

Evaluation: a neglected but vital reform

Submission to the Parliament of Australia

*Senate Finance and Public Administration Committee
Inquiry into the Ahead of the Game Blueprint for the
Reform of Australian Government Administration*

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Background

In the discussion paper entitled *Reform of Australian Government Administration: Building the World's Best Public Service*, the Government's vision for the APS is described as including "evidence-based policy making processes as part of a robust culture of policy contestability" (p. 18).

Although the importance of evidence-based policy was emphasized in twenty seven submissions to the Advisory Group, it is sidelined in the Advisory Group's report. Program evaluation is an essential mechanism underlying evidence-based policy. *Ahead of the Game* fails the APS and the Australian public by neglecting to grapple with the integrity and quality of evaluation processes within the APS by which evidence of program effectiveness is obtained.

In this submission, we address critical reforms that are needed to support a robust culture of policy contestability and so make the APS more effective in delivering evidence-based policy. We include 12 recommendations for facilitating and embedding these reforms in the APS.

Evaluation: essential to evidence-based policy

Money spent ineffectively is money wasted

Section 44 of the Financial Management and Accountability Act 1997 requires that Commonwealth resources, including public money, be used ethically, *effectively* and efficiently.

When public money is spent on programs that do not work, the money is lost. Audit is the means to detect and prevent loss through theft or inefficiency. Evaluation is the means to detect and prevent waste due to ineffectiveness.

Evaluation should not be confused with program monitoring. Program monitoring is largely an audit function concerned with how much money was spent by a program, how it was spent, when it was spent, what it was spent on (people, widgets, services, etc.), and whether the expenditure was lawful. Evaluation, in contrast, is concerned with whether a program, and hence whether the expenditure, achieved the policy objective to which it was directed.

It is only by means of thorough, honest and well designed evaluations that Agencies can inform themselves, and their Ministers, about what works, and equally importantly, what does not work.

Recommendation 1: Evaluation of programs should be given the same status as audit of programs.

Actions to make it happen: The Financial Management and Accountability Act 1997 could be amended to give evaluation functions the same status within Agencies as audit functions.

Evaluation requires expertise

An examination of the database of government contracts on the AusTenders website¹ shows that millions of dollars of public money are spent each year on evaluation consultancies. Most of that money is wasted. It is wasted because, by the time an evaluation consultant is hired, the evaluation has already been seriously compromised.

Most evaluation activities within the APS are shaped by people who have no professional technical expertise in evaluation. Poor evaluation planning, poor evaluation design, and poor drafting of the evaluation request-for-tender mean that it will be impossible (even in principle) for a consultant to discover whether a program is, or is not, effective.

Authentic evaluation requires professional expertise, particularly in evaluation design and in the assessment of evidence. Notwithstanding the proliferation of evaluation sections within APS agencies, very few APS employees have expertise in evaluation. Most evaluation sections are staffed by generalist APS employees whose background is in the workings of the public service, not in the technical areas of evaluation design and evidence assessment.

Recommendation 2: The APS should recruit and retain staff with professional qualifications in social science research methodology or evaluation. Agencies should be encouraged to create career paths for evaluation experts.

Recommendation 3: Program evaluations should be designed by professional evaluation experts not by generalist staff. Evaluation functions within each Agency should be centralized to maximize the use of limited evaluation expertise.

Recommendation 4: Evaluation functions within each Agency should be overseen by an SES member with appropriate professional qualifications in evaluation. The SES member should have status equivalent to that of the Agency auditor.

Recommendation 5: The Auditor-General should be asked to review Commonwealth program evaluation practices and consultancies with a view to reporting on their effectiveness.

Ensuring honesty and independence in evaluation

External evaluation consultants rely for their incomes on repeat-business from Agency program areas. Program areas rely on favorable reports from evaluation consultants if their programs are to continue. These circumstances do not favour independence and honesty in evaluations. If governments are to be properly informed about the effectiveness of programs—that is, whether the expenditure of public money is achieving the policy objective that was intended—then program evaluation must be unbiased in its design and execution, and untainted by vested interests.

Although some of the structural changes needed to promote independence in evaluation are addressed in Recommendations 3 and 4 above, additional changes are needed.

¹ www.tenders.gov.au

Recommendation 6: Evaluation consultancies should be overseen by centralized evaluation expertise within each Agency, with a view to assuring the quality, honesty and integrity of program evaluations.

Recommendation 7: The SES officer who is responsible for the centralized evaluation function within an Agency should also be responsible for maintaining the independence and integrity of evaluations.

Recommendation 8: The evaluation of tenders for evaluation consultancies should be free of undue influence by program staff.

Recommendation 9: The report of an evaluation should be delivered to an independent officer within each Agency such as the SES officer responsible for the centralized evaluation function.

Most evaluations are buried

Even the best evidence is of little value if it's ignored or not available when it is needed. (Banks 2009, p. 18)

The majority of program evaluation reports do not see the light of day. Although some Agencies have a good record for publishing evaluation reports, most do not. The excuses for non-publication are numerous but the effect is the same: the Parliament and the Australian public are denied the opportunity to discover what is working, and what is not working—to discover where public money is being spent effectively, and where it is being wasted on programs that do not work.

A reading of Hansard reveals that even Senate Estimates Committees have difficulty discovering: what evaluations have been done; how well designed they were; whether they could, in principle, have determined the effectiveness or otherwise of programs; whether they were well executed; and what they have shown. Although the existence of some, otherwise hidden, evaluation reports might be revealed by close examination of the online database of government contracts², the site does not report many smaller contracts. Furthermore, the delay between initiation of an evaluation and reporting of the contract on the AusTender website is significant.

Recommendation 10: That Senate Estimates Committees inquire more assiduously into the existence and findings of evaluation reports of Agency programs.

Recommendation 11: That Agencies be required to table a list of evaluation reports and evaluation consultancies with the Parliament.

Recommendation 12: That Senate Estimates Committees be encouraged to seek advice from evaluation experts in framing questions to Agency heads regarding claims of program effectiveness.

² www.tenders.gov.au

Summary of recommendations

Recommendation 1: Evaluation of programs should be given the same status as audit of programs. [[link to relevant section](#)]

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References

- Advisory Group on Reform of Australian Government Administration (2009). *Reform of Australian Government Administration: Building the world's best public service*. Canberra, Australia: Department of the Prime Minister and Cabinet. [[web-link](#)]
- Advisory Group on Reform of Australian Government Administration (2010). *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*. Canberra, Australia: Department of the Prime Minister and Cabinet. [[web-link](#)]
- Banks, G. (2009). *Evidence-based policy-making: What is it? How do we get it?* Chairman, Productivity Commission. Australian and New Zealand School of Government (ANZSOG)/Australian National University (ANU) Lecture Series on 4 February 2009. [[web-link](#)]
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