information technology;
- marketing and communications; and
- building the evaluation and evidence base around engagement.

As part of the work of the CEN, a number of observations have been made about the current approach and practice of community engagement, including:

- Victoria does not have a whole-of-government policy for community engagement;
- there is an opportunity to expand skills and capabilities within the Victorian Public Service to meet the demand for community engagement; and
- there is a further opportunity for the Victorian Public Service to both demonstrate leadership and put itself in a strong position to improve community outcomes in the face of future challenges.

In response to these observations, the CEN advocates a common approach to community engagement across the Victorian Public Service. It believes a common approach would generate benefits for the Victorian Government, and allow it to take a leading role in community engagement in Australia and internationally.

In 2011, the efforts of the CEN were directed towards pursuing a general audit and environmental scan to better understand the current state of play of community engagement in the Victorian public sector. The audit will feed into preparation of a short business case for a whole-of-Victorian Government community engagement framework/policy, to guide community engagement practices by Victorian government departments and agencies.

The CEN believes that partners such as local government and non-government organisations will receive flow on benefits from a more cohesive approach to community engagement in Victoria.

The CEN is looking also to develop an evaluation methodology to inform evidence based decision-making, and to demonstrate the value of the investment in effective engagement processes.

Source: Consultation (interviews) with the Department of Premier and Cabinet Victoria participating in this study

## TOWARDS MORE COORDINATION

A significant consequence of heightened aspirations for stakeholder and public engagement is that it can no longer be delivered by a sole communications division within an organisation (the traditional home of specialist stakeholder engagement practice), but tends now to be incorporated into the whole-of-department or portfolio business plans.

A trend in the corporate sector, and increasingly in the public sector in Australia is for stakeholder engagement to be guided by a centrally-coordinated strategy to reduce duplication of effort, and ensure consistent messaging and analysis of feedback. Community engagement is an aspect of this broader framework.

When coordinated centrally, execution occurs at various levels across the organisation.

This trend applies also to central agencies in their cross-government co-ordination and leadership role, to ensure consistent messages about engagement and collaboration are sent from government as a whole.

Our study's participants have highlighted a few efforts to increase sharing of practices and lessons across departments and regions, noticeably within the Victorian Government (detailed in Box 2.1).

A centrally planned and coordinated approach to stakeholder engagement is effective only if the organisation understands the collective outcomes it wants to achieve, and designs its approach to stakeholder engagement to support and achieve those outcomes.

### BOX 2.2 ENGAGEMENT COORDINATION

The Victorian Department of Treasury and Finance's goal is to take the necessary steps to move to a long-term position of best practice relationship management. In 2005 it started the process for developing '*a more holistic and rigorous approach to stakeholder relationship management*'.

There had been a number of programs and activities specifically designed to build positive relationships. While these initiatives demonstrated commitment to stakeholder relationships, a more structured framework or strategy was needed to ensure sustained improvements, and to reap the benefits of enhancing key relationships across government.

Steps included early development of a measurement tool to be used biennially with other departments; development of a stakeholder framework to respond to the needs of other departments and to reflect the department's own priorities; a survey to better understand the effectiveness of stakeholder relationships relative to their impact on the achievement of the Department's strategic priorities; and, the inclusion of stakeholder relationships as a major theme in the Executive's strategic plan.

The Department has encouraged the development of engagement plans for all major Victorian government agencies. Each of the Department's divisions nominates two representatives to attend the Department's executive board to focus on relationships with, and issues for, specific agencies. Where there are issues to resolve, monthly meetings are held to review progress and plan next steps.

The Department's stakeholder strategy aims not only to spell out the priorities for stakeholder management, but to identify also where activities to improve stakeholder engagement can be leveraged in business planning and human resource management.

Source: Consultation (interviews) with the Department of Treasury and Finance Victoria participating in this study

Whether the organisation in question is in the public, private, or third sector, this approach implies that principles and guidance for stakeholder engagement are universal and relevant to collective outcomes.

However, actual *implementation* of stakeholder engagement — the level of engagement and the mechanisms and tools used — will vary across each area of an organisation, depending on their own requirements and processes.

The Victorian Department of Treasury and Finance is an example of an entity that tackled the challenge of how to ‘speak with one voice’ and aligned its engagement architecture and relationship management throughout the department.

As a Treasury officer said,

*‘There can be a serious branding issue with a Treasury and Finance department. Agencies are still surprised and at times suspicious when we go to them first. We need to learn to build relationships early, and while it will be time consuming, it is immensely valuable, and goes a long way to ensuring successful outcomes.’*

Box 2.2 highlights the steps the Victorian Department of Treasury and Finance has taken to coordinating stakeholder engagement.

## TOWARDS CONCEPTUAL CLARITY

Many stakeholder engagement frameworks specify the relevant terminology and concepts.

This is needed to address distinctions between concepts like ‘stakeholders’ and ‘public (or community)’, and ‘engagement’ and ‘consultation’. These terms are often used interchangeably, even though they refer to different activities or entities.

Box 2.3 suggests clarifications for these definitions and concepts, based on best practice in public, private and not-for-profit sectors.

### 2.2 Designing the frameworks

Most existing stakeholder engagement frameworks in departments and agencies are fit to purpose, and are developed through an amalgam of previous experience, understanding good local and international practice, and seeking input and verification from external consultants.

Naturally, the design of these frameworks reflects the quality and extent of understanding of the changing paradigm (described in Chapter 1) within organisations. The design of a framework also reflects an internal commitment to good stakeholder engagement practice.

As this understanding and commitment varies, so do the frameworks.

In some instances, engagement frameworks guide department-wide practice, and include commitments for engaging with a variety of stakeholders.

In others, different areas or silos within a department or agency design their own fit-to-purpose frameworks — frequently focusing exclusively on community engagement rather than the broader stakeholder environment.

## BOX 2.3

## STAKEHOLDER ENGAGEMENT: CLARIFYING CONCEPTS AND DEFINITIONS

**The stakeholder environment**

Good practice organisations establish broad stakeholder engagement frameworks that address distinct or intersecting stakeholder groups.

These include:

- engagement with organised groups or networks (peak industry, business, environment, labour or lobby groups) — often referred to as engagement with organised entities;
- engagement with other individual external organisations and entities from the public, private and not-for-profit sectors (including engagement with the media);
- engagement with internal stakeholders (essentially, an organisation's employees); and
- engagement with the public or the community. This is often characterised by an entity engaging with citizens or individuals defined by a geographic region, an issue or a common interest. Community engagement is the informal subset of the broader stakeholder environment.

**Who are stakeholders?**

An organisation's stakeholder environment is dynamic.

A stakeholder environment can include in-government and non-government entities, interest groups and experts, private and business entities, and citizens and the public.

Particularly in human services departments, stakeholders can be both voluntary and involuntary; i.e. those who are individual clients — often vulnerable — and those who are partners in service delivery.

A key aspect of the stakeholder engagement process involves defining and classifying stakeholders according to the task or the decisions that need to be made. Stakeholders can be classified as those:

- affected by a decision or program;
- who can bring important knowledge or information to a decision or program;
- who have power to influence and/or affect implementation of a decision or program (Schlossberg and Shuford 2005).

Many organisations use more elaborate, qualitative criteria when categorising stakeholders. The following table presents an example of a stakeholder classification framework.

Criterion	Description
Responsibility	Stakeholders to whom you have a responsibility
Influence	Stakeholders with influence or decision-making power
Proximity	Stakeholders with whom you interact most, including internal stakeholders, those with long-standing relationships and those on whom you depend for day-to-day operations
Dependency	Stakeholders who are directly or indirectly dependent on your activities
Representation	Stakeholders who through regulation or custom or culture legitimately claim to represent a constituency (including especially our clients)
Policy and strategic intent	Stakeholders whom we directly or indirectly address by policy or practice

(Source: Department of Immigration and Citizenship 2008)

**What is engagement?**

Engagement can be used generically to refer to the outcome of informing, consulting and/or actively involving stakeholders in a process or an issue (including through deliberation and participation).

Several continuums and conceptual 'ladders' provide further clarity and classification for different levels of engagement. These are discussed further at Section 2.6.

Source: Allen Consulting Group 2011

This study suggests that departments and agencies have developed frameworks that may comprise all or some of these elements:

- provide overall principles for engagement;
- provide overall objectives for engagement;
- specify the concepts involved;
- provide guidance and specify responsibilities for engagement across divisions, groups, branches and agencies in a department, spanning internal cultures, geographies and staff turnover;
- establish minimum standards for organisations' capacity and capability to conduct stakeholder engagement;
- guide the development of, or identify, the rationale and/or business case for engagement and the desirable value (outcomes). This comes from an understanding that unless there is a strategic rationale driving stakeholder engagement, the outcomes of it can be haphazard, low value, damage the reputation of departments, and have a negative impact on ongoing stakeholder relationships;
- guide development of, or identify, stakeholder and public engagement plans through strategic stages;
- provide options for ongoing engagement with stakeholders (tools, timeframes); and
- establish processes and structures to capture and disseminate data from engagement with stakeholders, that can be processed and shared effectively within the department, and with other departments and agencies.

The following sections in this chapter explore insights and best practice for elements within stakeholder engagement frameworks. As noted earlier, these are not presented as a checklist or blueprint for universal implementation.

### 2.3 Engagement frameworks — guiding principles

Principles are a fundamental prerequisite of most successful public policy initiatives, and determine frequently how success will be evaluated and measured.

Stakeholder engagement can be a principle itself (as part of the process of policy development, planning and implementation), but it also possesses its own attributes.

## ENGAGEMENT AS A PRINCIPLE IN POLICY DECISION-MAKING

The OECD's guiding principles for inclusive policy-making (outlined in Box 2.4) are cited widely, and incorporated into policy-making guidance internationally. Many of these principles embrace elements of best practice stakeholder engagement in the public, private and third sectors.

They are intended to guide processes to maximise the benefits of engagement, consistent with sound public processes and delivering public value. A number of departments in this study have adapted these principles to their own circumstances, and the principles become a basis for professional learning in those organisations.

### BOX 2.4

#### OECD GUIDING PRINCIPLES FOR OPEN AND INCLUSIVE POLICY-MAKING

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

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

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

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

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

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

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

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

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

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

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

Source: OECD 2009



## BOX 2.5

## COMMUNITY ENGAGEMENT PRACTICE QUALITIES

1. **Inclusiveness** — more inclusive processes and practices will increase citizen access to government information and broaden involvement in government policy development, planning and decision-making.
2. **Reaching out** — new and more effective ways to involve citizens in planning and decision making processes will allow government to move beyond established networks to tap into the significant knowledge and expertise residing within communities.
3. **Mutual respect** — listening to and understanding the views, concerns and experiences of citizens will lead to better decisions and strengthened government–community relationships.
4. **Integrity** — open and accountable engagement practices and processes that genuinely inform decision-making will increase community trust and confidence in government.
5. **Affirming diversity** — incorporating diverse opinions and perspectives into policy development, planning and decision-making will help achieve effective and sustainable outcomes.
6. **Adding value** — government and citizens working productively together will add value in policy development and program and service planning.

Source: Department of Infrastructure and Planning 2010

## BOX 2.6

## THE PRINCIPLES OF ENGAGEMENT

**Access to timely and accurate information**

E.g. What information is provided? Where is it made available? When is it made available? Who has access to it?

**Terms of engagement**

E.g. Are the terms on which engagement is to be undertaken clearly understood by all parties? Are the parameters of what is subject to negotiation (and what is not) clearly defined and understood? Is engagement formalised? Can stakeholders initiate engagement?

**Legitimacy of engagement**

E.g. How are stakeholders/partners selected? What process is used to ensure that all stakeholders are represented? When working with stakeholders groups or partners is there a process to verify that these groups represent the interests of those they claim to speak on behalf of?

**Procedural review**

E.g. What mechanisms exist for stakeholders who have a grievance regarding the engagement process? (For example, are there ombudsmen, complaints panels, ad hoc hearing panels, dispute settlement mechanisms, tribunals?) Does a mechanism exist for reviewing the ways in which an organisation undertakes the engagement process?

Source: Neligan 2003

## QUALITIES OF ENGAGEMENT

Good stakeholder engagement is characterised by practice qualities that can be defined and measured.

This may include qualities like inclusiveness, acceptance, transparency, representativeness, and responsiveness.

As a useful example, Box 2.5 lists the community engagement qualities embraced by the Queensland Government.

Another example, from our literature review, distils the concept of engagement down to four fundamental principles suggested as being vital if the process is to be worthwhile for organisations and their stakeholders (Neligan 2003).

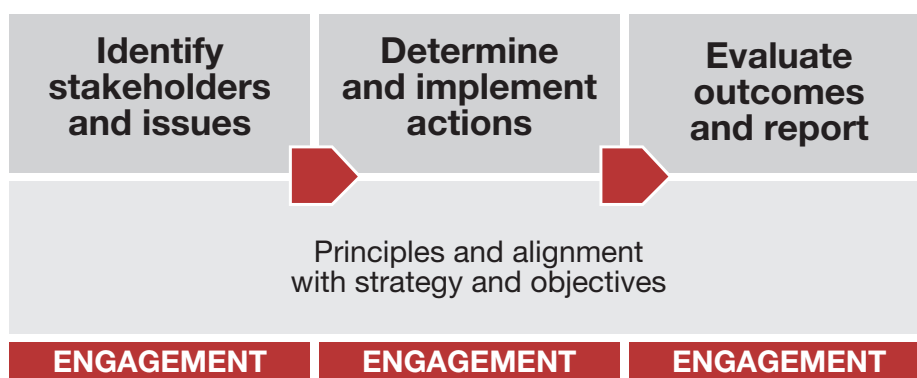
Box 2.6 details these principles.

Further examples of stakeholder engagement principles are highlighted in case studies throughout our report.

## 2.4 Strategic stages of stakeholder engagement

Most organisations suggest a series of strategic stages in their stakeholder engagement frameworks to guide the development of stakeholder engagement plans.

FIGURE 2.2  
THE ELEMENTS OF STAKEHOLDER ENGAGEMENT PLANNING



Source: Allen Consulting Group 2011

These stages include identifying stakeholders and issues, determining and implementing actions, and then evaluating the outcomes and reporting back to stakeholders. Engagement with stakeholders is encouraged as a continuous process (see Figure 2.2).

These stages are supported by guiding principles, and by aligning organisational objectives and strategic plans. For public entities this means aligning stakeholder engagement with desired policy or service outcomes.

## 2.5 Identifying stakeholders and issues

Stakeholder engagement frameworks frequently include guidance on how organisations identify stakeholders and their issues, using suggested definitions, classifications or qualitative criteria (examples were presented in Box 2.3).

Common practice is that organisations identify and classify stakeholders based on their importance — an evaluation of their influence, legitimacy, and urgency (Mitchell et al. 1997) — to specific issues or policy areas.

Public sector entities and private corporations frequently categorise their stakeholders into different tiers, based on these criteria. An example of the tiered classification model is presented in Table 2.1.

TABLE 2.1  
STAKEHOLDER CLASSIFICATION MODEL

Type of stakeholder	Definition	Decision focus	Interactions
<b>Tier One — Key</b>	Stakeholders strategically significant and are managed corporately	Interpersonal	Relational
<b>Tier Two — Operational</b>	Stakeholders involved in the day-to-day activities of the agency	Instrumental	Pragmatic
<b>Tier Three — Project</b>	Stakeholders affected by a project	Institutional	Mandate

Source: Modified from Beach et al. 2008

An ongoing resource and management challenge for public sector organisations is how to make sure information about stakeholders remains current and relevant.

Good practice public sector organisations have responded to these challenges by revising their stakeholders, categories, and plans regularly: quarterly is good practice.

Box 2.7 details how the Victorian Department of Education and Early Childhood Development has decided to focus on a small number of key stakeholders so it can manage a consistent approach to stakeholder engagement.

## UNDERSTANDING STAKEHOLDER ISSUES AND EXPECTATIONS

As departments and agencies have formalised their approach to embedding stakeholder strategy in business planning, they have also formalised how they capture and understand stakeholder issues and expectations.

In 2011, the lion's share of departments and agencies committed to good practice stakeholder engagement by commissioning independent research to probe, interrogate and understand stakeholder attitudes, issues and priorities.

An example of how the Commonwealth Department of Innovation, Industry, Science and Research does this is highlighted in Box 2.8.

In many instances, a department or agency's extensive experience with engaging organised entities and external organisations (i.e. other government departments, businesses and not-for-profits) overshadows its experience with engaging members of the community who are not part of organised groups.

## BOX 2.7

### IDENTIFYING STAKEHOLDERS AND PRINCIPLES

The Victorian Department of Education and Early Childhood Development trialled various models to identify and track engagement with its stakeholders.

In the past, separate department divisions built databases with more than 150 stakeholder contacts. These databases, however, provided no tangible benefit.

The Department's approach to engagement did not change, nor did knowledge-sharing about stakeholders improve.

Consequently, the Department commenced a mapping exercise to identify its key external stakeholders.

Thirty-five stakeholders were considered to have a considerable impact and influence on the work of the Department. Tier One stakeholders included unions, peak representative and advocacy bodies, professional and community associations, and not-for-profit organisations.

Agreeing on Tier One (critical) stakeholders was a watershed for the Department. It meant the organisation understood the primary group to engage, and to which it needed to communicate key messages.

The Department appointed a 'Lead General Manager' to be contacted before stakeholders are engaged around policy or program decisions.

The Department engages stakeholders to:

- provide information on, and seek input into, policies, programs and projects;
- deliver services; and
- participate in decision-making.

When asked to comment on the Department's previous approaches to engagement, and any impediments to open and productive engagement, stakeholders talked about the challenge of making consultation real, timely and substantive.

Some stakeholder comments about previous efforts at engagement included:

*'...more like telling than consulting. The Department should not just inform, but listen and be informed...'*

*'There was no opportunity to shape the proposal at the early stages and subsequently ensure it was ready...'*

*'We want a no-surprises culture.'*

The Department is developing a Stakeholder Engagement Framework to address stakeholder feedback, which it accepts as legitimate. It will clarify the Department's stakeholder engagement policies and principles.

The plan uses the IAP2 approach (detailed in Table 2.6), with the two-by-two matrix helping to analyse stakeholders according to their levels of interest and influence.

The Stakeholder Engagement Framework will reflect the Department's five guiding principles for engaging stakeholders:

- Responsive and reciprocal;
- Inclusive;
- Impartial and objective;
- Open, transparent and trusting; and
- Respectful.

It draws on the Department's Organisational Development Framework, which outlines three pillars of capability. The three pillars are 'Our Culture', 'Our Knowledge', and 'Our People'.

Engagement 'themes' sit under the pillars to define how stakeholder engagement should be conducted. These themes are partnerships, collaboration, transparency and sharing. The Framework highlights also the Department's core values, which underpin its interaction with stakeholders. Its core values are:

- Collaboration and knowledge sharing;
- Outcomes;
- Respect and diversity; and
- Empowerment.

Source: Consultation (interviews) with the Department of Education and Early Childhood Development Victoria participating in this study

## BOX 2.8

### IDENTIFYING ISSUES THROUGH STAKEHOLDER SURVEY

The former Commonwealth Department of Industry, Tourism and Resources introduced annual stakeholder satisfaction research in 2001 to measure and evaluate the effectiveness of its stakeholder engagement and service delivery performance.

Following government changes in late 2007 the Department of Innovation, Industry, Science and Research continued the research.

Its purpose initially was to allow the Department to meet its annual reporting obligations, to help identify performance risks, and to inform the development and measurement of performance against the Department's client service charter.

Industry peak bodies, professional associations, departments, local government bodies, academic researches and key businesses in contact with the Department in the 12 months prior were consulted.

The research identifies reputation risks, continued improvement in departmental performance and opportunities for building relationships with key stakeholders. The research methodology varied little from year to year so trend identification increases and reliability of longitudinal analysis is maintained.

An executive committee comprising of the Department's Secretary and Deputy-Secretaries is responsible for overseeing governance operations.

Independent research consultants commissioned via a regular competitive tender process conduct the annual research.

Respondents are contacted by telephone and each consultation takes about 15 minutes. A pool of 1600 stakeholders in various categories is identified by departmental divisions from which the consultant randomly selects a sample of 500-600.

Survey results are collated, assessed and reported by the Corporate Strategy Branch to the executive committee, and a key summary of outcomes for survey respondents is published.

Deficiencies in a risk area are highlighted to division management for attention. The Department found the survey encourages improved business outcomes and better service delivery.

Source: Australian Public Service Commission 2007

This can be reflected in how departments and agencies define their stakeholders and how they design their approaches to engaging their stakeholders.

Our research for this study suggests that in areas of some departments, engagement with organised entities remains a proxy for 'community' or 'public' engagement.

This reliance entails many risks — essentially allowing outside agendas, biases and ideologies to interfere with how the public is engaged.

The Commonwealth Department of Veterans' Affairs is an example of an entity that has dealt with the latter risk of excluding individuals not represented by organised entities.

It recently reviewed and restructured its formal consultation framework (see Box 2.9). This was heavily dependent on engagement with ex-service organisations.

This resulted in two challenges:

- a younger generation of ex-service individuals were not engaged in organisations and entities and were less connected to the Department through them; and
- with diminishing membership, competition has emerged between ex-service organisations which is complicating relationships with the Department.

## BOX 2.9

COMMONWEALTH DEPARTMENT OF VETERANS' AFFAIRS:  
NEW CONSULTATION FRAMEWORK AND SERVICE DELIVERY REFORM

A Department of Veterans' Affairs decision in 2009 to review its existing consultative arrangements with stakeholders was announced in tandem with establishing a Prime Ministerial Advisory Council on Ex-Service Matters.

The Prime Ministerial Advisory Council was established to consider and advise the Prime Minister and government on strategic and complex matters likely to affect the ex-service and defence communities. Membership is drawn from the ex-service and defence community.

While the two arms of the consultation arrangements operate independently, interaction is enhanced, where appropriate, with a member of the Prime Ministerial Advisory Council participating on national forums of the Department's Veterans' Affairs Consultation Framework. This cross-membership ensures issues are addressed logically and efficiently.

The Department of Veterans' Affairs Consultation Framework comprises a high level forum supported by four specific national forums that focus on policy and program areas while state level forums focus on state-specific, age and stage of life issues.

The Framework endeavours to deal with major issues affecting veterans' affairs and the ex-service and defence communities. The major ex-service organisations are represented across all these forums:

- the Ex-Service Organisation Roundtable facilitates dialogue between the Repatriation Commission, the Military Rehabilitation and Compensation Commission, the Department and the leadership of the ESO and Defence communities to set guiding directions for the portfolio;
- the Operational Working Party's responsibility is to identify recommendations for improvements in operational policy;
- the National Health, Aged and Community Card Forum acts as a link between Ex-Service Organisations, providers and the Department in disseminating information for stakeholders on health, aged and community care issues;
- current and former members of the ADF-Emerging Issues Forum is a mechanism for regular consultation and discussion about emerging issues affecting younger members and families and priority services that could be provided;
- the National Mental Health Forum enables broad consultation on mental health issues and promotes a network of ex-service organisations, health providers and the government; and
- State Consultation Forums are responsible for fostering open communication between ex-service organisations and the Department leaders to reinforce community engagement.

One outcome of the new Consultation Framework is the reform of DVA's service delivery model for contemporary veterans and widows.

The Department has introduced service coordinators to oversee management of cases for widows of service personnel, and created greater links between government services and community networks to offer a wider support network. Services have become more relationship-focused to increase support services available.

Source: Department of Veterans' Affairs 2009; Consultation (interviews) with the Commonwealth Department of Veterans' Affairs participating in this study

To reach younger clients, the Department is seeking the input of individuals, such as war widows, through a young widows roundtable, to provide a better understanding of client experiences.

## 2.6 Determining the scale, scope, and style of engagement

Choosing the right scale, scope and style of stakeholder engagement is fundamental to the effectiveness of the stakeholder engagement process.

Engagement frameworks frequently offer guidance as to how these decisions can be considered within the policy and service delivery cycle; or within agreements for collaboration and partnerships with external stakeholders.

Although these decisions can be guided by an organisation's stakeholder engagement framework, they are made ultimately by the involved executives using their personal judgement.

No framework can compensate for poor understanding of stakeholder engagement.

## ENGAGEMENT IN THE POLICY AND SERVICE DELIVERY CYCLE

Defining and understanding the value of stakeholder engagement within policy and service delivery cycles is important to determining the scale, scope and style of engagement.

A practical approach involves highlighting the role that stakeholders can play in the different stages of a policy or service delivery cycle.

Table 2.2 outlines such an approach, by highlighting the role that citizens, and the public, can play when defining issues, identifying criteria for decisions, generating options, and evaluating and recommending alternatives.

Table 2.3 suggests using the steps in the policy process — in this case, agenda setting, analysis, design, implementation, evaluation — to guide the choice of engagement tools with the public.

TABLE 2.2  
POLICY DEVELOPMENT STAGES AND PUBLIC ENGAGEMENT

Policy development stage	Reasons to seek public engagement
Define the problem or issue	<b>Discovery role</b> — citizen input can help to define the issue.
Identify criteria for decision	<b>Discovery role</b> — citizen input used to identify evaluation criteria or underlying principles of a sound policy.
Generate alternative options	<b>Discovery role</b> — citizen input to identify alternative options; and/or <b>Informative role</b> — citizens participate by absorbing relevant information and discussion issue and/or proposing alternatives; <b>Legitimate</b> — citizen involvement in consideration of options can be an important basis for wider public acceptance of the outcome.
Evaluate alternatives	<b>Informative role</b> — discuss/debate proposed alternatives; and/or <b>Persuasion role</b> — assess the range of public opinion on a set of options; and/or; <b>Legitimate</b> — citizen involvement in consideration of the options can be an important basis for wider public acceptance of the outcome.
Recommend an option	<b>Informative role</b> — discuss/debate proposed alternatives; and/or <b>Persuasion role</b> — seek to convince public to accept or recommend option or approach; <b>Legitimate</b> — citizen involvement in consideration of options can be important basis for wider public acceptance of outcome.

Source: Curtain 2003 cited in Albert A and Passmore E 2008

TABLE 2.3  
FRAMEWORK FOR SELECTION OF ENGAGEMENT TOOLS WITH THE PUBLIC

Steps in Policy Process	Agenda Setting	Analysis	Design	Implementation	Evaluation
What is the agency trying to accomplish at this stage?	<ul style="list-style-type: none"> <li>Establish the need for a policy reform</li> <li>Define the problem to be addressed</li> </ul>	<ul style="list-style-type: none"> <li>Define the key challenges with an issue</li> <li>Align qualitative and quantitative evidence with appropriate policy alternatives</li> <li>Produce a draft policy document</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate alternative policy proposals</li> <li>Develop a workable policy document</li> </ul>	<ul style="list-style-type: none"> <li>Establish programs, guidelines, and effective processes to deliver public benefits</li> </ul>	<ul style="list-style-type: none"> <li>Monitor policy outcomes to determine whether the goals of the policy are being met during implementation</li> </ul>
What are the rationales for conducting public involvement?	<ul style="list-style-type: none"> <li>Establish values</li> <li>Identify priorities</li> <li>Generate outcome statements</li> </ul>	<ul style="list-style-type: none"> <li>Involve the public in identifying and stating in their terms the problems a policy will address</li> </ul>	<ul style="list-style-type: none"> <li>Engage the non-expert public in understanding how policy prescriptions will address values, priorities, and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Ensure broad public awareness and support of policy</li> </ul>	<ul style="list-style-type: none"> <li>Ensure policy outcomes meet goals</li> </ul>
What are the key challenges?	<ul style="list-style-type: none"> <li>Risk of raising expectations that input will become policy</li> <li>Ensuring that key views are represented</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate expert and experience-based knowledge cooperatively</li> <li>Develop background materials that ensure balance and neutrality</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that ordinary people who will be impacted by policy are involved</li> <li>Ensure clarity around how input will influence policy and program design</li> </ul>	<ul style="list-style-type: none"> <li>Community process and outcomes broadly</li> <li>Ensure community capacity has been developed over the policy development process</li> </ul>	<ul style="list-style-type: none"> <li>Develop appropriate accountability mechanisms</li> <li>Create information collection mechanisms</li> <li>Connect information collection to policy feed-back cycle</li> </ul>
Which engagement tools might work best?	<ul style="list-style-type: none"> <li>Deliberative Poll</li> <li>ChoiceWork Dialogue</li> <li>21<sup>st</sup> Century Town Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Citizens Jury</li> <li>Consensus Conference</li> </ul>	<ul style="list-style-type: none"> <li>21<sup>st</sup> Century Town Meeting</li> <li>Consensus Conference</li> <li>ChoiceWork Dialogue</li> <li>Study Circles</li> </ul>	<ul style="list-style-type: none"> <li>Public hearing</li> <li>Mainstream media</li> </ul>	<ul style="list-style-type: none"> <li>Social monitoring</li> <li>Scorecards</li> </ul>
What are the strengths of these tools?	<ul style="list-style-type: none"> <li>Uses a random scientific sample</li> <li>Clarifies values</li> <li>Quantifies opinion shifts</li> <li>Generates media attention</li> </ul>	<ul style="list-style-type: none"> <li>Is cost-effective</li> <li>Uses a random scientific sample</li> <li>Allows for in-depth, technical issues exploration</li> <li>Incorporates expert views</li> <li>Avoids media spotlight</li> </ul>	<ul style="list-style-type: none"> <li>Engages large segments of the population</li> <li>Cultivates shared agreement</li> <li>Uncovers public priorities</li> <li>Generates media visibility</li> </ul>	<ul style="list-style-type: none"> <li>Is cost-effective</li> <li>Reaches large numbers of citizens</li> <li>Reinforces leadership role of public officials and experts</li> </ul>	<ul style="list-style-type: none"> <li>Engages the public in follow-up</li> <li>Builds new skills</li> <li>Engages citizens in their community</li> <li>Distributes information collection widely</li> </ul>

Source: Lukenmeyer et al. 2006 cited in Sheedy et al. 2008, p. 29.



Often the scope of stakeholder engagement and its potential approach are defined by the desired outcomes for both the organisation and for involved stakeholders.

Table 2.4 demonstrates this connection.

TABLE 2.4  
THE FORM, PURPOSE AND MEANING OF ENGAGEMENT

Form	Purpose	Meaning to implementing agency	Meaning for those involved	Potential approaches
Nominal	Display manipulation	Legitimation	Hope for improvement	Token representation
Consultative	Assembling information	Better information	More appropriate plans	Information collection
Instrumental	Improving effectiveness	Improved efficiency	Access to benefits	Contributions to costs
Representative	Providing say in decision making	Means of identifying views, sustainable system	Direct or indirect influence	Representative political system
Transformative	A means and an end	Partnership, collaboration	Control over decisions	Devolution, partnerships, contracts

Source: Rakodi 2010

On many occasions, implementing stakeholder engagement is driven by broader policy or project implementation plans.

An example of this was Victoria's Port of Melbourne engaging the community with its channel deepening plans and execution. In this case (detailed in Box 2.10) stakeholder engagement was incorporated within an environmental management plan — the established framework for policy planning, project implementation and delivery of the channel deepening project.

## ENGAGEMENT GUIDED BY AGREEMENTS AND PARTNERSHIPS

Formal and informal agreements between government and external agencies frame and guide relationships and levels of engagement required to achieve desired outcomes.

The use of commercial partnership structures in government developed from the 1990's to a significant level through public private partnerships for infrastructure development. While these continue to adapt to the current economic environment, other areas of government are also turning to partnerships across the economic, environmental and social spectrum.

Such partnerships occur under the changing paradigm for more collaboration and network governance discussed in Chapter One of our report. They reflect a shift from a traditional purchaser-provider relationship towards more collaborative partnerships.

Purchasing frameworks, partnership agreements or 'social compacts' between government authorities and the not-for-profit sector solidify mutual understanding about responsibilities and the level of collaboration needed to deliver policy outcomes.

## BOX 2.10

## COMMUNITY ENGAGEMENT FOR PORT OF MELBOURNE CHANNEL DEEPENING

Commencing in February 2008 and completed by November 2009, the Channel Deepening Project (CDP) of Victoria's Port of Melbourne was the most complex marine infrastructure development undertaken by the Victorian Government and Port of Melbourne Corporation.

Evolution of ship designs and sea traffic demand meant the Port of Melbourne's shipping channels needed to be modified to increase vessel accessibility.

The port was dredged and successfully deepened to 14 metres draught at all tides from 11.6 metres.

The channel deepening Environmental Management Plan (EMP) was the established framework for policy planning, project implementation and delivery. The EMP provided benchmarks and regulations for which the CDP reported against to ensure accountability, awareness and management of environmental sensitivities, and transparency.

The community engagement and consultation around the project represented a textbook approach of best practice stakeholder engagement.

The Port of Melbourne Corporation engaged with the community through a range of avenues including a community information program, including television, print and radio advertising; publication of 31 fact sheets; media briefings and presentations held daily at the beginning of construction; newsletters released to the community, government agencies and bayside residents; 22 media releases; and 42 Notice to Mariners containing key information on project works.

Twenty-nine project complaints were received and all formally investigated against

compliance measures; 488 responses to general enquiries were serviced within 48 hours of submission.

The CDP's schedule was published, including release of quarterly reports on the Council website; and media tours and established site visits.

A Community Liaison Group was established as a body to provide feedback to the community about project works and options for community input. As a non-decision making body, the Group held open meetings on a quarterly basis and advised the Corporation on managing and minimising impacts, issues or perceptions by being a channel of dialogue between the community and government agencies. Its members comprised of representatives from industry and municipality associations, councils and shires, a chamber of commerce, neighbourhood committees, unions, federations, a shipping organisation, a coalition party, an eco-centre, community organisations, and local residents.

The EMP established a range of monitoring programs that were implemented to measure construction impacts such as turbidity, underwater noise, and airborne noise and its effects on the status of key species, habitats and ecological processes in the bay.

Data collated determined construction management and operations. Seven programs are ongoing for long-term monitoring of eco-systems, and findings are published in post-construction Quarterly Project Reports. Close-out audits of programs and project assessment were reported in the CDP's Project Close-out Report, published on the Port of Melbourne Corporation website.

Source: Port of Melbourne Corporation 2010; Consultation (interviews) with the Department of Premier and Cabinet Victoria participating in this study

Box 2.11 highlights how ACT Community Services Directorate's Purchasing Framework and Social Compact define and encourage engagement between the ACT Government and the not-for-profit sector.

## BOX 2.11

### ENGAGING WITH COMMUNITY SERVICE PROVIDERS

The ACT Community Services Directorate has a comprehensive range of human services to deliver. Clients are both voluntary and involuntary, across a broad spectrum of need — disabilities, children and young people at risk, vulnerable families, Indigenous disadvantage, culturally and linguistically diverse groups, those with housing needs, older people and disadvantaged women.

The Directorate has a key role in meeting the welfare and life cycle needs of many Canberrans and does this through direct assistance and supporting well-developed partnerships and networks.

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

The ACT Purchasing Framework is being designed to deliver efficient and effective population outcomes for vulnerable Canberrans across government funded human services. The framework will streamline contracting arrangements and will provide improved information on outcomes achieved for specific population groups in the ACT.

While there is still a tight purchaser-provider commercial contract, developed within the 'purchasing framework', the relationship with the community sector has broadened under a Social Compact. The Compact was introduced in 2004 as part of the whole-of-government Canberra Social Plan — a template for the ACT government to measure service delivery over a ten to fifteen year period.

The Compact is a statement about the relationship between the ACT Government and the community sector. It aims to build a long-term mutual understanding as a foundation for shared activities. The Compact promotes dialogue, explains how each sector manages relationships, how problems in the relationship might be solved and how to evaluate whether the relationships are working.

It mandates regular collaboration between Directorate executives and community representatives. Community forums are held every six weeks to discuss delivery issues, sustainability and viability of services. The Joint Community Government Reference Group is responsible for overseeing the Compact and ensuring each sector adopts collaborative processes for service delivery. Results are reported in the Community Service Directorate's Annual Reports.

The existence of the Compact reflects the government and community's acknowledgement of the importance of early engagement and the role it plays in developing effective working partnerships to better address community concerns. The feedback from forums is regularly fed into the policy design process. It assists with opening pathways between government and community to ensure mutual respect and understanding, a shared responsibility for communication and agreed decisions, as well as setting priorities across portfolios.

#### Structure and content of the Compact

**Shared vision** — an inclusive community that enables people to participate and lead purposeful lives

**A significant relationship** — distinct and complementary roles to play in delivery of public policy and services, social planning and in building healthy communities

**Role and contribution of the community sector** — building community involvement and participation, addressing social needs and strengthening community capacity

**Role and contribution of government** — responsibility for promoting participation, building community capacity and addressing social needs.

**Principles for working together** — the basis for partnership and constructive working relationships.

#### Undertakings by community sector and government:

- how to work with each other;
- sectors planning and policy development;
- governance management and accountability; and
- quality in services.

Source: Department of Disability, Housing and Community Services 2004; Department of Disability, Housing and Community Services 2007; Consultation (interviews) with the Department of Disability, Housing and Community Services ACT participating in this study

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

A collaborative partnership establishes expectations of being more than a clean cut agreement on who does what. It conveys aspirations of a deeper set of personal relationships.

An equivalent transformation is occurring in the business sector where building relationships and collaboration is valued because it can deliver a significant benefit.

Box 2.12 provides an example of partnership agreements between the government and private sectors.

#### BOX 2.12

##### PARTNERING WITH THE PRIVATE SECTOR

In 2007, the Victorian Department of Planning and Community Development (DPCD) saw the Strengthening Local Communities strategy as a means to better integrate education and community infrastructure and services in Melbourne's growth areas.

The project was carried out through a partnership approach, involving the large housing estate development in Melbourne's North and Western growth areas of Laurimer (City of Whittlesea) and Caroline Springs (Shire of Melton).

The partnership with property developers included local councils, State government agencies and a number of community organisations.

DPCD was determined to integrate and deliver better quality and tailored school and community infrastructure, to demonstrate the benefits of governing in an innovative manner, strengthen the capacity of local government to deliver community infrastructure, and demonstrate the contribution of innovative shared-use community infrastructure.

DPCD facilitated partnerships in two locations by using a single, high-level broker.

The broker's role involved building and mediating relationships between partners, coordinating activities, supporting working groups, and building capacity within member organisations to eventually allow these organisations to undertake planning activities on their own.

The partnerships significantly strengthened community involvement. However, the DPCD did encounter certain challenges. For example, the role of inflexible institutional arrangements amongst certain organisations, slowed decision-making and acted as an impediment to action. Negotiating joint agreements was also a challenge, as was the lengthy time involved in negotiating different aspects of the partnership.

Source: Department of Planning and Community Development 2010; Consultation (interviews) with the Department of Planning and Community Development Victoria participating in this study

Box 2.13 highlights examples of further partnership agreements between State and local governments, and between government and the community sector in Victoria.

## BOX 2.13

## PARTNERSHIP AGREEMENT WITH LOCAL GOVERNMENT AND THE COMMUNITY SECTOR

**Partnering with local government**

In August 2009, the former Secretary, Victorian Department of Education and Early Childhood Development (DEECD) and the CEO of Municipal Association of Victoria (MAV) co-signed and launched the DEECD-MAV Partnership Agreement in recognition of the importance of the Department working with local government in delivering high quality services, particularly early childhood services.

The agreement is aimed at guiding relations between the parties around issues including funding, policies and planning. It is based on a number of shared principles, including mutual support when engaging with the Commonwealth Government, fostering opportunities to work together, and transparent and timely communication and consultation.

Under the agreement, the DEECD and MAV agree to cooperate and consult with each other in shared policy areas, to share data and information and to promote a common understanding of mutual needs. It also provides for an evaluation process, with the parties agreeing to monitor the implementation and effectiveness of the agreement.

Each year an Action Plan is struck which identifies six to 12 areas of priority for the next year. Examples of actions include a survey of local government regarding local government support for children, young people and their families, and sharing of the results, roundtables and regular senior level meetings and exchanges of views.

**Structure of the Partnership Agreement**

The Agreement establishes a set of principles in relation to agreements, funding arrangements, plans and policies between the Department and the MAV.

The Agreement is structured under the following headings:

- Overview, including the policy context;
- Principles;
- Statement of responsibilities;
- Obligations of the parties;
- Relationship of the Agreement to other documents; and
- Managing difference, evaluation and review.

**Partnering with the community sector**

In June 2010, the former Secretary, Victorian Department of Education and Early Childhood Development (DEECD) and the CEO, Victorian Council of Social Service (VCOSS) co-signed and launched the *DEECD-Victorian Community Sector Partnership Agreement 2010-14* in recognition of the importance of the community sector to the Department's core business, particularly in improving outcomes for disadvantaged or vulnerable children and young people.

The four-year agreement commits both parties to improving the learning, development, health and wellbeing outcomes of Victorian children and young people.

The partnership agreement came into being after the Department recognised that outcomes for children and young people could be delivered more successfully if an explicit partnership was struck with the community sector. In early 2010, the DEECD commissioned VCOSS to consult with the community sector regarding the key elements of the partnership. Five formal consultations were conducted across Victoria, with VCOSS also engaging with different community sector organisations.

The agreement is based on a series of shared principles, including collaboration; communication, consultation and engagement; transparency and joint leadership. The purpose of the partnership includes building strong relationships with the community sector, exploring joint work and resources sharing, and collaborating on key issues and themes.

As part of the partnership agreement, the DEECD and VCOSS have committed to jointly developing an Action Plan for each financial year to outline work for the two organisations to undertake together. The partnership agreement also contains a commitment to evaluating and reviewing the implementation of the agreement following the first year of its operation, and then whenever evaluation is considered jointly necessary.

**Structure of the Agreement**

The Department and the Victorian community sector will work together to improve the learning, development, health and well-being outcomes of all Victorian children and young people, particularly those who are vulnerable or experiencing disadvantage.

The agreement is structured under the following headings:

- Policy context — relation to other Government policies; role of the sector in Victoria;
- Development of the Agreement;
- The partners;
- Shared principles — based upon an engagement model that emphasises co-operation and commitment;
- Intent of the partners — the actions and behaviours each party commits to; what outcomes each hopes to gain;
- Action Plans — a commitment to the joint development of Action Plans for each financial year;
- Relationship of the Agreement to other documents;
- Managing difference;
- Evaluation and review.

Source: Department of Education and Early Childhood Development 2009; Department of Education and Early Childhood Development 2010; Consultation (interviews) with the Department of Education and Early Childhood Development Victoria participating in this study

These collaborative arrangements in government are raising questions about how best to preserve an independent and arms length focus on serving the public good while at the same time building closer relationships with stakeholders.

Some comments from our study's participants illustrate these new dilemmas:

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

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

Where business positioned to strike long-term commercial partnerships within competition laws, government agencies are finding the partnership-collaboration-public good equation more complex to navigate.

Collaborations with the private sector call for a different set of skills for employees in the public sector; how to identify and engender these skills leaves many public sector agencies guessing.

## 'LADDERS' OF ENGAGEMENT

Several frameworks suggest continuums or 'ladders' of stakeholder engagement, which can be used to decide what level of engagement is most appropriate around an issue, strategy, or development.

These 'ladders' are used by many organisations to guide why, how, when and how frequently to engage stakeholders.


Table 2.5 presents an overview of four 'ladders' relating specifically to engagement with the public.

Moving up an engagement 'ladder' implies a deeper level of engagement, which empowers stakeholders progressively to be part of a dialogue, and play a significant role in how decisions are made.

However, deeper stakeholder engagement requires considerable resources. An organisation's constraints in available time, criticality, security, and funding for stakeholder engagement need to be balanced against its practice (APSC 2007).

The nature of engagement can change during a process. While certain engagement approaches may be necessary at one stage of the process, other methods may be more appropriate in other stages as an issue or development plays out or matures (Schlossberg and Shuford 2005).

TABLE 2.5  
LADDERS OF PUBLIC ENGAGEMENT

Arnstein (1969)	Wiedemann and Fermers (1993)	Dorcey et al. (1994)	Conner (1988)	
<b>Degrees of Citizen Power</b> <ul style="list-style-type: none"> <li>• Citizen control</li> <li>• Delegated power</li> <li>• Partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Public participation in final decision</li> <li>• Public participation in assessing risks and recommending solutions</li> <li>• Public participation in defining interests and actors and determining agenda</li> <li>• Public right to object</li> <li>• Informing the public</li> <li>• Public right to know</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing involvement</li> <li>• Seek consensus</li> <li>• Task ideas, seek advice</li> <li>• Consult on reactions</li> <li>• Define issues</li> <li>• Gather information, perspectives</li> <li>• Educate</li> <li>• Inform</li> </ul>	<b>Leaders</b> <ul style="list-style-type: none"> <li>• Resolution/ prevention</li> <li>• Litigation</li> <li>• Mediation</li> <li>• Joint planning</li> </ul> <b>General Public</b> <ul style="list-style-type: none"> <li>• Consultation</li> <li>• Information feedback</li> <li>• Education</li> </ul>	 Increased Public Involvement and Citizen Control
<b>Degrees of Tokenism</b> <ul style="list-style-type: none"> <li>• Placation</li> <li>• Consultation</li> <li>• Informing</li> </ul>				
<b>Non-participation</b> <ul style="list-style-type: none"> <li>• Therapy</li> <li>• Manipulation</li> </ul>				

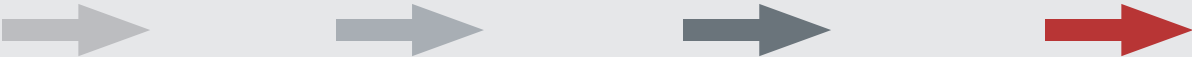
Source: Schlossberg and Shuford 2005

TABLE 2.6  
IAP2'S ENGAGEMENT CONTINUUM — OUTCOME AND TECHNIQUES

Inform	Consult	Involve	Collaborate	Empower
Public participation goal				
To provide the public with balanced objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives, and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the public				
We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Source: IAPP 2007

TABLE 2.7  
CONTINUUM OF RELATIONSHIPS BETWEEN AGENCIES

Networking	Coordinating	Cooperating	Collaborating
Exchange of information for mutual benefit	Exchange of information for mutual benefit	Exchange information	Exchange information
Information relationship	Alter activities	Alter activities	Share resources
Minimal time and trust	Formal relationship	Sharing resources to achieve a common purpose	Enhance capacity of another to achieve a common purpose
No sharing of resources	Requires moderate time and trust	Formal relationships	Formal relationships and structures
	Minimal sharing of resources	Substantial time and trust required	Joint planning, implementation and evaluation
		Some sharing of risks and rewards	Extensive time and trust required
			Share risks, responsibilities, rewards
			

Source: Department of Premier and Cabinet 2010

When considering community engagement, a popular tool used by many government departments and agencies in Australia, is the International Association for Public Participation (IAP2) continuum (see Table 2.6).

Many stakeholder engagement frameworks employ a more simplified version of IAP2's continuum. This involves a three-tier continuum from simply providing information to stakeholders, ramping up to conducting consultations; and escalating then to engagement in shared decision-making or action (often referred to as 'empowerment').

As discussed in Chapter 1 of our report, new approaches in governance include full collaborative or 'joined-up' government initiatives.

These approaches can be guided by specific engagement 'ladders' that are relevant to the increased interactions between government departments and agencies.

The Tasmanian Department of Premier and Cabinet utilises an example of such a continuum. It highlights the hierarchy of different governance relationships between agencies, as well as the resources needed to facilitate these relationships (see Table 2.7).

The continuum in Table 2.7 demonstrates that not all inter-agency relationships require formal arrangements. The extent to which goals, authority, resources, risks, successes and accountabilities are shared across the continuum varies (DPC Tasmania 2010).

In departments and agencies that focus on public service delivery, the stakeholder relationship continuum may include arrangements for co-design and/or delivery of services.

For example, the Commonwealth Department of Human Services is embracing its own engagement continuum to reflect the complexity of relationships it needs to develop to deliver its service agenda (presented in Box 2.14).

## TOOLS FOR ENGAGEMENT

Most stakeholder frameworks that provide guidelines for varying levels of engagement, suggest what tools need to be used (see Table 2.3).

For example, IAP2 has developed a comprehensive toolkit that classifies tools into three categories: tools for providing information to stakeholders; tools to obtain information from stakeholders, and tools for active consultation with stakeholders.

Appendix A provides further details about this toolkit.

The suite of available tools includes more established mechanisms such as advisory boards, expert committees, and commissions.

However, a vast new array of tools are emerging internationally, driven substantially by interactive media, including summits, citizen surveys, citizens' assemblies, deliberative forums, focus groups, roundtables, and think tanks. Public sector departments are seeking access to these new tools and are testing their effectiveness.



Main drivers for innovation in engagement tools include searching for the voice of ‘real citizens’, the need for ‘expert’ views to legitimise decisions and search for processes facilitated by the power of interactive media.

#### BOX 2.14

##### SERVICE DELIVERY ENGAGEMENT CONTINUUM

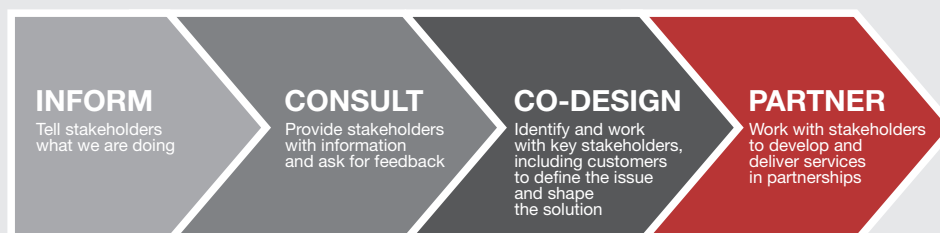
The Commonwealth Department of Human Services is responsible for development of service delivery policy, and provides access to social, health and other payments and services.

It was created on 26 October 2004 as part of the Finance and Administration portfolio. The *Human Services Legislation Amendment Act 2011* integrated the services of Medicare Australia, Centrelink and CRS Australia on 1 July 2011 into the Department of Human Services.

The Department has a long history of working with key stakeholders who have helped it deliver world class social service and health payment programs over many years. Its stakeholders are individuals, groups or organisations that have an interest in, are impacted by or can affect our business actions, decisions, policies or practices, and include:

- government departments and policy agencies;
- community and third sector organisations;
- medical professionals and organisations;
- business and professional associations; and
- the Australian community.

Engagement includes interactions with graduating levels of participation and influence, from information sharing to consultation, co-design and active participation in decision-making. A key aspiration for the Department is to build community and stakeholder confidence in its engagement process. A key priority is to move towards an environment in which engagement is conducted through co-design and partnering.



Source: Department of Human Services 2010; Consultation (interviews) with the Commonwealth Department of Human Services participating in this study

A set of relatively new engagement channels in Australia are listed in Box 2.15.

## BOX 2.15

## NEW ENGAGEMENT ARCHITECTURE IN AUSTRALIA

As new engagement models are being generated, the challenge is to maximise the benefits from the significantly increased effort these require. Examples include:

- Compacts between non-government bodies and governments — formal and long term agreements on mutual expectations (e.g. Commonwealth Department of Human Services; Department of Education and Early Childhood Development Victoria; Federal Government)

Good practice advice includes: taking the time to agree upon a shared vision and mutual expectations; involve leaders and sustain their role; support capacity building if needed; celebrate the collaboration but also make the agreement concrete — show the actions to be pursued; make sure the actions count and improve performance; keep testing the framework and report on outcomes.

- Deliberative forums — extended and expert-led representative citizen panels on technical or complex questions (e.g. very few initiatives and often sensitive: climate change, water reforms, infrastructure planning)

Good practice advice includes: attend to composition — random, sampled etc; the need for outstanding facilitation; carefully plan expert input; agree participant conduct rules up front e.g. respect, open minded; plan large and small group formats; explain role in relations to subsequent decision making to forum and more particularly to others.

- Interactive media forums — blogs, Facebook, SMS, Nings (e. g. Department of Premier and Cabinet, South Australia; Department of Primary Industries, Victoria; Department of Education and Early Childhood Development, Victoria)

Good practice advice includes: the purpose must drive the media — know what will it add and when it will not add value; look ahead and avoid the ‘so what now’ question after people contribute; put in the resources to respond at a fast rate; information flows two-ways so can’t be risk averse; must ensure rapid information flow and response — provides a new tool in emergency management, where else?

- Citizens forums/ summits/ extended community forums (e.g. Port of Melbourne Corporation; Bushfire enquiry forums, Victoria; Federal Government)

Good practice advice includes: rigorous clarity about objectives and purpose; people know why they are there; full transparency and honesty; rigorous attention to building and sustaining trust; treat with respect; documentation appropriate to time sequence.

Source: Consultations (Interviews) with the Commonwealth Department of Human Services; Department of Education and Early Childhood Development Victoria; Department of Premier and Cabinet South Australia, Department of Primary Industries Victoria and Department of Premier and Cabinet Victoria participating in this study

Many departments and agencies have also developed their own engagement tools for developing relationships with other government and agencies, pitched at their needs and administrative arrangements.

For example, the Australian Bureau of Statistics, in its effort to develop and improve the statistical system across government agencies, interacts and engages with other government agencies and stakeholders through conferences, forums and out-posted officers (Box 2.16).

Other examples of innovative public engagement tools in Australia and internationally are included in Appendix B.

## BOX 2.16

## ENGAGEMENT TOOLS: NATIONAL STATISTICAL SERVICE

The Australian Bureau of Statistics Act of 1975 enacted the Australian Bureau of Statistics (ABS) as the central statistical authority for the Australian government and, by arrangement, for Australia's states and territories.

The legislation also established the Australian Statistical Advisory Council (ASAC) to advise the Australian Statistician and the Minister on priorities and necessary improvements to statistical services. ASAC members are appointed by the Minister and comprise major stakeholder groups with representatives from Commonwealth and State agencies, and non-governmental organisations.

The ABS, in conjunction with ASAC, has advanced the establishment of a National Statistical Service (NSS) to develop and improve the statistical system across government agencies. To be successful official data resources, held separately across government agencies and jurisdictions, information needs to be able to be brought together through an agreed statistical framework. Success of the NSS is reliant on strong support from government agencies and their effectiveness in creating and sharing datasets that can be used to produce official statistics; while many agencies contribute implicitly to statistical improvements, to date there has been limited active or explicit contribution to a more coordinated approach to advancing the NSS from other government agencies. Legislation gives the Australian Bureau of Statistics authority to coordinate statistical activity across government, yet its ability to mandate is restricted by lack of awareness, inertia and because systems, frameworks and policies are not aligned.

A key event to assist in raising the NSS profile has been the introduction of a bi-annual National Statistics conference ('NatStats') for stakeholders. With around 500 participants at each, these conferences have helped to build relationships and partnerships in the NSS. Additionally ASAC, in conjunction with the COAG Reform Council, which has similar concerns about duplication, inconsistency in collection and overall cooperation, has led high-level discussion with Commonwealth and State officials to encourage greater collaboration.

The ABS also consults at Commonwealth and State levels through the Australian Government Statistical Forum and State forums to exchange information, identify broad strategic statistical priorities and promote cooperation for the use of statistics and strengthen intergovernmental relationships. Through such engagement, the South Australian Government in 2004 became a foundation member of the National Statistical Service.

A key strategy to progress the NSS is the use of out-posted officers in Commonwealth and State agencies. By facilitating access to statistics, developing statistical capability and strengthening the coordination of statistics, out-posted officers can improve relationships and build alignment across the statistical system.

Source: Consultation (interviews) with the Australian Bureau of Statistics participating in this study

## 2.7 Designing stakeholder engagement evaluation

Where they exist, stakeholder engagement frameworks frequently outline minimum approaches to evaluation and measurement.

Best practice stakeholder engagement frameworks incorporate evaluation activities throughout the whole stakeholder engagement process, and provide guidance about evaluation questions, methods and processes. Box 2.17 highlights how the Victorian Department of Education and Early Childhood Development evaluates its stakeholder engagement.

There are two main trends in measuring and evaluating methods for stakeholder engagement —methods based on desired *outcomes* and methods based on *outputs*. These are outlined in the following subsections.

## BOX 2.17

## INCORPORATING EVALUATION IN STAKEHOLDER ENGAGEMENT FRAMEWORKS

The Victorian Department of Education and Early Childhood Development's *Stakeholder Engagement Framework* has been developed to provide a more strategic and systematic approach to stakeholder engagement and management across the Department. The implementation of the Framework will seek to embed effective stakeholder engagement practices within the Department's existing frameworks, guidelines and processes.

The *Stakeholder Engagement Framework* outlines four key steps to follow when planning stakeholder engagement: defining the purpose of engagement, who will be engaged, the method of engagement and evaluating the engagement process.

The Framework highlights the importance of evaluating the effectiveness of engagement and learning from these experiences in order to maintain and strengthen stakeholder relationships. It recommends that evaluation be incorporated into normal operations so that staff can continuously adapt and refine their engagement practices throughout the project or policy process.

To help plan stakeholder engagement evaluation, the Framework provides a practical worksheet for staff to complete prior to the commencement of the stakeholder engagement process. The worksheet enables staff to determine:

- the key evaluation questions that will be used to measure the effectiveness of each stage of the engagement process, i.e. planning, engagement and outcomes
- the evaluation methods that will be used to evaluate each of these stages (e.g. surveys, interviews, data collection)
- how the evaluation process will be conducted, i.e. how each method will be carried out, by whom and by when.

Once the evaluation process has been completed, the Framework suggests that staff review and share their key learnings, and then provide feedback to the stakeholders involved.

Source: Consultation (interviews) with the Department of Education and Early Childhood Development Victoria participating in this study

## DEFINING EFFECTIVENESS AND SUCCESS THROUGH DESIRED OUTCOMES

The principles and desired outcomes that guide an engagement process can determine how performance will be evaluated and measured.

'Ideals' such as acceptance, transparency, representativeness and responsiveness are often tested during evaluation and measurement processes.

Table 2.8 presents evaluative questions that can be asked to determine the performance of stakeholder engagement process.

## EVALUATION BASED ON OUTPUTS

In 2011, many departments use output-based approaches to define if a stakeholder engagement process has been effective.

Output-orientated dimensions, also known as product-oriented dimensions, focus on the outputs of a process only. Examples of this include minimalist approaches such as headcount of individuals consulted (if individuals were consulted at all), to whether stakeholder networks or links are developed (McCool and Guthrie 2010).

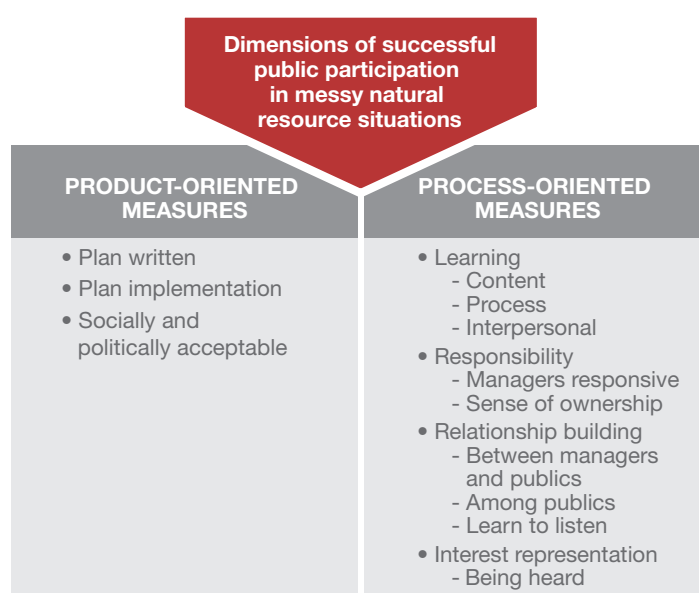
TABLE 2.8  
KEY CONDITIONS FOR STAKEHOLDER ENGAGEMENT SUCCESS

Condition for success	Questions to ask
Representativeness	How will citizens be chosen so that they are representative of the population?
Independence	Will impartial facilitators be chosen? Is a fair process in place to give all involved a chance to participate, not favouring one perspective over another?
Early involvement	Will citizens be involved in setting the agenda? Defining the rules of the process? Choosing experts? Defining their need for information?
Influencing the policy decision	Will priorities or decisions made affect the policy decision? Is there willingness within the organisation/department for this to happen? Is there a genuine commitment by the organisation/department to the process and its outcomes?
Providing information	Is there a plan/budget to prepare an information package for participants? Will it be verified or tested to ensure that it is clear and easily understood by a broad audience?
Resources accessibility	Have participants been provided with enough time to inform themselves and to discuss amongst themselves? Has money been provided for transportation, time off work, childcare etc?
Structured decision-making	Are the objectives clear, realistic and transparent? How will it be made clear to participants, <i>from the beginning</i> , how the information generated will be used? Has the communication strategy been developed to inform the general public and participants of how citizens will have affected the decision?

Source: Sheedy et al. 2008, p.23

An example of this approach is provided in Figure 2.3. The figure illustrates the difference between product- (output) and process- (outcome) orientated criteria when determining the effectiveness of public participation in natural resource management situations, where the output is a plan (an environmental impact statement in this study).

FIGURE 2.3  
DIMENSIONS OF SUCCESSFUL PUBLIC PARTICIPATION



Source: McCool and Guthrie 2010, p.314.

The common criticism of the output-based approach is its lack of focus on the process or outcomes; that is, there is no consideration, or evaluation, of outcomes (McCool and Guthrie 2010; Oughton 2008).

For instance, while a sufficient number of people may have been consulted is an output the extent to which stakeholders are satisfied with the engagement is an outcome.

While outputs, such as writing and implementing an engagement plan, are important, how the process is conducted is fundamental. These two arenas will overlap, to some extent. Therefore any consideration of the effectiveness of a stakeholder engagement process should take into account outputs as well as outcomes (McCool and Guthrie 2010).

## OECD'S EVALUATION APPROACH

This section details the OECD's evaluation approach (as an example of a holistic evaluation framework).

As noted in OECD's 2001 report, *Citizens as Partners*, there is a striking imbalance between the amount of time, money and energy that governments invest in engaging stakeholders in public decision making, and the amount of attention they pay to evaluating the effectiveness and impact of those efforts. That is, governments too infrequently investigate whether their efforts have made a difference.

The OECD 2005 report, *Evaluating Public Participation in Policy Making*, develops a framework for assessing government performance to inform, consult and engage citizens in public policy making.

The framework outlines different approaches according to the purpose of engagement: information provision, consultation or participation.

Evaluations within the field of information, consultation and participation, it is argued, seek to assess the worth and merit of the process — that is when the process has made a difference and when it has not.

The OECD argues these should be systematic, and value judged based on empirical data and a logical process. The authorities that commission and actually do the evaluations will, however, have to define what constitutes a good process.

The objective of the evaluation is also very important in practice, it must be tailor-made to specific situations. For example, evaluating a process of participation in policy making is an entirely different task to evaluating a public information campaign.

Even if the purpose of the evaluation itself is the same (e.g. to learn from the experience), the resources needed and methodology taken will be different.

The next subsections outline the OECD's suggestions for evaluating information provision, consultation and public participation (2005).

### Evaluating public sector providing information

The primary questions to ask when evaluating provision of information are whether the information has really reached those it was intended to reach, and whether such provision achieved the intended outcome.

What can be evaluated includes information products, such as educational materials and brochures, or the mechanisms for delivering information such as direct mailing or advertising campaigns.

An evaluation can include public surveys that:

- measure the amount of knowledge gained by the public;
- identify any lack of information;
- identify sources of information; and
- capture opinions about the information.

Many governments collect data about requests for information, and monitor the impact of their information campaigns. The Norwegian Central Information Service obtains monthly statistics on documents recorded, requests for access to information, requests refusals, and the reasons for refusal. These statistics are published in annual reports.

In Switzerland, a standard public opinion survey is conducted among a representative sample of the electorate after each referendum or election, to establish how people obtained information prior to the vote.

### Consultation

Evaluating consultation procedures may involve questions such as:

- who was invited/selected and why;
- were there comments from others (not invited) about the process of exclusion; and
- what substantive information was generated during the process of consultation, including what was the value of the information and whether there was consensus among the opinions expressed.

The consultation process can have several objectives.

It can generate more policy options and better responses to citizens' concerns. The evaluation, therefore, will have to address whether such objectives are met, and also to probe whether citizens' ideas, suggestions and concerns, genuinely influence decision-making.

In contrast to providing information, where the target group is the general public, consultation processes will be likely to involve other groups, such as members of the public administration, who will have important views and/or knowledge of the process. Therefore, evaluating consultation processes involves assessing the experiences of different groups of participants.

Although surveys can prove a useful evaluation tool, the OECD recommends also other qualitative methods, including interviews. As Oughton (2008) highlights, the process of consultation may be as important as the results — therefore, evaluation may need to compare different consultative processes.

### Public participation

The evaluation task becomes even more complex when assessing active participation.

This can involve assessing efficiency and effectiveness of administration, and more intangible aspects linked to the quality of the engagement process.

As well, different stakeholders can have different objectives for participating. It is, therefore necessary for the evaluation to balance these interests.

While some public entities see engagement as a value in its own right (as highlighted earlier), there can be criticism of how participatory processes are started, implemented and used.

There is a particular need, for evaluation in the early stages of the process to inform how stakeholders will be engaged, and to give them real voice (OECD 2005; Oughton 2008).

The methods to undertake this are ultimately open. However, there is a trend in the literature towards qualitative methods as evaluation tasks become more complex, including qualitative interviewing, focus group methods and participatory observation.





## CHAPTER 3

# MANAGING STAKEHOLDER AND PUBLIC ENGAGEMENT

A consequence of increasing citizen expectations for stakeholder engagement is that differences among policy and service domains have become more apparent and require specific approaches.

As awareness grows that stakeholder engagement design and management need to be tailored to the characteristics of policy and service delivery, a new understanding of public processes to deliver new solutions is required.

A sophisticated approach to stakeholder engagement entails many operational issues, such as developing the skills to design and manage, modifying the policy development process to incorporate the tools, engaging 'hard to reach' sections of the population (especially the Indigenous community), and designing metrics to explain outcomes to performance monitoring bodies.

Furthermore, in our discussions with departments as part of this study, we have found that:

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

In this chapter we focus on the many insights (and cautions) that existing management of stakeholder and public engagement provides, which can be useful when thinking about the above challenges.

The main focus areas in this chapter include:

- an investigation of the differences in stakeholder engagement practice among different policy domains, and the influence the involved politics have on such practice;
- the need to further strengthen capabilities for engagement;
- cautions and experiences around what constitutes effective stakeholder engagement, and how this is evaluated and measured; and
- the complexities with engaging the Indigenous population.

## 3.1 Engagement within different policy areas

For stakeholder engagement plans to deliver significant outcomes in improved policy, particularly for intractable social problems, complex environmental challenges and more efficient services for citizens, the task is to deeply understand the nexus between the public, stakeholders and the policy or service.

Vastly different design and management issues emerge in engagement approaches that apply in health or education, from those found in agriculture, tourism, transport, the environment, defence, and policing (Head 2007).

The demands of different policy and service portfolios vary in the logistics and content of stakeholder engagement, and the range of geographical and political or institutional situations.

Social policy, for instance, has generally been seen as open to the influence of many players; whereas defence and technology policy have tended to be the preserve of much tighter circles of stakeholders.

Differences in approach are also becoming apparent between stakeholder engagements for major policy decisions (usually politically led and often media intensive) versus public sector led consultations on implementing and designing service delivery.

The following subsections highlight stakeholder engagement approaches and challenges within main policy portfolios, including co-design, human services, and environment and infrastructure.

## CO-DESIGN APPROACH

‘Citizen-centric’ not only refers to new governance models and revitalising participatory processes for policy formation, but it denotes also an emerging approach to innovation in designing public services as they are delivered to citizens. In the latter, the emphasis is on designing services *with* them, rather than *for* them. Co-design or collaborative design are current terms applied to these new governance models and approaches.

The Danish organisation MindLab has been given prominence internationally for its co-design methodology (read more about MindLab in Appendix B). The Commonwealth Department of Human Services is a local example of a major commitment to a co-design methodology to re-shape extensive services to the Australian community offered through agencies such as Centrelink (see Box 3.1).

We note that notions of the ‘citizen-centric’ model are not exclusive to the social policy domain and there are examples in other areas of policy.

For instance, Victoria Police has designed a sophisticated planning and service model that incorporates capturing stakeholder feedback for improving its services (see Box 3.2).

## HUMAN SERVICES

In broad-brush terms, human services domains such as health, welfare, education and Indigenous affairs have long run reform timeframes.

Extensive stakeholder and client engagement has become an essential tool in complex social policy reform. However, these areas have many and highly diverse stakeholders and employees, who are often geographically widespread.

Box 3.3 summarises the views of a number of Australian departments in the wider human services and social policy domain. This account is an illustration of the growing complexity of stakeholder engagement in these domains.

## BOX 3.1

## CO-DESIGN: ENABLING CUSTOMERS TO COLLABORATE WITH GOVERNMENT IN POLICY AND SERVICE DESIGN

In December 2009, the Australian Government announced the Service Delivery Reform agenda — aimed at simplifying people's dealings with government by giving them more control, and better support and assistance when they need it. Greater citizen involvement in service design was highlighted as being central to achieving this objective.

'Co-design' or collaborative design puts people first to improve the quality of interactions between the community and government. The Department of Human Services is currently developing a new co-design capability to enable it to combine use of design thinking and practice with collaborative engagement approaches to put people, in particular customers, at the centre of service design.

Instead of the more traditional 'inside-out' consultation approach, the department is adopting an 'outside-in' approach to design, shape and deliver services that better meet the needs of customers. This means incorporating people's input at all stages of the design process, starting with gathering information that gives rich user insights to support stronger problem identification, through to early conception, prototyping, planning and final implementation.

*'Services are often designed 'back to front' – with most user involvement happening at the end of the service process – or once a solution or concept has been determined, through feedback and usability testing. Typically, users are asked if they are satisfied with the services they are getting. By then, of course, it's often too late – the service has been designed, staff have been employed and trained, and users have been told what is available. In addition, non-users are by definition seen as 'outsiders' whose opinions are of less interest – even though they may desperately need the kind of help the service is meant to provide.'*

*'The idea of co-design is simple: nobody knows better how public services should be designed than service users and their families, friends and the communities they live in. Co-design goes well beyond traditional 'consultation'. It's about seeing the experience of public services from the point of view of users and their communities. This triggers public service innovation.'*

DHS Executives

Recent activities within the Department to build a co-design capability include:

- developing a co-design methodology for the service delivery;
- building a team of co-design specialists and a community of practice across the Department and government;
- producing a toolkit of resources;
- developing governance arrangements;
- training staff on leading and applying co-design; and
- integrating existing customer engagement modes such as surveys, focus groups and usability testing.

In 2010-11, the Human Services portfolio took a number of critical first steps in co-design:

- conducting more than 40 forums with customers and staff on service delivery;
- reviewing market research to better understand the customer experience;
- developing a series of Customer Service Case Studies to show how current initiatives will improve service delivery; and
- mapping customer 'journeys'.

The Department is introducing new approaches and techniques to put the customer at the centre of strategic and project planning.

For example, it is using some core ingredients in the design thinking process such as 'blueprinting' and 'prototyping' to make ideas visible, tangible, and persistent.

It has also been developing Customer Journey Mapping (CJM) — an approach that maps the full customer experience, so that services can be re-designed based on customer needs. In contrast to traditional market research approaches and business process mapping, CJM captures the emotional dimension of the customer experience — the critical elements of the service which make users feel good about it or feel annoyed about it.

The Department's approach to customer journey mapping stresses the need to not only understand the needs of service users better but also capture what they are willing to contribute to improve their service experience and the outcomes of the service.

*'It's like, we are taking a clean sheet to asking how citizens want to engage and how they want to see services provided.'*

*'At this stage, we want to understand what is the best way for information to flow from citizens to those who design services.'*

*'This is hard and detailed work as we are asking for an almost total change in culture in how we engage and respond to citizens.'*

*'So when users help to design services, it brings more personalised services, delivered in the way most convenient to users; better quality of life, by tackling the problems which users care most about; wider and richer choices of innovative ideas for public agencies to try out and lower cost, by eliminating processes and activities that users see of little value.'*

DHS Executives

Source: Advisory Group on Reform of Australian Government Administration 2010; Consultation (interviews) with the Commonwealth Department of Human Services participating in this study

## BOX 3.2

## STAKEHOLDER FEEDBACK FOR IMPROVED SERVICE: VICTORIA POLICE

As part of its integrated planning and service model, Victoria Police's Western Region performs comprehensive environmental scanning and analysis that includes, amongst other assessments, profiles for reputational management and service demand.

Both these profiles incorporate seeking feedback from Victoria Police's major stakeholder groups that include other government agencies, major partners, its employees, the media and the community.

Victoria Police's reputational management profile aims to determine and appreciate the key reputational risks faced by each region, as well as key emerging issues within Victoria Police's stakeholder environment that may impact on community safety.

Assessment for this profile includes analysis of COAG's National Survey of Community Satisfaction with Policing (NSCSP) data. The NSCSP captures general community views about local issues and perceptions of police performance.

To support its reputational management profile, Victoria Police conducts large stakeholder forums that aim to focus on key priority areas and issues. Stakeholder representation for these forums is tailored according to the addressed issue. If further insight is needed, one-on-one stakeholder consultations may also be conducted.

Victoria Police's service demand profile involves surveying its service delivery partners to explore options around targeted service delivery to key groups.

For Victoria Police, the overall aim of capturing stakeholder feedback is to improve community profiling and reinforce assessment and referral functions across government services to improve community welfare.

Source: Consultation (interviews) with Victoria Police participating in this study

The OECD (2009) report on essential factors in successful policy reform concludes human service reform revolves essentially around knowing how to address factors deriving from large and complex systems with a long lag time between conception of a reform, and full implementation.

There is likely to be an unusually high degree of path dependency where systems have evolved in highly specific ways with practices deeply entrenched in history.

There is the strong influence of providers and their interests, and the great difficulty of making a case for reform when the evidence base is weak, and there is only loose consensus about how to assess outcomes. Implementation of reform in these areas may extend beyond the life of one government.

## BOX 3.3

## FACING THE FUTURE: CHALLENGES AHEAD IN HUMAN SERVICES

**Expanding stakeholder groups** — the number of advisory boards and other engagement tools continue to proliferate in response to emerging issues. Multiple advocacy groups are funded e.g. in one jurisdiction there are four groups funded on behalf of homelessness. Departments are unsure about the life cycle of stakeholder advisory groups, and whether it is effective to blend service areas so that target groups are consulted continually.

**Transparency** — the growing imperative for transparency around government policy and operations is clear, but a high level of experience and maturity is needed to achieve this. For example, the Productivity Commission can ask stakeholders to respond to significant policy questions. These stakeholders expect that their responses will be received in a reflective way. They expect 'a mature and non-defensive' response. This is often not the case with other 'issues' that government departments may handle.

**Principles for engagement** — a better stakeholder framework is needed to enable decision-making around questions of when, and to what extent to consult and engage stakeholders. This should comprise principles that apply to all target groups and be accompanied by tailored strategies that take into account specific characteristics, needs, and capacities.

**Influencing front line workers** — the need for an engagement framework also applies to influencing the 'values and behaviours' of the front line workers who are delivering services. As expectations change, the front line workers represent the day-to-day mechanism for developing positive relations and for gaining feedback and input into better service design. Front line workers need to be a core part of stakeholder engagement planning.

**Getting to the perimeter** — there are many challenges when dealing with disadvantaged groups and identifying and engaging with people not traditionally heard — for example young people, those not in the 'system' but deserving of assistance, and identifying the newly emerging voices. Departments are wondering whether new technologies and social media will assist with this.

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

Source: Consultation (interviews) with a number of Australian departments participating in this study

## BOX 3.4

## SOCIAL POLICY ENGAGEMENT INNOVATIONS

The following are a few Australian examples that have features that fit the OECD findings on approaches to successful reform:

- Department of Human Services, New South Wales;
- Department of Veterans Affairs', Commonwealth Government;
- Department of Human Services, Commonwealth Government;
- Department of Premier and Cabinet, Tasmania;

Innovations and lessons include:

- confident long term reform timeline — a decade may be realistic;
- engagement processes become intensely relationship focussed — focus on lifespan with some groups;
- engagement process is rigorously adapted to client groups — too much information can be as damaging as too little;
- wide and intense engagement needed essential for NGOs and employees who deliver the services — they have a major stake in its success;
- wide use of independent facilitators;
- join the dots and avoid different people asking the same questions;
- services ultimately designed around client — as not just central focus but integral to service delivery; and
- on-going staff development a crucial factor.

Source: Consultation (interviews) with the Department of Human Services New South Wales, Commonwealth Department of Veterans' Affairs, Commonwealth Department of Human Services, and Department of Premier and Cabinet Tasmania participating in this study

There are a number of design innovations (presented in Box 3.4), where stakeholder and client engagements have been carefully tailored to the characteristics of the sector, and generally are consistent with the OECD features of successful reform (presented previously in Box 2.4), (for example, disabilities reform, child protection, veterans services and the wide spectrum of community services such as housing and family support).

As an example, the NSW Department of Human Services is pursuing a more ‘person-centred’ approach to disability services and ensuring that as far as possible, people with a disability, their families and carers will make decisions about the services and support they use (see Box 3.5).

#### BOX 3.5

##### ENGAGEMENT COMMITMENT FOR STRONGER TOGETHER REFORM

In 2006, the NSW Government introduced *Stronger Together*, a 10 year plan to provide more disability services in more flexible ways by building a disability service system that is sustainable, supportive and more responsive to the needs of people with a disability, their families and carers.

During *Stronger Together*'s first phase, the Ageing, Disability and Home Care division of the NSW Department of Family and Community Services worked to increase capacity and access to disability services for people with a disability.

In 2010, the then Minister for Disability Services hosted 13 stakeholder and community consultations to provide direction for the upcoming second phase of *Stronger Together*. These consultations were attended by a cross-section of people with a disability, their families, carers and people who are involved in delivering disability services in each region. Other attendees also included peak organisations, local and state government agencies, interested community members and elected representatives.

Nearly 300 people attended the two-hour sessions, which allowed those who are affected by the changes to the service delivery system to provide honest feedback on the outcomes of the first phase of *Stronger Together* and outline what they want to see in the second phase of *Stronger Together*.

The Department also received 422 online and written submissions, many of which expressed a need for greater choice and control over the supports and services they access in their daily lives.

Their views are reflected in the second phase of *Stronger Together*, which commenced on 1 July 2011. Under this second phase, the Government will be pursuing a more person-centred approach to disability services and ensuring that, as far as possible, people with a disability, their families and carers will be the decision makers about the services and support they use.

Consultation and stakeholder engagement are central to the development of this approach.

A further consultation process was launched in July 2011, with a two-day summit on person-centred strategies. In the second half of the year, more than 100 independently facilitated consultations will be held throughout NSW with people with a disability, their families and carers. There will be also workshops with service providers and other stakeholders.

Source: Department of Family and Community Services 2010; Consultation (interviews) with the Department of Family and Community Services New South Wales participating in this study

## ENVIRONMENT AND INFRASTRUCTURE

Environment and infrastructure policy domains differ significantly from the engagement strategies employed in social policy reforms discussed in the previous subsections.

Although recent efforts have called for broader stakeholder engagement (see Box 3.6 for the Department of Climate Change and Energy Efficiency's engagement process for the development of Green and White Papers), environment and infrastructure domains have a more concentrated technical bias. This often calls for expert-led engagement processes, as well as frequent geographic specific processes, including assumptions that local people have extensive and relevant knowledge.

These are often complex multi-faceted strategies. There are some significant successes, particularly in designing geographic specific engagement — noting that national issues necessarily have a different character and further complexities.

These are often complex multi-faceted strategies. There are some significant successes, particularly in designing geographic specific engagement — noting that national issues necessarily have a different character and further complexities.

Indeed, Australian bodies in the public and private sectors have devoted considerable resources to developing skills to drive local area engagement and many believe this is now showing results.

#### BOX 3.6

##### GREEN AND WHITE PAPER CONSULTATIONS

The Department for Climate Change and Energy Efficiency undertook a broad consultation/ stakeholder engagement process to inform the development of the Green and White Papers on the proposed Carbon Pollution Reduction Scheme in 2008. The consultation process was one of the largest stakeholder engagement activities facilitated by the Department, and involved a diverse range of stakeholders.

The Green Paper public consultation process involved a multi-faceted approach. Firstly, written public submissions were invited in response to an issues paper, accompanied by public information and workshop events in capital cities and regional territories. Stakeholders from businesses and non-governmental organisations participated through a separate process encompassing technical workshops and meetings. Additionally, certain industries that were considered to be key to the development of a Carbon Pollution Reduction Scheme attended specialised roundtable events.

State and Territory Governments were also included in the Green Paper consultation process and were engaged by the Complementary Measures Sub-Group, who reported directly to the Working Group on Climate Change. The Department also met individually with identified key stakeholders on a variety of issues.

The findings and feedback received from the Green Paper consultation process (through a second round of written submissions, plus additional public forums, business and NGO roundtable meetings and a large number of meetings with individual stakeholders) informed the White Paper's scope and policy considerations. The Green Paper set the framework of design for discussion and the consultation process enabled the Government to develop detailed policy positions outlined in the White Paper. The positions in the White Paper formed the basis for legislation that was subsequently introduced into Parliament.

Source: Commonwealth Government 2008; Consultation (interviews) with the Commonwealth Department of Climate Change and Energy Efficiency participating in this study

The Western Australian Department of Environment and Conservation has for instance embedded a deliberative approach to securing community consensus around a range of at times controversial issues including land use.

The Department sees itself as a 'policy broker' with a methodology that includes extensive gathering of local knowledge, expert input and evidence on sciences and technology, town hall meetings, close engagement with peak bodies, excellent communication with other government agencies and monitoring, feedback and review.

Sydney Water has, over a number of years, progressively refined a range of processes and allocated expert resources for engaging with the full spectrum of local area authorities, citizens and stakeholders directly impacted by specific projects (detailed in Box 3.7).



## BOX 3.7

## SYDNEY WATER: EMBEDDING STAKEHOLDER ENGAGEMENT IN ORGANISATIONAL DNA

**More than ticking boxes at Sydney Water Corporation**

Sydney Water, one of Australia's largest water utilities, has embedded stakeholder engagement around its capital and maintenance projects, and its strategic objective to be an innovative water company with a 'future focus'.

Sydney Water has operationalised this policy by designating each of its 1.6 million customer connections — including 140,000 business customers — as stakeholders.

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

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

Sydney Water manages a large capital works program. In 2009-2010, this billion-dollar program delivered major water wastewater and recycling projects, including a Desalination Plant. In that year, the organisation managed over 100 capital works projects at more than 1,000 sites, which affected 100,000 customers.

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

Stakeholder and community relations are a standing agenda item for project management team meetings of each significant Sydney Water project. In 2009-2010, more than 2,500 stakeholder meetings were held in conjunction with its projects and site works. These works generated more than 6,000 stakeholder enquiries.

**A sophisticated stakeholder and public engagement framework**

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

- a community and stakeholder engagement policy, guidelines and planning framework;
- stakeholder mapping around issues (and projects);
- stakeholder managers allocated to steward key relationships;
- a review every 18 months of the stakeholder environment, and stakeholder issues and attributes;
- a customer management system to track customer and stakeholder issues, and inform stakeholder engagement, as well as being a central repository for the organisation;

- capital project reviews of stakeholder engagement process and outcomes; and
- regular reporting to Sydney Water's senior executive and its Board on stakeholder engagement performance and outcomes.

Sydney Water's approach to stakeholder and public engagement is based on understanding the values and attributes of its stakeholders.

As well as its own capability to track and ensure management has access to advice on socio-political issues, trends and mores, Sydney Water also uses tools and channels including consultative forums and reference groups to engage stakeholders, and ensure their views and opinions are understood and clear when decisions are made.

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

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

**Capability, capacity and training**

Sydney Water applies its own capability to its stakeholder and public engagement (advice and assessments from Community Relations, Communications & Marketing and managers cognoscente of stakeholder imperatives).

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

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

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

Source: Sydney Water 2010; Consultation (interviews) with Sydney Water Corporation participating in this study

It has pursued close relationships with key stakeholders in localities, and has developed the capacity to adopt ‘an open and collaborative’ methodology, which it believes is paying two-way dividends (greater community buy-in and, importantly, gaining substantive advice from the community to Sydney Water).

Complex issues around city and regional planning, infrastructure development and environmental sustainability, are stimulating government to use stakeholder and public engagement to educate stakeholders about development dilemmas, as well as chasing the more traditional objective of seeking community opinion and support.

Involving the public in emergency and risk planning for environmental impacts is an area that has seen coordinated, intensive engagement efforts since 2009 — possibly as a consequence of increased available resources and an authorising environment for engagement.

An example of this, the Victorian Government’s efforts to engage local communities in emergency services planning, is highlighted in Box 3.8.

#### BOX 3.8

##### CONSULTATIONS FOR EMERGENCY SERVICES PLANNING IN VICTORIA

The 2009 Black Saturday Victorian bushfires raised many questions for government about the nature and intention of consultation and engagement with the community about risk, including:

- what is the best way to communicate risk for community understanding and compliance for their own safety;
- can government change people’s behaviour and where are the limitations;
- to what extent can government depend on people doing exactly as requested; and
- how should government respond to non-compliance.

In response to Australia’s most destructive bushfires recorded the Victorian Government, with collective community and government support, established the 2009 Victorian Bushfires Royal Commission to fully investigate the causes, circumstances, planning and responses to the bushfires from late January to February 2009. This involved a complex community engagement process. The Commission was charged with investigating the preparation and planning by emergency services and the community; and policies and laws for identification, evaluation, communication and management of bushfire threats.

The Commission’s Terms of Reference was shaped by input received from 26 public consultations held with 14 fire-affected communities commencing a month after Black Saturday occurred.

Chaired by independent facilitators, these consultations (closed to the media) were an informal opportunity for communities to share their experiences and views in a safe environment. Notes from the consultations, as well as a summary of themes, were published on the Commission’s website. Formal open hearings commenced separately as official investigations into finding answers to the issues and questions raised in response to the Terms of Reference.

Seven hearing blocks were held over 15 months with government officials, emergency services and police staff, as well as key individual witnesses interviewed. Transcripts were made available publically on the Commission’s website. Written submissions from the public and organisations were also called, and this feedback was taken into account in the Commission’s Interim and Final Reports.

The culmination of the Commission’s work resulted in a Final Report with recommendations based on extensive consultation for future bushfire prevention through legislative amendment, and reform of government and community mitigation and response to future bushfire situations.

Source: Victorian Bushfires Royal Commission 2009; Consultation (interviews) with the Department of Premier and Cabinet Victoria participating in this study

Conventional community engagement around development projects and local amenity is conducted by governments at all levels — particularly local and state, guided by detailed communication plans, skilled and dedicated officers, and flow of information and feedback.

As in industry, lessons have been learned over two decades about what the community expects to hear and where it can have a say. Models such as ‘the ladder of engagement’ (cited in Chapter 2) are now familiar and powerful.

There is, though, a new context emerging for stakeholder engagement in the realm of planning and development in the 21st century. Community information and education is needed to inform the major choices and trade-offs now required in these key areas of public policy.

This goes beyond gaining consent for a particular development, to engaging the community with the deeper questions of balancing short-term gains against longer-term costs.

The argument is that the public deserves to understand and engage in decisions about the trade-offs needed to achieve sustainability, as well as quality in development.

This may call for innovative community engagement structures, including bodies designed to educate as well as improve advice to government. Again though, a key question raised is what appetite is there in the wider community for sustained engagement around complex issues assumed to be the major responsibility of government.

### 3.2 The involved politics

*‘The Westminster system in Australia is not what it used to be,’* said a senior public servant participating in this study. *‘But one thing has not changed — and that is that politics is, always has, and always will be, a factor in how the public service operates in this country’.*

One of the most severe criticisms that can be made of a public service jurisdiction in Australia is that it has become ‘politicised’; many of its key appointments being ‘political appointments’; and fearful of delivering frank advice against the political grain of the government of the day.

Our consultations for this study identified many departments and agencies that could claim rightly that their operations are not influenced by political pressure from Members of Parliament, including Ministers and their Offices, outside legislation (including public service Acts of Parliament) and Australian Westminster conventions.

However, political reality is that the priority accorded to particular stakeholder groups can shift with a change of government. With a shift in government priorities, new structures are formed and older structures dissolve. This is continuously a complex challenge to manage for many of our study participants.

Some senior public servants noted further that:

- in numerous departments and agencies in some jurisdictions, stakeholder engagement was seen from time to time as a ‘public relations exercise’, and this diluted stakeholder trust in meaningful engagement;

- a number of stakeholders and peak stakeholder groups have unrealistic expectations about what public servants can influence and can deliver. This is a result of poor management of stakeholder expectations, and Ministers wittingly or unwittingly raising stakeholder expectations;
- some Ministers and their Offices are not engaged fully with stakeholder issues, attributes and expectations. This can mean that the outcomes of such engagement are not managed or channelled to meet stakeholder expectations, or departmental undertakings; and
- governments managing at different stages of a political cycle can hold differing views (married to the stage of the cycle) on the value and utility of stakeholder engagement. The attempted management of these cycles may impact negatively on the public service's credibility and reputation when seeking to engage stakeholders in a meaningful manner.

## BOX 3.9

## WIND FARM CONSULTATION: A VARIED APPROACH

The procedures for siting wind farms and government guidance to developers concerning community engagement is controversial as the States and Territories have separate and differing codes and procedural guidelines for development.

A 2003 review of national Mandatory Renewable Energy Targets concluded that planning approval procedures had little requirement to involve communities in discussion about their concerns.

In 2006, the Commonwealth Minister for Environment and Heritage said inadequate community engagement was constraining the development of wind farms and proposed a national code. To start work on the development of a code, the national Environment and Heritage Protection Council (EPHC) led a roundtable of community, business and local government stakeholders. Ultimately, after consultations with state and territory governments, draft non-binding guidelines were released for consultation in 2009 and a final draft for consultation was released in 2010 (still subject to consultation at time of writing).

While not containing mandates, the draft EPHC guidelines said developers should adopt consultative processes as early as possible, and they were advised to get advice and assistance from experienced community consultative consultants. They referred developers to the 'inform' to 'empower' spectrum based on Arnstein's ladder of community participation and captured in the International Association of Public Participation's (IAP2) guidelines.

Wind farm development approvals are a responsibility of State and Territory governments, and a separate inquiry established by the Victorian government into the Approvals Process for Renewable Energy Projects found that 'Community led approaches for identifying suitable sites for wind farms and the establishment of community engagement committees may address some of the negative social and economic impacts...on small communities.'

In responding to its Inquiry Report, the Victorian Government supported the principles of consultation, provided mechanisms to encourage good practice, and left the responsibility for leading communications and engagement processes in the hands of wind farm proponents. The Government however pointed out that planning permit procedures provided an opportunity to participate in hearings in 'planning panels' and in appeals before the Victorian Civil and Administrative Tribunal (VCAT) before planning applications are determined.

The Opposition campaigned in regional electorates on wind farm process issues and on its election in late 2010 maintained its promise to shift the appeals process from VCAT to local councils, a shift some observers have noted controversy averse councils do not want or are not equipped to handle.

Source: Australian Greenhouse Office 2003; The Age 2006

Box 3.9 highlights how the nature and location of public consultation in sensitive areas — in this instance, for wind farm development — can be political with different frameworks emerging between jurisdictions and a variety of processes and accountabilities.

### 3.3 Need for improved capacity and capability

A prerequisite for successfully implementing stakeholder engagement is the availability of, and the value placed on, the capability and capacity within departments and agencies to manage stakeholder and public engagement.

Capability development has been a consistent theme across our three studies. Significant gains have been made over 15 years, but the issue continues to be highlighted as a challenge.

As prior sections in this report have noted, the expectations of stakeholder engagement in the public sector are steadily increasing as activities move to core business. Understandably, skills have also become more advanced in the new context — often a high stakes environment.

The need for enhanced capability and skills appears to apply from the top levels to more junior staff.

These capabilities not only relate to communication skills, but also skills for listening, feedback, negotiation, and capability to manage the dynamics of groups and explain why community wishes may not be met in full.

One study participant highlighted:

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

Further feedback from our participants about capabilities for stakeholder engagement is highlighted in Box 3.10.

#### BOX 3.10 FEEDBACK ABOUT CAPABILITIES FOR ENGAGEMENT

Comments from our participants included:

*‘All senior executive service members have key performance indicators around their management of stakeholders, but we would like to go further in examining the quality of stakeholder engagement in management agreements.’*

*‘Our staff don’t feel confident about messages to give stakeholders and what can be shared especially in sensitive areas.’*

*‘It is hard to have a conversation without giving information, and even the nature of our questioning can create issues and expectations. Experience is critical in these transactions.’*

*‘Our only training in this area is to take junior staff with those more experienced, into the field.’*

Source: Consultation (interviews) with Departments participating in this study

## BOX 3.11

## QUEENSLAND'S MANAGING COMMUNITY ENGAGEMENT PROGRAM

The Managing Community Engagement program provides professional development for public sector managers and others in the field of community engagement. Managed by the Queensland Department of Communities, the services offered include facilitated workshops, as well as providing a range of online tools and resources.

The workshops organised by the Department run for one day and are designed to complement the information provided on the program website. The program provides skills development, advice and resources, and is designed for managers involved in community engagement across the Queensland public sector. The participants in the program are generally those who have had some experience and responsibility for working with community groups and engagement.

The online content provided by the Department is designed to support the workshops by presenting participants with essential knowledge and skills, however it can also be used as a resource for agencies in forming their own community engagement activities or training programs.

The content is broken up into three key stages; planning community engagement, implementing community engagement and evaluating community engagement.

Within these stages, topic areas explored include community engagement in context, methods, event management, risk management and skills. Each of these topic areas is broken up into further categories, providing a theoretical overview of the key concepts involved as well as providing practical tools, these being:

- A guide to choosing a level of engagement;
- Community and issues analysis template;
- Community engagement implementation checklist;
- Community engagement event planning template;
- Evaluation matrix;
- Risk identification checklist;
- Risk assessment and management plan;
- Skills development checklist;
- Skills development plan; and
- Team development checklist.

Each topic area includes links to a glossary of related terms, and a quiz of the content covered.

The website provides also a link to a range of useful websites and publications covering engagement in Queensland, Australia and internationally.

Source: Department of Communities 2007

The primary means of addressing a lack of capacity and willingness in government to engage with stakeholders, is to either invest in knowledge and skills development, or contract external consultants to act on the agency's behalf.

Data for this study suggests senior executive led approaches to identifying and improving capabilities is a pre-requisite for success.

Stakeholder and public engagement staff development programs and performance appraisals are now emerging, but most of this study's participants agree that a major next step is to better understand the capabilities needed and how they might be better developed.

A good example of a stakeholder engagement skills development program in Australia is Queensland's Department of Communities (2007). Its program incorporates methods to build internal skills capability (including training programs, coaching, supporting further formal study) and professional development discussions with other public sector managers (see Box 3.11).

A few of our study participants have developed guidance manuals that assist their staff with understanding and implementing good practice stakeholder engagement. These manuals can be part of the organisation's broader stakeholder engagement framework, as highlighted in Chapter 2.

Box 3.12 highlights how the NSW Roads and Traffic Authority supports its staff by, among other activities, providing resource and project management manuals relating to stakeholder engagement good practice.

#### BOX 3.12

##### STAFF TRAINING AT THE NSW ROADS AND TRAFFIC AUTHORITY

The NSW Roads and Traffic Authority (RTA) supports its staff to be more responsible for stakeholder communication and community engagement when planning infrastructure development.

Its central community involvement team maintains a Resource Manual that is distributed internally and updated regularly based on practical learning and experience outcomes from projects.

The aim of the Manual is to advise RTA staff on how to effectively engage with the community; promote greater staff awareness and understanding of community involvement; promote links between the RTA and the community; and improve RTA work practices. It outlines the Authority's vision and values and offers practical guidance on options available for techniques and approaches that could be applied in any particular project. Whilst the Manual is a guide, the Authority's Regional Managers and the Communication Branch are responsible for assisting staff with skill development.

RTA's Manual outlines also how a community engagement plan should be prepared with a summary of principles for assistance.

An operating document for project management and key projects is also available. This is part of a Project Pack management system, accessible on the Authority's internal intranet. Applied to projects that are large scale and complex, the Pack outlines procedures of what is to be done by whom and when; and guideline documents including community engagement and communications. For minor projects, a resource guide is available with a checklist of questions to help with assessment of how to decide what type of community engagement is required.

These resources recommend that overall community engagement plans should be formed before projects commence and intrinsically embedded in the design cycle. Each project's plan should include the setting of community objectives and level of stakeholder participation needed; strategies acknowledging anticipated issues should be outlined; and benchmarks agreed for desired outcomes and methodology to be used to evaluate outcomes and success; establishing an action plan and the procedures involved for plan implementation and monitoring.

Source: Roads and Traffic Authority 2008; Consultation (interviews) with the Roads and Traffic Authority New South Wales participating in this study

### 3.4 In search of value and effectiveness

A key finding of this study is that the time and resources a department or agency allocates to stakeholder and public engagement is a major factor in success or failure — although no one would claim resources alone guarantee success.

Indeed, inappropriate allocation of resources to an excess of glossy brochures, for example, can get an engagement process off to a rocky start. But as innovative, sustained and possibly expensive engagement processes are being designed, their value or benefits in delivering better outcomes need to be understood.

Many agencies, wanting to do more, are looking at ways to estimate the value they should expect.

*Promoting participation in service design and delivery should be at the heart of a new agenda. Participation should unlock the solution to more effective, personalised solutions that deliver value at lower unit cost than top-down professional services.*

*(IPAA 2011)*

Examining the challenges with consultation for water management in the Murray Darling Basin, researchers propose a model for estimating the optimal engagement processes by public agencies (Crane et al. 2005). It is one early attempt to focus attention on measuring effectiveness of these processes.

They identify research that suggests a range of well-understood benefits that can be generated by community engagement, such as:

- active involvement of the community gives rise to community ownership of the problem and its solution, thereby enhancing the prospects of a sustainable outcome;
- a coordinated decision requires that the community be involved along with government and industry stakeholders;
- if there are economies of scale implicit in some aspects, then a broad community approach is preferred;
- people are an integral part of any solution and not independent of it; and
- citizens want to be involved.

This raises the question of how to estimate if ‘more is better’?

At its most basic level, the economic benefits of community engagement take two main forms.

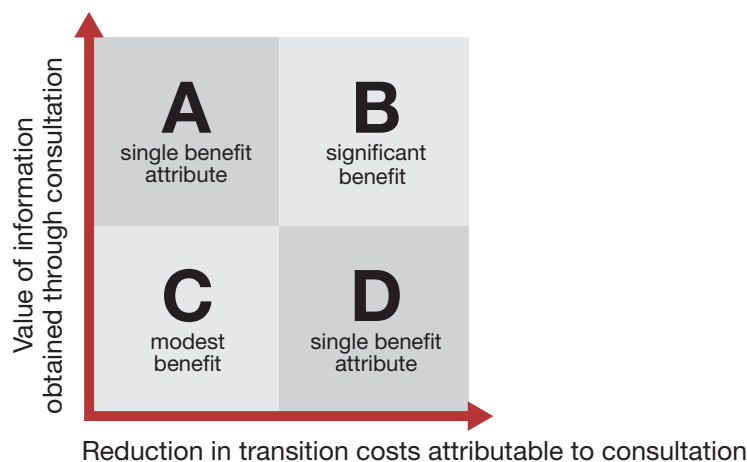
Firstly, successful engagement can reveal information, so it can reduce information deficiencies. Secondly, a policy may enjoy wider community acceptance if developed in a consultative manner, and therefore transition costs arising from frequent amendment can be managed via the community engagement process.

Crane’s model (illustrated in Figure 3.1) shows that in the north-east quadrant B the anticipated benefits of community engagement are likely to be significant with information providing valuable insight and significantly advantaging the quality of the policy outcome.

In contrast, quadrant C would result in only modest benefits — information gained adds little to the policy-maker’s existing knowledge and disaffected stakeholders are largely unmoved by the effort to engage them in a consultation process. Quadrants A and D illustrate circumstances in which the benefits of consultation are dominated by a single attribute.



FIGURE 3.1  
COMMUNITY ENGAGEMENT BENEFITS MODEL



Source: Crase et al. 2005, p. 225.

A more analytical cost-benefit framework for stakeholder engagement would build a basis not only for more informed resource allocation, but also better outcomes.

There are several considerations in achieving fair and effective engagement processes that can be taken into consideration in such a framework.

Research and commentary taken as part of this study point to a number of insights and cautions about naïve expectations from merely asking groups to participate or deliberate.

First the cautions:

- face-to-face deliberation is most effective in smaller groups; there is almost an absurdity to considering political outcomes as legitimate if and only if everyone affected by them has had a chance to have a say on them — the length of time it would take would almost be prohibitive (Goodin 2003);
- there is no guarantee that decisions made in a face-to-face mode will be more rational or more ethical than those made under the more conventional representative democracy approach; be clear on the objectives (Oughton 2008);
- where engagement approaches depend on stakeholders being willing and able to recognise and express their interests, the process remains vulnerable to be swayed by articulate or eloquent minority groups (Sunstein 2006);
- there is no guarantee that the voices are representative. Not all citizens are drawn to the idea of sharing their political preferences or views on a policy matter in a public setting. There can be a ‘false consensus’; the desire to deliberate or collaborate is not necessarily universal (Levine et al. 2005);
- an evaluation of community engagement practice in local government in Victoria concluded that complex consultations on major policies and strategies that affect an entire municipality (e.g. a corporate plan or strategic resource plan) often involve only a small number of people who are often not representative of the broader demographic (Brackertz and Meredyth 2009);

- the term ‘hard to reach’ refers to the members of the community that may be disinterested, disadvantaged, different, or facing particular barriers that prevent them from engaging. Government departments need to actively identify those parts of the population that are likely not to participate and to shape engagement accordingly (Zwart et al. 2005).

Research studies on the processes evident in successful stakeholder engagement are more rare, but some findings include the following:

- interpersonal trust among stakeholders in consensus seeking partnerships is explained by the perceived legitimacy and fairness of the negotiation process more so than by reputation or past track record of producing mutually agreeable policies (Leach and Sabatier 2005);
- a framework for deliberation and inclusion in a contentious national policy (science and bioethics) required strong definition of who is represented in such processes, mixed methodologies both to integrate analytic–deliberative dimensions and address questions of representativeness, and more systematic evaluation of the outputs and outcomes of appraisal processes (Burgess and Chilvers 2006); and
- a study of transport policy in England concluded greater attention was needed to define the purpose of engagement in strategy development (e.g. technical, political or participative); skills, practices and roles needed by the designers and leaders of such processes (expert practitioners are essential); the system of decision-making institutions and mechanisms needs to be strong (intellectually robust with the right authority); and engagement processes need reconceptualising in more deliberative ways (Vigar 2006).

### BOX 3.13

#### THE ‘OPEN SPACE’ APPROACH

‘Open Space’ Technology is a participative meeting approach, developed in the 1980’s by Harrison Owen. A feature that distinguishes Open Space from many other methods is the amount of responsibility and power over the agenda given to the participants.

An open space event has a central theme or question, but no fixed agenda. The participants set the agenda based on their areas of interest and self-organise in breakout groups, reporting back at the end of the event.

Open space has four fundamental principles:

- whoever comes are the right people;
- whenever it starts is the right time;
- when it’s over, it’s over; and
- whatever happens is the only thing that could happen.

There is also one ‘law’, the ‘law of two feet’ (if participants find themselves in a situation where they are not learning or contributing, they have a responsibility to go to another session, or take a break for personal reflection.)

These principles help create an environment where participants feel empowered to take joint responsibility for the successful conduct of the meeting. Open Space has successfully been used by hundreds of organisations across the globe, in the public, private and not-for-profit sectors.

Source: OECD 2009

Both the efficiency and legitimacy of procedures are strengthened by good practice involvement of stakeholders and the public — in time and frequency.

Early stakeholder involvement helps avoid criticisms of tokenism and ineffective feedback. It increases also efficiency, because a diversity of views are taken into account at an early stage of an issue, project planning or public policy development (Oughton 2008).

While it is desirable to engage stakeholders early in any process, organisations must similarly ensure that stakeholder participation is sustained during the life of the process, providing stakeholders with genuine opportunity to comment and shape decisions.

Continued stakeholder participation, it has been argued, is best achieved through applying a ‘milestone approach’ to engagement — scheduling involvement opportunities throughout the decision-making process (Moodley 2007).

For this approach to be effective, however, it is important for the milestones to be scheduled evenly through the policy-making process. Failing to do this risks creating a perception of the engagement being tokenistic (Moodley 2007).

Interestingly, though, other approaches encourage a looser involvement and participation style. We present one such approach, the ‘Open space’ in Box 3.13.

#### BOX 3.14 EFFECTIVENESS AND CHALLENGES IN TASMANIA

The central agency, Department of Premier and Cabinet, in Tasmania aims to build social cohesion and to strengthen community connections, engagement and network development across the State to promote social inclusion.

Forming partnerships is fundamental to addressing social disadvantage and increasing social inclusion. As relationships and expectations change, the Department focuses on establishing genuine community autonomy — or citizen-centric services — getting to those without a voice, and managing more smartly to leverage off success and relationships.

As part of its social inclusion strategy, the Department has engaged in extensive face-to-face consultation and has followed through with feedback. This process has now ‘built up considerable community capital’ through ‘telling it as it is’; not over promising and being transparent and open about what is possible as policy and service reform.

Other successful engagement strategies — as in supporting those with a disability — have involved formal stakeholder groups, especially non-government bodies who form essential partnerships in service delivery. Lessons for effectiveness include, setting clear goals, getting the right mix of service providers and advocates, adopting a whole of government perspective and supporting representative groups in their own functions to build capability in their constituency — as in communications skills.

However, there are significant challenges emerging. Some groups such as Indigenous communities have been asked many times over 20 years about their needs and are now saying ‘Don’t ask us again’; a minority government inevitably has compromises to make and new priorities emerge that have to be balanced against others; and deep engagement is resource intensive and this is difficult to sustain in a period of resource constraint. Moreover, there are groups in the community who are silent — such as the seniors who will emerge over the next five or so years.

The challenge here is building communication channels and understanding their emerging needs ahead of time so the state is prepared.

Source: Department of Premier and Cabinet 2007; Tasmania Together Progress Board 2009; Consultation (interviews) with the Department of Premier and Cabinet Tasmania participating in this study

Box 3.14 highlights lessons (and challenges) in effective stakeholder involvement from Tasmania's Department of Premier and Cabinet.

The lessons informing effective stakeholder engagement include setting clear goals, getting the right mix of service providers and advocates, adopting a whole of government perspective and supporting representative groups in their own functions to build capability in their constituency — as in communications skills.

These include early planning for engagement, sharing of information between different organisation levels, and knowing what the boundaries are when going into consultation.

Box 3.15 outlines further elements for effective stakeholder engagement from the Victorian Department of Treasury and Finance.

#### BOX 3.15 EFFECTIVE STAKEHOLDER ENGAGEMENT ELEMENTS

##### Planning for engagement

- Effective stakeholder engagement benefits from planning and putting effort into understanding stakeholder priorities and issues.
- If engagement is more often reactive rather than proactive, stakeholders are often disappointed.

##### Sharing information between levels

- Seventy per cent of learning is on the job. It is very important that knowledge about stakeholders is shared with staff.
- In addition, when there is a change of government or within government, it is important that changes in relationships are outlined to staff responsible for engaging with stakeholders.

##### Knowing boundaries

- It is important for all to know when going into consultation, what is and isn't open for discussion or negotiation. Ensure that there are clear boundaries so that transparency does not become a concern.

Source: Consultation (interviews) with the Department of Treasury and Finance Victoria participating in this study

During its engagement efforts, Sydney Water found that careful planning of consultations, and thorough sharing of information with affected residents and communities, can ease complaints and aggression towards potentially intrusive maintenance work (Box 3.16).

Finally, Box 3.17 highlights further elements for successful stakeholder engagement, an evaluation of the Victorian Department of Treasury's performance against a stakeholder engagement plan.

The evaluation highlights, inter alia, the importance of internally managing, sharing and ensuring continuity of stakeholder information.

## BOX 3.16

## TAKING THE NOISE OUT OF STAKEHOLDER ENGAGEMENT

Sydney Water's stakeholder engagement approach and expertise were put to the test during 2009-2010 when a sewage pumping station, known locally as the source of bad odours, was slated for an upgrade.

Sydney Water not only had to manage local stakeholder expectations about odour control (about which the local media had also made a big stink), but its schedule to upgrade the pumping station included work on a Sunday night, when sewage flows were lowest, and tankers could transport waste to other areas to clear sewerage pipes for the upgrade.

Sydney Water decided a systematic approach to stakeholder engagement was needed to win the confidence and support of local residents and opinion leaders to help ensure the upgrade was completed efficiently, effectively, and with minimum community disruption.

Sydney Water's key stakeholder engagement elements included:

- establishing a collaborative relationship with residents to minimise negative impacts associated with the upgrade, including noise, especially during night construction;
- conducting a noise study to identify residents in the area likely to be affected by construction noise, and assessing also the impact of truck movement and construction lighting on residents;
- following consultation with residents and the results of the noise study, construction of a noise barrier around the construction site;
- holding a Community day one month before the night work to engage residents with the results of the noise study and discuss the option of Sydney Water relocating residents and pets for the night (20 per cent of residents took up this offer, which included two of their pets);
- the local NSW Member of Parliament, Camden Council and all residents (via mail) with a Narellan postcode were notified of the work. Advertisements appeared in local newspapers notifying the community of the night works and the tanker movements;
- door knocking each property in close proximity to the site;
- representatives from Sydney Water's Community Relations and Project Engineering teams were onsite with the Noise Consultant during the night to talk to any local residents about complaints or queries;
- residents were informed of the outcomes of the night work and about progress on the upgrade.

The key outcome of this stakeholder engagement was:

- the night work was completed without any complaints from residents, most of whom were aware of the work and the disruption it was likely to cause. This included no complaints to media outlets that had previously reported the pumping station's odour issues;
- some residents complimented Sydney Water on its approach to the night work; and
- a case study on the approach to and outcomes from the stakeholder engagement is now used by Sydney Water as part of its manager training and development.

Source: Consultation (interviews) with Sydney Water Corporation participating in this study

## BOX 3.17

## CENTRAL AGENCY SELF-EVALUATION — TARGETTING AREAS OF IMPROVEMENT

An analysis of the Victorian Department of Treasury's (DTF) performance against a stakeholder relationship plan indicates there are some key factors that consistently affect capability to achieve higher levels of relationship effectiveness. These improvement opportunities are in the following areas:

*Disparate approach to relationship management; coordination and consistency of interactions across DTF ('one DTF' view and approach). E.g.*

- More proactive in building the relationship and deeply understanding stakeholder issues;
- Internally managing, sharing and ensuring continuity of information;
- More consistency across different Divisions.

**People, culture and leadership influences**

- Some cultural issues such as junior staff feeling they always need to seek approval; staff seemingly valuing rules over ideas/innovations; and using power rather than influence in their business dealings;
- Inconsistent approach to rewarding and recognising staff with regard to good relationship management practices.

**Consistency of processes and systems for relationship management**

- Use of stakeholder information; need consistency in capture, management and use of stakeholder information;
- Improving coordination of communication and requests to stakeholders from different Divisions;
- Making it easy for stakeholders to access information and communicating, particularly decisions that affect them more effectively;
- Integration and coordination between Divisions in terms of the models, processes and systems used to manage relationships (relationship models, points of contact, coordination of communications, consultation processes and practices, and requests to stakeholders).

Source: Consultation (interviews) with the Department of Treasury and Finance Victoria participating in this study

### 3.5 Involving Indigenous communities

Approaches to engage Indigenous stakeholders in policy and preferred policy outcomes, and how best to deliver government services remains a significant challenge for many government departments and agencies in Australia, and internationally.

Our research for this collaborative study suggests that generally, the public service in Australia is mindful that there is not one generic approach to engaging Indigenous stakeholders: culture, languages, experiences (especially with governments and their elected representatives) and expectations differ from community to community, and within communities as well.

Departments and agencies are finding it necessary to find new ways to understand and work with stakeholders where there are complex authority structures controlling 'voice', as in some recently arrived ethnic communities and where patterns of relationships and authority are complex — as with Indigenous communities. The latter is especially the case where — as is common — different clans and language groups live together away from their traditional land.

This is a significant challenge across Australia. As part of this 2011 study, departments and agencies in Western Australia and the Northern Territory have made important advances in how they calibrate their engagement with Indigenous Australians to achieve policy outcomes, and deliver services.

Participants in this study have a mixed story to tell about how well they are dealing with these issues.

In remote communities especially there is a reliance on local Indigenous leaders, including those employed in liaison roles by agencies, and sometimes nominated by local clan groups.

#### BOX 3.18

##### LOCAL INDIGENOUS NETWORKS IN VICTORIA

A Local Indigenous Network (LIN) is made up of Indigenous people who work together to provide a voice for their community, identify local issues and develop a Community Plan which sets out their priorities and aspirations for the future. LINs were introduced following Victorian Government consultation with Indigenous communities following the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) in 2005.

There are 38 LINs in Victoria. LINs are supported by Indigenous Community Development Brokers who are located in each Victorian region. The Brokers convene regular LIN meetings, and support LIN participants to broker access to programs, services, partnerships and funding which can help realise the priorities identified by the community in their Community Plan. Many LINs have established fruitful partnerships with local and state government, community agencies and the private sector through their activities and networking.

The LINs operate on a community development model whereby brokers encourage and support local community engagement, decision-making and community representation. LINs are flexible, inclusive and open to all Indigenous community members. LIN initiated projects range from the establishment of local gathering places and homework centres, to education, health and sporting initiatives designed to address local needs.

The recently completed independent evaluation of LINs across Victoria has shown that LINs are increasing social capital in their communities through cultural and community strengthening; building and sustaining effective partnerships; and extending resources to communities. Participation in LINs is growing (grew 15% in 2010/11) and over eight per cent of adult Indigenous Victorians (1400) have joined a LIN.

Source: Aboriginal Affairs Victoria 2011; Consultation (interviews) with the Department of Planning and Community Development Victoria participating in this study

As a number of case studies suggest, this has been successful. But problems remain, including continuity of engagement because of the 'brain drain' on Indigenous youth leaders. Some agencies have also noted disappointment when relying on leaders to take information to communities, because these leaders are too stretched and 'on too many committees'.

Particularly in desert communities where substance abuse, domestic violence and other social problems are prevalent, agencies note the great contribution being made by the 'grandma generation' — older women taking a lead in cooperation with police by running patrols and extending discipline.

This has some cultural base but has been facilitated by a long period of government programs empowering women to take the lead.

In WA, the Department of Housing has further honed its engagement to include the expertise of an anthropologist on one of its engagement teams, to inform approaches to communities where the leadership dynamic may mean older men, or young people, lead or facilitate community decision-making.

What appears to be a successful program being delivered by Indigenous leadership is Victoria's Local Indigenous Networks (see Box 3.18).

The importance of Indigenous engagement has been institutionalised also in South Australia, with the Department of the Premier of the Cabinet including a role entitled 'Commissioner for Aboriginal Engagement'.

The responsibilities of the Commissioner include:

- publicly advocating engagement between Aboriginal people and the broader community;
- identifying systematic barriers to Aboriginal people's access to government, non-government and private services
- monitoring emerging Aboriginal leaders; and
- consulting with non-government organisations and peak Aboriginal bodies, and representing their views to government (Department of the Premier and Cabinet 2011).

The role of the Commissioner demonstrates a strong institutionalisation of Indigenous engagement in the administrative structures of government. Integration and collaboration between the Commission and other concerned bodies, such as the Aboriginal Advisory Council and the Commissioner for Social Inclusion, also demonstrates strong governance and allows for government to more effectively address issues concerning Aboriginal people.

Box 3.19 highlights other recent innovations in engagement with the Indigenous community in Australia.

Building mutual trust and understanding is essential to a successful consultation process with Indigenous groups. Before beginning consultations it is important for organisers to have an understanding of the community in which they are working.

Notions of respect for Elders, land, animals and ancestors are key to Aboriginal culture and organisers need to be aware of the protocols surrounding these concepts before engaging with a community so as to build a strong foundation for trust.

Departments can gain an understanding of local dynamics through consulting first with local corporations, organisations, Local Aboriginal Land Councils and working parties before approaching the community (NSW Department of Community Services 2009).

Collaborative approaches to consultations resonate well with Indigenous communities, allowing participants to feel that they are playing a role in devising a solution rather than simply being told what to do (Kneebone 2005).

Box 3.20 highlights such an approach by the Victorian Department of Education and Early Childhood Development.



## BOX 3.19

## INNOVATION IN ENGAGEMENT WITH INDIGENOUS COMMUNITIES

**2011 Census: Indigenous Engagement Enumeration Strategy**

Major challenges in past Census collections have included accurate coverage of the Aboriginal and Torres Strait Islander population, accessing local communities that are geographically distant with mobile populations, and recruiting local representatives with the skills required to conduct the Census process.

Using the approach of joined-up government, the Australian Bureau of Statistics (ABS) and the Northern Territory Government signed a Collaborative Agreement to work together to improve outcomes for the 2011 Census in the region. To manage the partnership process and oversee delivery of the 2011 Census, an inter-departmental senior level committee, the Northern Territory Census Steering Committee, was established to provide high level advice, particularly focusing on issues or barriers during the planning process of the Census; to engage with other Territory and Commonwealth government agencies encouraging them to assist with the Census in the Territory; and to review strategies and proposals developed by a Census Coordination team.

On the ground, a Northern Australia Census Management Unit is responsible for engaging with local community groups who are equipped with knowledge about their local areas including population movement, language and local dialects and issues of concern. The Unit has also reached out to networks between organisations and communities to raise awareness of the Census.

Local Engagement Managers and Indigenous Engagement Managers are part of the Census Management Unit, and have facilitated effective and targeted engagement for local community involvement in the Census. Through these engagement strategies, efforts have also been made to increase statistical literacy.

ABS has also convened a broader working group comprised of inter-governmental agencies, regional stakeholder and local community representatives to develop long-term engagement strategies for the Indigenous population and for Northern Australia.

**Direct consultation in Victoria**

The introduction of the Traditional Owner Settlement Act 2010 by the Department of Justice and the Victorian Government reflects how direct consultation with stakeholders can result in a better outcome than standard court procedures.

After a Yorta Yorta land claim was rejected in court, government support for land claims was seen to be difficult to pursue. Indigenous leader Mick Dodson was asked to chair a Steering Committee comprised of Traditional Owner representatives and State executives. They facilitated the development of a framework for alternative native title settlements. Trust was built through this process to enable the collaborative development of legislation.

Short-circuiting legal processes, the Traditional Owner Settlement Act provides for an out-of-court settlement of native title and resolution of land justice. It acknowledges Indigenous relationships and rights to their land, and empowers the Victorian

Government to form agreements with Traditional Owners regarding Crown land. Incentives for engaging in a settlement involve faster outcomes and a broad range of benefits in return for waiving compensation available from the Native Title Act.

**Supporting skills for consultation in NSW**

Indigenous people are a key client group of the NSW Department of Family and Community Services. Engaging Indigenous people as equal partners in government decisions has a special resonance for the Department. The still-felt impact of past welfare policies and the over-representation of Indigenous children and young people in out-of-home care make engagement of the Indigenous community critical to delivering better outcomes for children, young people and their families.

Defined as an exchange or two-way flow of information, Indigenous consultation is an important method that empowers families and communities to help make decisions on matters that affect the care and protection of their children and young people.

Effective consultation is critical to overcoming generations of history, in which Indigenous people were treated as second-class citizens and given no control over their own lives, or those of their children.

Historically, NSW government agencies had statutory decision-making control over almost every aspect of Indigenous people's lives. They were not consulted or allowed to make decisions about their own or their children's lives.

The recent Special Commission of Inquiry into Child Protection Services in NSW commented on the importance of adopting a consistent approach to Indigenous consultations and the need to improve how they are undertaken and recorded. The report also highlighted the need to broaden practice to include Indigenous consultations outside the Department.

While legislative requirements underpin the department's commitment to consultation, there was a very real gap in practical tools for staff to use. In response, the Department developed a consultation guide that provides a practical framework to enable staff to fulfil the Department's commitment to consult consistently, effectively and sensitively with Indigenous children, families and communities.

The guide supports a standard approach to Indigenous consultations, providing guiding principles, templates, and links to community groups and practice tools. It covers subjects such as facilitating self-determination, participation in decision making, confirming Aboriginality, conflicts of interest, practice tips and tools, engaging with external Indigenous organisations and peak bodies, consent and privacy issues.

The guide has proven to be a popular resource within the Department and non-government organisations. A copy can be accessed electronically at [www.community.nsw.gov.au](http://www.community.nsw.gov.au)

Source: Department of Family and Community Services 2011; Consultation (interviews) with the Department of Family and Community Services New South Wales, Australian Bureau of Statistics and Victorian Department of Justice participating in this study

## BOX 3.20

## TAILORING PARTNERSHIP AGREEMENTS

The Victorian Department of Education and Early Childhood Development uses different approaches to engage different groups in the community. For example, in its partnerships with Indigenous stakeholders, the Department seeks to ensure a community-centred approach, locally and regionally driven, that includes a 'ground up' process for planning and priority setting involving community leaders.

*Dardee Boorai: Victorian charter of safety and wellbeing for Aboriginal children and young people* (the Charter) was developed in 2008 through engagement with Indigenous communities and consultants in 14 locations throughout Victoria. Approximately 175 community members directly participated in the consultation process.

The development of the Charter was jointly overseen by the Aboriginal Children and Families Advisory Committee (ACFAC) and a working group of senior Government officials, and coordinated by the Ministerial Taskforce on Aboriginal Affairs.

Input from Indigenous communities was gained both through ACFAC and through state-wide stakeholder consultations, which were hosted over a period of three months in 15 locations around Victoria. During consultations, three key themes raised were: the centrality of cultural awareness; the crucial importance of parental education and participation; and the need for accountability at all levels.

Under the Charter, the Government commits to culturally competent services; to supporting the community through capacity building; and demonstrating respect for the values of Indigenous peoples. The Indigenous community in turn commits to preserving their cultural heritage and to working with the Indigenous community as well as with mainstream services to improve outcomes for Indigenous peoples.

Source: Department of Education and Early Childhood Development 2008; Consultation (interviews) with the Department of Education and Early Childhood Development Victoria participating in this study

Departments have found that Indigenous groups respond to openness in consultation processes, preferring to be told from the start what influence they will have over the decisions being made (NSW Department of Community Services 2009).

To facilitate this, organisers should develop guidelines or terms of reference that outline the roles and responsibilities of the group and its members.

Similarly, organisers need to be aware that strict time scheduling may also be culturally inappropriate when hosting consultations, with feedback from an Indigenous consultation in Western Australia noting that participants preferred to have the opportunity to discuss issues until they came to a conclusion rather than be forced to move along to meet a schedule (Hartz-Karp et al. 2005).

The NSW Roads and Traffic Authority uses an engagement tool for its construction projects that asks Indigenous stakeholders to nominate appropriate 'knowledge holders' to prepare cultural assessment reports and to nominate people to be considered in archaeological roles (NSW Roads and Traffic Authority 2008).

While this limits the number of people involved in the consultation process, it facilitates a greater sense of Aboriginal ownership in terms of the project development, as key Indigenous figures in the community become integral parts of the project team.

Additionally, the RTA's Indigenous consultation process provides a good example in terms of managing the results of community engagement, with the agency committing itself to redesigning projects if the cultural assessment reports demonstrate that they have an unacceptable impact on heritage sites.

The Western Australian Department of Housing, in its work to deliberately engage 25 communities within a year to secure Indigenous Land Use Agreements in remote areas of WA, perhaps illustrates that governments can make quite rapid progress in getting agreement to address Indigenous disadvantage if stakeholder engagement is at the forefront of implementing policy effectively.

## BARRIERS TO EFFECTIVE CONSULTATION

Challenges of engaging the Indigenous community involve institutional barriers, cultural barriers, lack of Indigenous capacity and in some cases uncooperative government agencies.

One of the foremost challenges to effective consultation with Indigenous people is the perception that the consultation is essentially one-sided, and will not take into account the actual wishes of Indigenous people (Yalmambirra 2006).

As with all forms of stakeholder consultation, government departments face difficulties in translating the information gathered in Indigenous consultations into policy.

This challenge was noted by the Western Australian government in an evaluation of their Indigenous engagement process, with organisers stating that it was difficult to keep the Indigenous community engaged through the strategy delivery process (Kallip Pty Ltd 2006).

Although legislation is in place necessitating Indigenous consultation in some scenarios, Indigenous people still often feel that they lack the influence or power to shape decision-making (Boyd et al. 2005).

A possible reason for this, although there is legislation mandating consultation, is a lack of a strong legal or administrative institutional framework dictating how such consultations should be used to inform policy.

Culture differences between Indigenous and non-Indigenous peoples and within different Indigenous communities play a role in hampering effective consultation. The diversity of Indigenous peoples in Australia can lead to disagreements between different Indigenous communities, particularly in the area of environmental planning and management (Yalmambirra 2006).

Box 3.21 describes how authorities in Northern Territory have dealt with such cultural differences.

As such, organisers need to ensure that they reach a general consensus among different Indigenous communities before proceeding.

As noted earlier, different cultural understandings will undeniably have an effect on consultation processes, so organisers need to ensure that they approach consultations with cultural sensitivity, and that they take steps to understand the culture of the group that they are engaging with.

## BOX 3.21

## CULTURAL DIFFERENCES AND INDIGENOUS ENGAGEMENT

The former Northern Territory Department of Primary Industry and Fisheries (now the Department of Resources) considered a model for community programs, called Community Supported Agriculture, to provide fresh fruit and vegetables in remote Aboriginal communities. Community Supported Agriculture provides a direct economic and social link between production and consumption of food. It is a concept that has the potential to develop a strong local food supply in an isolated area, and to encourage a regional economy where food produced locally is also consumed locally.

The Department proposed to establish a partnership between a qualified and experienced farmer and local Indigenous community members comprising customers and shareholders. A trial was to take place in an established community made up of separate clans. To initially engage local representatives in the selected community, the Department engaged an academic with expertise and strong links and networks in the selected community to assist with communication and planning design. Through this, a group of locally based Indigenous researchers were employed to undertake the community consultation process. This group undertook discussions with a local land custodian who is also a highly regarded gardening expert as it was identified that he was a key leader for the plan's implementation.

Challenges identified by the gardening expert in choosing a farm location included soil and environmental characteristics, lack of personal custodial connection with the land if he was not a traditional land owner for the selected location, expense required for water infrastructure and cultural concerns regarding who from local clans he could work with. He also reviewed the list of proposed fruit and vegetables and recommended against a number that were not familiar and would be unlikely to be accepted.

The research group organised themselves to ensure that members could appropriately consult with the various clan groups in the community to gather support. The consultation process identified that due to insufficient trust between clan groups, the project should not engage on a collective, or community wide basis, but with clans individually.

Concerns were also expressed that the project may fail, as it was not an idea generated from local community members. Consultations emphasised the desire of members to see a transfer of skills from elders to younger generations and how existing limitations of fruit and vegetables affected food prices and diet. Community members would only be shareholders if the key leading gardener worked only on land of which he had custodial rights.

Furthermore, due to their capacity to consult in the local language and within the cultural context of the community's structure and dynamics, the research group was also able to collect valuable information about a range of issues that affected individual's food choices. This included limited income to purchase fresh food and limited kitchenware for cooking and eating (e.g. no saucepans in the house, a single set of cutlery to share between family members). These issues, which are inextricably linked with the consumption of fresh food and needed to be considered in the overall context of the project, are unlikely to have been uncovered without the use of local Indigenous researchers.

A summary of findings from community consultations that took place concluded there was whole-of-community support as long as the project was properly negotiated; inter-clan dynamics were recognised including understanding the clan structure itself of who would be involved; the project site was negotiated according to rules of traditional ownership; local project leaders were supported across the community; and young people were included in the learning process.

The project did not proceed due to a range of complexities including long-range decision making and funding factors, and project and succession management issues.

Source: Consultation (interviews) with the Department of the Chief Minister Northern Territory participating in this study

The bureaucratic structure of state government agencies could also be a barrier to effective engagement with Indigenous communities, with different departments such as those involved in minerals, the environment and health, all having overlapping responsibilities to Indigenous people yet failing to coordinate engagement strategies (O'Faircheallaigh 2005).

A number of participating agencies reported concern about consultation fatigue and noted decline in the quality of consultation as a result.

One reported a complaint that a stakeholder had been consulted six times with the same agency in three weeks. This was seen to be more a problem where direct benefits or impact are not apparent to the stakeholder, or, as one agency reported, *'We tend to only engage when we want something from them which is not a healthy way to run a relationship; the real challenge is to make the relationship relevant and smooth.'*

## CHAPTER 4

### NEW TECHNOLOGIES

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

Departments and agencies are starting to embrace the new technologies' potential to make public policy more open and inclusive, but with caution.

Three primary considerations are currently challenging departments and agencies:

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

This chapter provides an overview of how new technologies are being embraced (or not) by government departments and agencies when engaging their stakeholders and the public. Along with examples, we highlight the benefits and challenges of such practice.

#### 4.1 Participation 3.0 and new technologies

In recent years, a series of new technologies have emerged that encourage broad communication and collaboration between individuals (see Table 4.1 for classification of these technologies).

These new technologies have a natural connection to the Participation 3.0 model —more active, on-going and intensified engagement, as described in Chapter 1 of this report.

There have been many efforts by governments internationally to understand where the new technologies fit in their work and the delivery of quality public policy and services. However, adoption of the 'participative web' within public administration is argued to be quite slow, in Australia and internationally (OECD 2009).

(We note that this is not exclusive to the public sector. Many corporations in 2011 remain perplexed as to how they can or should harness new technologies as part of their stakeholder engagement).

Australia launched its own e-government strategy in 2006. The 2006 strategy established ambitious, specific goals and targets to use e-government tools and practices in the four main areas: establishing connected service delivery; achieving value for money; enhancing public sector capability; and meeting the needs of users.

TABLE 4.1  
RANGE OF NEW TECHNOLOGIES

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

Source: Chui et al. 2009

It was acknowledged, however, that implementing these goals will not be easy, because it directly challenges some aspects of established policy and practice within government (Australian Government Information Management Office 2006).

In 2009, a taskforce was convened to investigate the use of new technologies as a collaboration platform throughout the Australian Government. The three pillars of this investigation included:

- leadership, policy and governance to achieve necessary shifts in public sector culture and practice;
- the application of collaborative tools and practices to the business of government; and
- open access to public sector information.

The outcomes of the taskforce's report highlighted that, for Australia to achieve its aspirations it will require stronger, more coordinated governance, policy improvements, and a renewed public service culture of openness and engagement.

Other issues included data security concerns as a major inhibitor of collaboration and technology adoption in the public sector. In addressing this, the taskforce's report highlighted the importance of the Freedom of Information Amendment (Reform) Bill 2009, requiring public sector information to be released by default with secrecy being maintained only where there is a good reason to do so.

Also of concern, were the lack of opportunities and space for staff to experiment and develop opportunities for greater online engagement and participation with their customers, citizens and communities of interest.

Our consultations, research and analysis as part of this study conclude that in Australia, most public sector agencies and large corporations are in the process of transitioning to participation models that take into consideration the multi-faceted flow of information that the participative web allows.

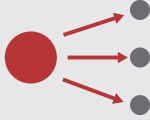

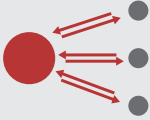

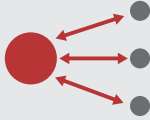
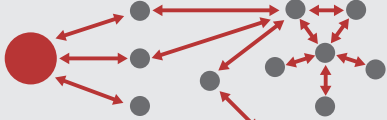
However, significant work in this area is yet to be completed.

This shift away from one-way communication tools is illustrated in OECD's recent report *Focus on Citizens*. In this report, OECD notes a shift from a previous model characterised by governments engaging with citizens using one-way communication tools, to a new engagement model (see Figure 4.1).

The distinguishing feature of the new engagement model is the presence of networks, flexible connections and transient audiences. As the model suggests, there are various opportunities and challenges associated with the use of the participative web as an engagement strategy.

While the social media options are channels, they are also social phenomena. Their culture, utility and attractiveness for users provide 'a voice' in an ongoing conversation across communities of friends, peers, family, interests, activities, customers and activists.

FIGURE 4.1  
NEW TECHNOLOGIES AND ENGAGEMENT MODELS

2001 ENGAGEMENT MODEL	TOOLS	2009 ENGAGEMENT MODEL	TOOLS
<b>Information</b> 	<ul style="list-style-type: none"> <li>• Email alerts</li> <li>• Websites</li> </ul>	<b>Information</b> 	<ul style="list-style-type: none"> <li>• RSS feeds</li> <li>• Tag clouds</li> <li>• Podcasts</li> <li>• Webcasts</li> </ul>
<b>Consultation</b> 	<ul style="list-style-type: none"> <li>• Online forms</li> <li>• Online consultations</li> </ul>	<b>Consultation</b> 	<ul style="list-style-type: none"> <li>• Blogs</li> <li>• Online polls</li> <li>• Online surveys</li> </ul>
<b>Participation</b> 	<ul style="list-style-type: none"> <li>• Discussion forums</li> <li>• Shared online workspaces</li> </ul>	<b>Participation</b> 	<ul style="list-style-type: none"> <li>• E-petitions</li> <li>• Mash-ups</li> <li>• Wikis</li> <li>• Tagging</li> <li>• Virtual worlds</li> </ul>

Source: State Services Commission of New Zealand (2007) cited in OECD 2009, p.73.



## 4.2 Benefits of online engagement

Our literature review and discussions with departments and agencies has identified three main benefits for governments to use new technologies in their public policy-making and service delivery.

First, engaging with stakeholders online maximises efficiency, as it reduces governments' administrative burden by making information more readily available and accessible. As such, stakeholders are able to receive answers to queries through independent investigation, rather than having to wait to consult with a government employee.

Second, new technologies provide significant opportunity for innovation, with collaborative tools such as wikis being used to pool knowledge and ideas, as well as sorting through information and establishing priorities.

Finally, new technologies can be used to strengthen accountability and facilitate levels of public trust, as departmental information is published in a more accessible fashion and all participants involved in online interactions are held accountable for their comments and submissions (OECD 2009).

The participative web has the potential to make public policy more open and inclusive. As opposed to traditional policy-making, using the web to engage stakeholders allows a much larger number of stakeholders to participate, thus allowing governments to gain input from a broader constituency.

The interactive nature of online communications has helped to facilitate the presence of networks, flexible connections, and transient audiences to government consultations processes and engagement. As these networks grow and more citizens are engaged, the participatory web can be described as encouraging a stronger culture of political engagement.

New technologies have also proven valuable for building internal capacity for knowledge management.

### BOX 4.1

#### SHARING INFORMATION THROUGH A WIKI

Participative web platforms can enhance the performance of public sector organisations even when they are not open to the public. Since April 2006, the USA intelligence community has been using Intellipedia, a secure wiki that allows intelligence offices to better share and pool their knowledge.

Reports suggest that while early take-up was slow, it is now widely used within and across intelligence agencies. Meanwhile, the US State Department has established its own internal online encyclopaedia, called Diplopedia, and has witnessed the proliferation of a host of internal blogs on a wide range of issues of relevance to their mission. The use of online collaborative tools has helped foster communities of interest among State Department employees posted all over the globe.

Source: Miller 2008; Bain 2007

Collaborative technologies such as file sharing platforms and intranet-hosted wikis possess significant potential for knowledge transfers among employees and knowledge management, thus strengthening inter-departmental collaboration (OECD 2009).

While not accessible to the outside world, such platforms provide efficiency gains that may, in turn, translate into better policy making and service delivery to external stakeholders and users (see Box 4.1).

Box 4.2 highlights an example of how online tools can contribute to the effectiveness of a stakeholder engagement process, from the Commonwealth Department of Innovation, Industry, Science and Research (DIISR).

In this case, DIISR has used an online forum to provide flexibility to its users, allowing individuals to determine the amount of time and effort they wished to contribute in providing feedback. This overcame a significant barrier for a group of experts that would otherwise find it difficult to be engaged.

#### BOX 4.2

##### ONLINE STAKEHOLDER FEEDBACK FOR EFFECTIVE ENGAGEMENT

In response to several government inquiries, the Commonwealth Department of Innovation, Industry, Science and Research (DIISR) sought to develop a strategy to address predicted shortfalls in the supply of research-qualified people for Australia over the decade to 2020.

A major consultation plan was established to engage stakeholders in a limited time frame to inform the strategy. A number of Commonwealth Government working groups were established to provide a whole-of government perspective and review and monitor progress. A Reference Group was also convened composing stakeholder representatives from peak industry groups, universities and government.

With this stakeholder advice, a fit-for-purpose consultation and evidence-gathering strategy was developed to suit the nature of different associated stakeholder groups. This facilitated a consultation paper supported by a series of public and government information sessions and calls for submissions. These submissions and other cross-theme evidence gathering culminated in the development of a final strategy document, which was released in April 2011 and is available on the department's website.

Apart from the value of involving stakeholders deeply in the governance structures and in the variety fit-for-purpose consultations to suit different types of stakeholders, the Department noted some key determinants of success:

- **Transparency** — Most evidence gathered in the process, including submissions and commissioned studies, were promptly released on the department's website which gave comfort to stakeholders that their views were heard, and helped to ensure no 'left-field' surprises in the final document.
- **Flexibility** — adjustments needed to be made when consultation difficulties arose (for example, challenges scheduling face-to-face discussions between experts) requiring a new approach to dialogue — the introduction of an on-line forum tool (Govdex).

The on-line forum tool was introduced to facilitate 'virtual' expert discussion. Once experts were registered, the virtual environment enabled uploading of relevant analysis for consideration by the expert group and facilitated the development of a consensus on strategy-related case studies. For busy experts, providing an online tool accessible at any time of the day or night proved to be the best method to engage them.

Source: Department of Innovation, Industry, Science and Research 2011; Consultation (interviews) with the Commonwealth Department of Innovation, Industry, Science and Research participating in this study

South Australia's online community engagement for its Strategic Plan demonstrates the new technologies' benefits. The Plan has been driven by extensive statewide consultation and encourages individuals to spell out fresh ideas and thoughts on where the state should be going by 2020.

In the early years of the plan the government hosted a three-month long process including roundtable community forums and written submissions to enable public participation in the

plan's development. A Community Congress was also held for further dialogue with the involvement of Ministerial advisers and government staff.

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

The second phase of consultation continued this hybrid approach to stakeholder engagement, seeking feedback through an online survey, social media and through face-to-face consultation sessions (Government of South Australia 2007).

Commentary from South Australia's Department of Premier and Cabinet executives, includes:

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

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

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

Another powerful example of stakeholder participation in department planning occurred in 2010-11 when Victoria was threatened with a dramatic locust plague. The key to successful management of the plague was early identification of areas of reproduction to enable spraying and other mitigation strategies.

Interactive technologies hosted by the Victorian Department of Primary Industries became the centre of activity and information about the progress of the plague, relying upon members of the community to report activity on the ground.

Traffic was directed to a specific website via third parties, including the Victorian Farmers Federation, allowing electronic interactions with stakeholders to locate areas of reproduction and identify regions that were unprepared. The media was fed mainly by the website and the Department's Twitter updates and the real-time flow of credible information relieved political pressure.

Early, careful preparation and availability of adequate resources were necessary to achieve these positive outcomes. Similar success in the use of new technologies and social networks was reported in managing issues during the 2011 Queensland floods.

TABLE 4.2  
ONLINE STAKEHOLDER ENGAGEMENT TOOLS

Tool	Details
Online surveys	While internet surveys are a useful means of gauging public opinion on a set of specific issues, they require consistent monitoring and evaluation of the results, and can be limited by issues of digital access and capability (Department of Communities 2008).
Online commentary through discussion boards, forums or blogs	These tend to focus on a particular issue and allow stakeholders to speak freely and engage with other relevant actors, thus providing a useful snapshot for governments of stakeholder opinion. For example, when preparing a paper on the development of Web 2.0, the Government 2.0 Taskforce released a draft of their report onto their blog, allowing for stakeholders to comment on particular paragraphs and also receive general feedback on the paper (Government 2.0 Taskforce 2009). Discussion boards however tend to carry an inherent risk of participants straying from the topic, and as such it may be worthwhile for agencies to appoint a moderator to facilitate and guide discussion (Department of Communities 2008).
Email	When looking to go beyond simply disseminating one-sided information, listserves are a valuable tool, as this automated mailing list allows subscribers to the list to email all other members, stimulating discussion between relevant stakeholders. Additionally, departments can install email feedback systems on their websites to obtain feedback from interested stakeholders (Department of Communities 2008).
Online chat events	Typically, these occur within a fixed period of time, and allow citizens to discuss issues with Ministers, Members of Parliament and other public officials. While online chats may simply be between two participants, if there are large numbers of participants it is worthwhile for agencies to appoint a moderator so as to guide discussion (Department of Communities 2008). Alternatively, online dialogues may occur in the form of a question and answer, this form being less instantaneous than chatting however having the same end result of officials responding directly to questions posed by stakeholders (Tomkova 2009).
Social networking sites and platforms	<p>Sites such as YouTube, Facebook, and Twitter have generated significant attention, allowing both government representatives and stakeholders to post commentary and videos online that subsequently draw comments and feedback.</p> <p>However, such sites have predominantly been used in the political arena rather than the government itself.</p> <p>In 2007, the practice of using YouTube for political purposes remained underdeveloped, with a study revealing that only 5.75 per cent of incumbent politicians in Australia in the 2007 election actually posted on the site (Goot 2008).</p> <p>Since then however, there has been an increase internationally in politicians' use of YouTube. In the 2008 US Election, the Obama campaign made considerable use of Facebook, placing advertisements in the side columns of the website, as well as having a 'Support Obama' Facebook group that sent messages to its members with information about polling sites, early voting information and campaign updates (Milakovich 2010).</p> <p>While using Facebook proved valuable for Obama in drawing in a younger aged constituency (Milakovich 2010), some government agencies remain hesitant about engaging completely with Facebook. For example, the Government 2.0 Taskforce, while having a Facebook page, limited its use by disallowing comments and simply using the page to direct viewers to their blog (Government 2.0 Taskforce 2009).</p> <p>David Cameron also made extensive use of YouTube in the 2010 elections (Osimo 2008).</p>
e-petitions	This tool has emerged recently as a more direct form of citizen engagement in the policy-making process. The Scottish Parliament particularly has embraced these methods, with the Public Petitions Committee being established to actively promote citizens to form petitions to express their concerns to Parliament. Citizens use an electronic petitioning system called e-petitioner that allows others to view the petition online, to read additional information on the issue, to add their names to the petition and to join an online discussion forum dedicated to the petition. Developments relating to the petition are also posted on the e-petitioner website by the Public Petitions Committee (OECD 2003).

Source: See references

### 4.3 Online tools and technologies

In many instances, online tools used by departments and agencies to engage stakeholders are embedded in a website, intranet, or are part of specific websites for certain issues/policies.

Some agencies, particularly those involved with youth and recreation, are making innovative uses of blogs, videoblogs, online news space, webinars with electronic feedback and Facebook to host discussions and seek feedback on services and policy options.

Table 4.2 provides further details on some tools used by departments and agencies in Australia for online stakeholder engagement.

Departments and agencies in Australia are embracing these tools as the core of how they engage their stakeholders and the public.

For example, the South Australian Attorney-General's Department has created a state-wide online stakeholder engagement initiative — 'yourSAy' — as a permanent online channel of communication for government consultation.

Through yourSAy the public interacts with items for discussion by topic, rather than agency; including consultations, discussions papers, needs assessments, and other related projects that require community engagement. Individuals can also subscribe and receive notifications of new consultations related to their specific interests, shifting the dynamic of government-community relations.

yourSAy allows the public to submit response-specific feedback, and can also facilitate 'closed' or private consultations with select stakeholder groups, while extracting useful information through its in-built data capture tool. Feedback gained through yourSAy is extracted in various formats, and can be used and applied by various departments in conjunction with feedback received via offline means.

Our discussions with the Department indicate that through this online channel it is now reaching disengaged demographic groups, those with a preference for online engagement, as well as those community members not readily able to engage in offline consultation methods such as town hall meetings.

Increasingly, departments and agencies employ social media platforms such as Twitter and Facebook to communicate information about their services, receive feedback from customers, and release media and policy statements.

The content in these communications has tended to be risk-free and very sober. Often internal content approval processes run counteractive to the medium's fast and informal nature. It is often that the information would end up being out-dated or irrelevant to its audience.

A noticeable exception has been the Australian Bureau of Statistics' (ABC) Census 2011 Twitter account.

ABS has used a Twitter account to communicate information about the 2011 Census, but more importantly to make statistical information appealing to a broader section of the

population. Its tweets have often been humorous, relating statistical information to popular culture and current affairs.

Witty tweets about Census information have included:

- 'THIS is a zumba body. Thanks to Australia's 13,800 Fitness Instructors.'
- 'Thank you to Australia's 18,709 journalists and other writers for today's awesome Census coverage. It's Censusalational.'
- 'Census data reveals there are 6533 pilots in Australia having a tough day at work due to one gigantic ash cloud.'

This approach has resulted in 21,000 Facebook users 'liking' the 2011 Census page and 13,000 Twitter followers (Jamieson 2011).

An unexpected by-product of the Census Twitter campaign is the strong response Census Twitter followers have expressed toward cyber critics. Social media users' support for the Census has positively managed the ABS' reputation on its behalf.

Another organisation, the Victorian Department of Education and Early Childhood Development is utilising a range of online tools to conduct core functions and as a means of facilitating and maintaining engagement with its key stakeholders.

TABLE 4.3  
ONLINE TOOLS IN VICTORIAN DEPARTMENT  
OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

Tool	Details
<b>Educator's Guide to Innovation via Ning</b>	The Educator's Guide to Innovation, created utilising the Social Website host 'Ning' ( <a href="http://guidetoinnovation.ning.com/">http://guidetoinnovation.ning.com/</a> ) is a networking site that brings together people with an interest in innovative practices in education from across Victoria. It features user profiles, blogs, discussion forums, an events calendar, project groups, web conferencing, photos and videos. The Ning currently has over 3,000 members.
<b>Facebook</b>	The Department has created accounts on the social networking site Facebook (e.g. 'Performing Arts Unit' and the 'Real Skills' pilot) to connect with stakeholders, share information and promote collaboration.
<b>Learning On Line website</b>	The Department's Learning On Line website has been developed to help schools make the most of the opportunities presented by new developments in, and increased accessibility to, digital technologies. It provides advice for schools on cyber safety and educates young people to be responsible users of mobile and digital technologies.
<b>Twitter</b>	The Department uses the 'microblogging' platform Twitter to share resources, links and ideas (see '@innovatehere').
<b>Ultraset</b>	The Ultraset is a statewide online learning environment that connects students, teachers and parents throughout Victoria and enables sharing of ideas, knowledge and resources within and across the government school system. Students are able to use Web 2.0 tools such as wikis, blogs, polls and discussion boards; teachers can access digital learning resources and collaboratively design content; and parents are able to access up-to-date information about their child.
<b>Virtual Conference Centre</b>	The Virtual Conference Centre provides free web conference sessions for meeting, learning and collaborating online. It can be used by Victorian educators in government, Catholic and independent schools, and departmental staff in regional and central offices.

Source: Department of Education and Early Childhood Development 2010; Consultation (interviews) with the Department of Education and Early Childhood Development Victoria

The purposes of this engagement include supporting collaboration, communication, problem solving, providing access to new knowledge, forming learning communities and linking stakeholders to knowledge experts (see Table 4.3).

For the Commonwealth Department of Human Services, new technologies and social media sites provide a useful way to harness the knowledge of and obtain data from, customers and consumers.

'MyCommunity', the Department's first online community trial, involved 400 families of carer and disability customers. The six-month program featured moderated discussion forums, polls, surveys and video, providing insights that have been applied across all ongoing social media work in the Department.

During March 2011, the department's 'Speechbubble' online discussion forum was opened to promote engagement between customers, staff and stakeholders. This whole-of-department initiative took place over 10 days to allow for discussion about the department's new service commitments and support feedback from prior face-to-face forums.

During this period, over 2000 people visited the online forum and 192 comments were made, providing a volume and quality of feedback that exceeded expectations. The advantages of this channel over traditional and costly engagement methods have been internalised and online forums are planned for engaging with the public in future.

Another example of social media use is Centrelink's live and interactive webcasts for policy programs such as the Paid Parental Leave scheme. Through video streamed over the Internet, webcasting allows staff to engage with customers and stakeholder groups across the country. Programs can become interactive with viewers sending in questions and feedback via live chat facilities, allowing for real-time responses and genuine two-way communication.

Finally, the Department actively engages in Twitter and Facebook as a means of providing public updates on news, information and services. This channels government information to other websites and online destinations. Currently there are three Facebook and three Twitter accounts, dealing with Graduate recruitment, Youth & Students services, and the media (Consultation with Commonwealth Department of Human Services).

#### 4.4 Challenges of online engagement

Many study participants identified opportunities for them to reach out to people currently 'not in the system', especially younger people, through understanding and using new technologies.

However, despite these opportunities and despite the broadening reach of online technologies, issues surrounding affordability, availability and accessibility continue to prevent certain groups from engaging online (Turner-Lee 2010).

One study participant expressed concern that the availability of technology, combined with budget cuts, was driving the department to use online communication.



This risked ‘tick-box’ input, and a focus on what a survey designer thinks is relevant, rather than the more nuanced and granular understanding of issues that comes from face-to-face interaction.

Availability of online hardware and bandwidth is particularly an issue in rural areas, along with accessibility of services and digital literacy training (Turner-Lee 2010).

Additionally, the accessibility of online tools to interest groups is affected by the actual structure of the chosen medium, with many government websites being poorly structured and difficult to navigate, thus dissuading visitors (Macnamara 2010).

In this 2011 study, there was some interest (and hope) that the Federal Government’s National Broadband Network would provide new opportunities for departments to engage Australians online.

However, there are also a number of administrative challenges associated with online engagement.

Given the difficulty of monitoring activity, agencies are faced with the challenge of collating their online feedback, as they often receive large volumes of emails and feedback (Milakovich 2010).

The sheer volume of feedback as well as the lack of representativeness in online media makes it incredibly difficult for agencies to analyse and interpret online data in a meaningful way and to use such participation to inform decision-making (Milakovich 2010).

As such, a lack of clarity regarding how online consultation translates into influence on policy is contributing to a sense of what the OECD has termed ‘e-consultation fatigue’ (OECD 2003).

Departments often face difficulty in facilitating effective communication between themselves and their online constituency (Milakovich 2010 and confirmed by our consultations), which is an essential aspect of effective engagement.

#### BOX 4.4

##### DEPARTMENT OF HUMAN SERVICES: APPROACH TO STAFF SOCIAL MEDIA USE

A dedicated team of social media moderators ensures accurate information is available to share in online forums in a timely manner.

Employees engaging with social media must be trained regarding the benefits and obligations of social media tools. They must also be aware of policy guidelines governing the use of social media by businesses and individuals. Such measures are designed to ensure personal privacy and security online, and prevent a breach of department codes.

Consequently, staff engaging in social media are required to disclose only information that is publically available, factually correct and adheres to privacy and site guidelines. They must mention they are an employee and only participate in forum discussions where it is relevant to their position of responsibility and receive approval from the Digital Media Section.

The Department has also established an internal staff blog to train employees in the use of social media tools, and a Co-design Blog to provide staff with an interactive channel for exchanging information and ideas about design thinking and practice.

Source: Australian Government Information Management Office 2009



Given the speed of online interactions, departments and agencies need to designate specific personnel to respond to online feedback, ensuring that they have in place fast-track approval procedures, authorisations of spokespersons on specific topics, and pre-prepared responses on a range of topics (Macnamara 2010).

To moderate its staff's social media use, the Commonwealth Department of Human Services has established a user policy outlining a code of conduct enforced by Department discretion. The Department monitors 'Human Services' mentions in social media and responds where there is need to correct misinformation or provide additional support to an individual or family (see Box 4.4).

Although the participative web is a useful channel for governments to disseminate information to their stakeholders, agencies need to be aware that online engagement is interactive.

While departments are able to control the information that is released, they cannot forecast the manner in which other online stakeholders will circulate, share and react to this information (OECD 2009).

The risk of intruders 'hijacking' online forums and crowding out stakeholders was a concern identified in a number of departmental consultations for this study.

Given the liberated nature of most online forums, participants can often become sidetracked by controversial issues, thus failing to address the particular topic designated for the forum, as highlighted in Box 4.5. This issue could be addressed through constant monitoring of online forums or through the appointment of a moderator.

#### BOX 4.5 'HIJACKING' ISSUES IN ONLINE SPACE

In December of 2008, the Commonwealth Department of Broadband, Communications and Digital Economy planned to launch a consultation blog to gauge public opinion on developments in broadband. However, a few weeks prior to the launch of the blog, the Department announced a proposal to introduce internet filtering, which attracted broad criticism from both the media and the general public. As such, the intended topic of the blog was 'hijacked' by citizens expressing their anger over the proposal, rather than fulfilling the original purpose of exploring wider issues and gaining different perspectives on broadband developments.

Source: Adapted from Macnamara 2010

#### BOX 4.6 FIXMYSTREET WEBSITE

FixMyStreet ([www.fixmystreet.com](http://www.fixmystreet.com)) is a UK website launched by mysociety.org in conjunction with the UK Young Foundation.

Through the website, individuals can report to, or discuss local problems (e.g. graffiti, unlit lampposts, abandoned cars) with their local council. They identify and tag these issues on a map.

After entering a postcode or location, users are presented with a map of that area. Users can view problems already reported in that area, or report theirs by clicking and tagging on the map at the location of the problem. These reports are then sent to the relevant council by email. The council can then resolve the problem in the manner they normally would. Alternatively, the website allows users to discuss the problem with others, and then together lobby the council to fix it, or fix it directly themselves.

Source: OECD 2009

Importantly, governments need to recognise that they themselves may be the targets of online campaigns initiated by stakeholders. These online campaigns are often designed with the aim of lobbying governments to take action on particular issues, such as the example given in Box 4.6 from the UK.

Another concern is that with the immediacy of email, stakeholders are putting pressure on agencies for rapid response that will frequently not be available.

One of our study's participants expressed deep frustration because of risk aversion in senior management. While they can use social media for posting information they are unable to join conversations through Facebook or Twitter and cannot post video on their website.

Defining and understanding the 'risk' of online interactions (and having a presence online) is a key challenge for many departments.

As in the private sector, explaining the value of online interaction — especially to senior management — can be difficult given the difficulty of measuring the benefits of this medium.

Many departments are addressing this challenge by capturing and understanding their experience and social media strategies of other departments and agencies, and presenting case studies to senior management that highlight the value (and low risk) of online engagement activities.

For some departments constraints in new technologies' use are legal or technical.

One agency that manages a Twitter account, informed us that their legal department requires that every communication (tweet) needs to be signed off by three to four people.

Security concerns also exist, because with current arrangements agencies would need to use the same technology platform as with cabinet documents and other sensitive material.

Finally, a few of our study's participants have cautioned that they have abandoned the use of new technologies because of an inability to agree on their purpose or measure their value.



## APPENDIX A

### IAP2 TOOLBOX

The IAP2 Toolbox classifies stakeholder and public engagement tools based on three objectives:

- information provision to stakeholders;
- obtaining information from stakeholders; and
- active consultation with stakeholders.

The first category includes tools such as information kiosks, newspaper inserts, advertisements and web sites.

Tools that obtain information and feedback from stakeholders include comment forms, interviews and surveys.

Active consultation tools include focus groups, town hall meetings and public hearings.

Table A.1 lists weaknesses and benefits associated with the three engagement tool classifications.

TABLE A.1  
TOOL WEAKNESSES AND BENEFITS

Tool Category	Weaknesses	Benefits
<b>Information provision</b>	<p>Advertising and other forms of media involvement can be expensive.</p> <p>Information distributed via the press, or en masse does not always reach the target audience.</p> <p>Contacting people or delivering information via email can be unreliable due to address changes.</p>	<p>Enables larger-scale dissemination of information.</p> <p>Tools such as hotlines and central information contacts provide an image of accessibility.</p>
<b>Obtaining information</b>	<p>Data collected via surveys/polls may not be statistically valid.</p> <p>Telephone and in-person surveys are relatively expensive and labour-intensive.</p>	<p>Allows capturing input from those unable to attend meetings.</p> <p>Online surveys have a relatively high response rate.</p>
<b>Active consultation</b>	<p>The discussion might escalate out of the facilitators' control, especially if controversial/sensitive issues are involved.</p> <p>Scenarios aren't necessarily conducive to constructive dialogue.</p> <p>Documenting public discussions can be difficult.</p>	<p>Participants understand other perspectives, and are more prone to compromise.</p> <p>Active discussions that are citizen-driven build credibility.</p>

Source: IAPP 2006



## APPENDIX B

### EXAMPLES OF PUBLIC ENGAGEMENT TOOLS/MECHANISMS

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#### AUSTRALIA — THE AUSTRALIAN CITIZEN'S PARLIAMENT

The Australian Citizens' Parliament (ACP) was held in February 2009 at the Old Parliament House in Canberra. It was unlike other parliamentary sittings, where elected officials argue issues from partisan viewpoints.

This parliament, consisting of 150 randomly selected Australian citizens — one from each federal electorate — deliberated on the question, 'How can we strengthen our political system to better serve the people?'

The Citizen Parliamentarians (CPs) took part in a process that spanned six months, beginning with regional meetings, continuing through a period of online deliberation and culminating in the four-day event in Canberra. In the formal ending ceremony, the CPs presented a final set of prioritised political reform proposals to the Prime Minister.

The ACP design for national citizen deliberation drew heavily on prior experiences with Citizen Assemblies, and other deliberation formats.

#### DENMARK — MINDLAB

MindLab is a unit in Denmark that works with citizens and businesses to create new, innovative solutions for the public sector. It is the result of cross-ministerial engagement and works with civil servants in its three parent ministries: the Ministry of Economic and Business Affairs, the Ministry of Taxation and the Ministry of Employment.

The main areas in which MindLab assists its clients include facilitating collaboration, communication, digital solutions, entrepreneurship, strengthening labour force, monitoring, policy development, service experience and developing strategy.

MindLab follows a seven-phase approach to capacity building for its clients. The first phase teaches clients to define the scope and focus of their project. The second phase assists clients with learning about their users. The subsequent phases involve teaching clients about analysis, idea and concept development, means of testing new concepts, methods of communicating results and strategies for measuring their impact.

MindLab hosts a blog on its website, allowing participants to publish thoughts relating to innovative practice in the public sector, and to comment on the issues raised by other participants.

#### UNITED STATES — CITIZEN JURIES

Citizen juries were created by Ned Crosby, the founder of a non-profit organisation in the United States devoted to generating citizen engagement on public matters. Over two hundred citizen juries have been conducted in Australia and internationally.

Citizen juries involve a very small number of participants. A panel of 18-24 participants meet for 4-5 days to examine a policy issue. Jurists listen to a variety of expert witnesses and deliberate on the issue. Jurists rely on information given by expert witnesses and are given the opportunity to question them about the issue.

Although the small number of participants is helpful in maintaining high-quality deliberations, it is a liability in terms of attracting government and media attention. The sample size makes the exercise an easy one to run frequently, compared to town meetings.

## UNITED STATES — 21<sup>ST</sup> CENTURY TOWN MEETING

21<sup>st</sup> century town meeting was created by AmericaSpeaks, a US non-profit organisation that develops deliberation tools. Town meetings are convened jointly by AmericaSpeaks and a sponsoring organisation. To date, AmericaSpeaks has convened more than 40 town meetings in more than 30 American states.

Each town meeting engages up to several thousand people. This large group is broken down into smaller units of 10-12 people (table discussions). Each small group deliberates the policy, planning, or resource allocation issue that the meeting was called to address. The entire group then considers the leading proposal from table discussions and votes on final recommendations to policymakers. Issue experts are on hand to answer questions and policy-makers both participate in and observe table discussions.

## UNITED STATES — DELIBERATIVE POLLING

Deliberative polling is not new, as it was first proposed by Professor James Fishkin in the United States in 1988, but its use has increased markedly in the past decade.

Fishkin's method combines an opinion poll completed by a large, random sample with deliberation by small groups on a public policy issue.

In the first stage of the exercise, a random, representative sample is polled on a set of policy issues. The purpose of the large, random sample is to get a sense of how the general population would respond to the questions being asked in the poll.

Then, these respondents are invited to gather at one location to discuss the issues in small groups over the course of a weekend. At the end of the weekend, participants complete the original survey again.

The purpose of the exercise is to see how opinions change, or remain the same, after deliberation with others.

## SCOTLAND — CIVIC FORUM

Civic Forum is a private organisation that describes itself as a 'gateway' between government and civic organisations and individuals.

Its main activities are to encourage debate about controversial political issues, to share information on proposed legislation, and to educate people about politics in the hope that they become active citizens.

The Forum advertises its upcoming public consultations and disperses information packages on policy proposals that are before the Scottish Parliament via fax, mail and email.

The Forum 'calls for evidence' put out by parliamentary committees while they are studying a bill. Committees invite citizens to submit their responses to a policy proposal, via mail or email. Individuals might be called upon to give oral presentations before committees.

The Forum's activities contribute to citizenry's levels of education and public trust. The forum promotes public involvement by bringing politicians and citizens together.

## DENMARK — BOARD OF TECHNOLOGY CONSENSUS CONFERENCE

The 'consensus conference' format brings together 10 to 25 randomly selected citizens for eight days over a period of three months to deliberate on a policy issue.

Various presenters, including experts, activists, and policymakers, appear before the group to answer questions.

## GERMANY — PLANNING CELLS

The planning cell exercise, first used in Germany, can involve hundreds of citizens at multiple venues.

These exercises usually involve six to ten planning cells working at the same time, each with 25 participants. Participants listen to experts and representatives speak about the topic. For most deliberations, planning cells organise the 25 participants into groups of five, which gives them more opportunity to contribute.

Instead of a single moderator, planning cells use one female and one male 'process steward' who manage discussion rather than facilitate deliberation. Management of group dynamics is 'loose' in order to avoid manipulating participants. At the end of the planning cells, the recommendations for all of the cells are synthesised into a citizens' report. The final report is presented to decision makers and made available to the public.

## BRITISH COLUMBIA (CANADA) — CITIZENS' ASSEMBLY ON ELECTORAL REFORM

The mandate of the British Columbia Citizen's Assembly on Electoral Reform was to assess different electoral systems and decide whether or not British Columbia should discard the single-member plurality system in favour of a new one proposed by the assembly.

The Assembly model is considered by many to be the gold standard of meaningful public engagement.

In addition to their own deliberations, 160 members of the Assembly considered 1,603 written submissions from the public and held over 60 public meetings to get citizens' input.

At its completion, the Assembly recommended that the province switch to the single-transferable vote system. The assembly's recommendation was then brought to the public for approval in a referendum.



The Assembly sought to capture the province's demographic diversity. Members underwent an intensive educational process during which they studied the pros and cons of different electoral systems used throughout the world. Discussions were moderated to secure fair and equitable participation.

*Appendix B case studies were developed through the following resources:*

Department for Communities and Local Government 2010, MindLab 2011, New Democracy Foundation 2009, Turnbull & Aucion 2006, Smith & Wistrich 2010.

## APPENDIX C

### METHODOLOGY

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Twenty-two Commonwealth, State and Territory government departments and agencies participated in this 2011 study. Representatives from participating entities were consulted on several occasions to capture and gauge their experiences and challenges.

The methodology for this study comprised six elements:

- an international literature review;
- face-to-face consultations (including interviews) with participating departments and agencies;
- a self-assessment survey of participating departments and agencies;
- development of an issues paper based on initial consultations and key insights arising from the literature review, and facilitation of a roundtable workshop of study participants to discuss and interrogate trends, insights, and practice;
- analysis of data collected from participating departments and agencies, collation of that analysis, and liaison with study participants to review the analysis; and
- further analysis by Allen Consulting Group and development of this final study report.



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