Towards whole-of-government enhancement of public value: an Australian case

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ABSTRACT

The creation of public value holds a central place both in contemporary academic discussions of public administration and in practitioner interpretations of their roles in and around government. Mark Moore’s influential public value framework connects public value creation in service delivery to the achievement of desired social outcomes, and to the maintenance of governmental legitimacy and trust. Towards the end of its long term in office, the Labor-led Government of South Australia (2002–2018) embraced Moore’s public value characterization of government’s role in society. We review that unique effort to promote public value across the whole of government, in policy design and practice. In so doing, we extract suggestions for public sector leaders and managers aspiring to implement similar system-wide change: (1) Gain powerful support; (2) Be clear on what is to be achieved; (3) Secure organizational resources; (4) Build a coalition; and (5) Keep communicating and learning.

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Towards the end of its long term in office, the Labor-led Government of South Australia (2002–2018) embraced Mark Moore’s characterization of the public manager’s role in creating public value. The initiative took a framework devised with individual public managers in mind and accorded it a central place in driving whole-of-government change. That change affected all facets of policy design and practice in the state. As well as telling us something about the flexibility and broad applicability of Moore’s public value framework, the South Australian experience offers insights into what it takes to successfully implement whole-of-government initiatives.

Here, we first recount key features of Moore’s public value framework. We then review the South Australian context, indicating why the public value framework rose to such prominence there. With the purpose of drawing out insights from the South Australian experience, we then describe key features of that whole-of-government
initiative and the actions that were taken to make public value enhancement an embedded practice among all policy designers and public managers.

Taking this approach, we extract five insights for public sector leaders and managers aspiring to implement similar system-wide change: (1) Gain powerful support; (2) Be clear on what is to be achieved; (3) Secure organizational resources; (4) Build a coalition; and (5) Keep communicating and learning. Policy designers and public managers elsewhere will benefit from knowing how a South Australian government thought about public value. The uniqueness of the South Australian context leads us to caution that the whole-of-government approach to enhancing public value could be more difficult to pursue in more complex, politically fraught jurisdictions. The case reveals an unusual convergence of favorable circumstances and willingness to take bold actions. Much can also be learned from South Australia’s up-take of public value with respect to the embedding of new systems and practices with eyes fixed on their long-term sustainability.

The public value framework

Mark Moore’s public value framework (1995, 2013) has been highly influential both among scholars of public administration and managers working in and around the public sector. The framework emphasises three aspects of public management: Delivering services, achieving social outcomes, and maintaining trust and legitimacy. Here, we use the term “public value” as Moore did in his initial definition. It is “the public sector equivalent of private value in corporate management” (1995). Under this definition, public managers seek to enhance the value to citizens of government-funded activities. There has been much discussion of Moore’s public value framework (e.g., Alford and O’Flynn 2009; O’Flynn 2007). While acknowledging a level of contestation regarding its merits (Bozeman 2007; Bryson, Crosby, and Bloomberg 2014), we show how it guided significant change in how the Labor-led Government of South Australia (2002–2018) pursued its engagements with citizens.

Moore originally presented his framework in Creating Public Value, 1995. There, Moore illustrated the framework’s applicability using examples from state and local government settings in the United States. With John Benington, Moore subsequently assembled scholarly investigations that amassed broader evidence concerning the applicability of the framework. Contributions to Benington and Moore’s edited collection drew on evidence from Australia, New Zealand, the United Kingdom, and elsewhere (Benington and Moore 2010). Moore also produced another book, Recognizing Public Value, 2013, elaborating on his original formulation and exploring how public managers might track and measure the public value generated by their efforts.

The core of Moore’s public value framework consists of “the strategic triangle”. Energetic, results-oriented public managers must seek to align the three points or corners of the strategic triangle. Those public managers begin by considering how – from their positions in government – they might create public value. Towards this end, they formulate “strategic goals”. Those goals might emerge from thinking about how best to add public value for citizens through specific programs, services, or projects. But public managers cannot engage in unilateral action. They must seek support and legitimacy for their strategic goals from what Moore terms “the authorizing
environment”. To do this, public managers must leverage their current powers, influence others, negotiate for support, and nudge others towards sharing similar perceptions of specific situations and how public value might be increased within them.

The authorizing environment is comprised of various authority figures and stakeholders, and legislators. By engaging the authorizing environment, public managers gain awareness of the mandates governing their work and what discretion they might have in pursuing legitimized “strategic goals”. Often, creation of public value by public managers will be the result of their doing little more than following the orders of those to whom they report. Explicit in the framework is the notion that public managers can perform at their best when they enjoy a degree of earned autonomy, and when they feel confident in exploiting it. Generally, entities in the authorizing environment will include political leaders, senior public managers, relevant interest groups, and other stakeholders (e.g., the media, engaged citizens, users of the public services in question and their advocates). Within the framework, significant levels of political savvy are expected to be deployed by public managers seeking to create public value.

The third corner of the strategic triangle concerns the harnessing of operational capability. Acting in their own sphere of authority, public managers will often have control over the allocation of resources to the pursuit of strategic goals. However, effective forms of horizontal cooperation across traditional organizational boundaries can free up greater capability. Beyond that, effective negotiation with key figures in the authorizing environment can secure more operational capability. Importantly, those with greater political or organizational authority can make calculated trade-offs among a set of public goals. At the same time, such authority figures must be cognizant of the opportunity costs associated with the pursuit of one set of strategic goals over others. Careful construction of arguments and generation of support from coalitions of relevant stakeholders can be critical to securing operational capability for the pursuit of particular public value goals.

In sum, Moore’s public value framework highlights key considerations for public managers who aspire to create public value and whose roles allow them a degree of decision-making discretion and control of operational capability. In the process, public managers need to be pragmatic and flexible (Hartley et al. 2015). What works well in one setting might not work well elsewhere. That said, scope exists for public managers to learn from the actions of others, and acquire new understandings of practices and approaches they might adopt to improve their effectiveness in public value creation. Increasingly, it is recognized that public value can be effectively enhanced when policy designers and public managers work together to address public problems and devise effective responses (Mintrom and Luetjens 2017).

The South Australian context

As we will shortly show, towards the end of its term in office, the Labor-led Government of South Australia (2002–2018) made a remarkably strong – and unprecedented – commitment to having Mark Moore’s public value framework inform much of what it did. Given that Moore heralds from Harvard University and his writings on public value are deeply rooted in the American context, this was not an
obvious development. How might we make sense of this curious transference and scaling-up of an idea? The answer, we suggest, lies in the confluence of several factors. Paramount here was a commitment to learning from internationally-recognized thought leaders. This was combined with state government sponsorship of emerging public sector leaders to engage in high-quality training opportunities. The small size of the state and its recent political stability also seem to have contributed to the embrace of the public value framework.

South Australia is one of the eight Australian states and territories that are administratively independent of the national-level Australian Government. With a population in 2018 of 1.7 million, South Australia is considerably smaller than the large eastern seaboard states of New South Wales, Queensland, and Victoria. South Australia’s population is heavily concentrated around Adelaide, the one major city in the state, and the seat of state government.

The Premier of South Australia who sponsored the public value initiative was Jay Weatherill, an Australian Labor Party politician, who has served in the state’s lower house of parliament, the House of Assembly, since 2002. He held the executive continuously from 2011 to 2018. Prior to Weatherill, the premiership of the state was held from 2002 to 2011 by Australian Labor Party politician Mike Rann. Throughout Rann’s premiership, Weatherill served continuously in the Cabinet, his Ministerial responsibilities included, at various times, Education, Housing, and the Public Sector.

South Australia’s relatively small scale and its long run of stable political leadership created favorable conditions for innovation in policy design and public management, and for such innovation to be broadly integrated into state government practices. Beyond that, we note two important initiatives, both of which dated from the Rann premiership, as laying the foundations for embrace of the public value framework.

The first initiative is the Thinker in Residence program. During his time as Premier, Mike Rann was instrumental in establishing this Adelaide-based program, which ran from 2003 to 2012. The program funded high-profile academics and public intellectuals to visit South Australia. During visits to the state (which lasted for several weeks, sometimes longer), these thinkers devoted their attention to pressing public issues of the day and offered suggestions for ways to address them. For example, while visiting Adelaide for several weeks in 2007–2008, Geoff Mulgan developed the blueprint for the Adelaide-based Australian Centre for Social Innovation (TACSI), established in 2009. This center has subsequently led various initiatives that have placed design thinking and citizen engagement at the heart of policy development. Today, the Thinkers in Residence program has evolved into the Don Dunstan Foundation, which operates without direct government support and which continues to bring thought leaders to the state. The Thinkers in Residence program gave South Australia legitimacy to seriously explore how big ideas could guide efforts to improve the lives of citizens.

The second initiative we believe laid the foundation for embrace of Mark Moore’s public value framework concerns the Government of South Australia’s years of commitment to working with the Australia and New Zealand School of Government (ANZSOG). As a cross-jurisdictional academic entity, ANZSOG trains mid-to-senior level managers in state and national government. From its inception, ANZSOG has integrated Mark Moore’s ideas into its teaching. Since 2003, a growing cohort of carefully-
selected senior public servants from South Australia have completed either the ANZSOG two-year Executive Master of Public Administration degree (delivered in association with a network of university partners), or the annual ANZSOG three-week Executive Fellows Program. Moore visited Australia regularly for many years to teach on public value in the Executive Fellows Program. The two-year Executive Master’s degree includes a unit titled “Delivering Public Value,” where Moore’s framework is explicated and participants actively apply it. More than 50 senior officials from South Australia attended these programs between 2003 and 2017. More than 70 others gained exposure to Mark Moore in bespoke ANZSOG training sessions held in Adelaide for senior officials.

Against the backdrop of the prominent Thinker in Residence Program and South Australia’s engagement with ANZSOG, Mark Moore first visited Adelaide in 2010 as part of an ANZSOG-coordinated series of professional development sessions. This was the first time he met Jay Weatherill, who at that time was Minister responsible for the Public Sector. Moore subsequently visited Adelaide in October 2015, February 2016, and November 2017, always while visiting Australia to participate in ANZSOG activities. In each subsequent visit to Adelaide, beyond meeting with Jay Weatherill in his role as Premier, Moore met with other government ministers, public sector chief executives, and public managers. During meetings and seminars, Moore explained his public value framework and indicated how various analytical techniques and managerial practices could support efforts in South Australia to enhance public value.

In his 2017 visit, Moore noted that the Government of South Australia’s pursuit of whole-of-government enhancement of public value was unprecedented. It was the first example Moore had seen of a deliberate effort to scale up the application of the public value framework.\(^1\) Moore’s writing and pedagogy put the individual public sector manager at centre stage. In Moore’s rendition, the guiding question is: How might the motivated individual work with others to drive changes intended to promote public value? This question, of course, opens discussion of many other considerations. In contrast, the interest in public value in South Australia posed a different question: What should be done to ensure all public leaders, policy designers, and public managers across government treat public value enhancement as a central preoccupation? In what follows, we document how South Australia organized this whole-of-government initiative and, relatedly, how public sector leaders worked to make public value enhancement an embedded practice among policy designers, public managers and their teams.

**The whole-of-Government initiative**

The Government of South Australia established a carefully-devised governance structure to embed public value thinking across the public sector. This governance structure ensured senior people in the public service were held accountable for implementation of policies and programs consistent with enhancement of public value. It was an extensive structure, indicating the seriousness accorded to this whole-of-government initiative. The structure started with a modern public sector reform group, chaired by the Premier. A senior management council comprised chief executives of state government departments reporting to the Modern Public Sector
Reform Group. At the operating level, a Public Value Working Group ran for a time, to support the initial phase focused on educating public servants about Moore’s public value concepts. Subsequently a Policy and Public Value team, located in the Department of the Premier and Cabinet was established with terms of reference sufficiently broad that members were able to continually monitor new policies and programs in the state, provide strong consultative support to agencies developing new proposals, and rapidly deploy resources to challenges or issues of high priority to the Government. Figure 1 summarizes the governance structure that was established to embed public value thinking across the South Australian public sector.

To ensure policy designers across all agencies gave continual attention to public value enhancement, the Cabinet submission process was revised. All submissions
were required to follow a template calling for explicit discussion of key issues embodied in Mark Moore’s public value framework. This change to the submission process was devised by staff in the Premier’s private office in consultation with staff in the Department of the Premier and Cabinet. The draft of the revised submissions process was discussed with Mark Moore during his visit in 2015.

Each Cabinet submission in South Australia was required to describe the expected effect of the proposal and explain why it represents public value. This was to be supported by a “public value account” – an “at a glance” summary of the intended public value to be delivered and the costs associated with the proposal. Among other things, the account required that consideration be given to intended outcomes, potential other positive and negative outcomes, implications for client satisfaction, and how the proposal would advance justice and fairness, both at the individual and the community level. Beyond this consideration of the policy or program and its expected costs and benefits, Cabinet submissions were also required to consider the authorizing environment. This was done by documenting the legitimacy and current support enjoyed by the proposal, the formal approvals it had to date, and the additional support it would need to accrue from the stakeholders and clients during the development process. Finally, Cabinet submissions were required to consider operational capability. All submissions had to answer basic questions: Can we do it? Where are the resources? How do we mobilize these resources? The discussion of operational capability was also expected to address the quantity of outputs to be produced and how quality of outputs and outcomes would be measured. Finally, careful consideration was to be given to the budget impact of the proposal, so that all operational implications of the proposal, and the broader trade-offs associated with it, could be rapidly assessed by Cabinet.

Beginning in 2017, at the reporting and monitoring end of the policy cycle, all state agencies were required to use a revised annual report format designed to incorporate public value. This was yet another way that the focus on public value enhancement was embedded into day-to-day processes. In addition, public value enhancement was increasingly being included as part of the performance contracts of chief executives of South Australian government agencies.

These process changes made at the core of South Australian government shifted business as usual, both at the Cabinet level, and among senior managers and their teams throughout the system. They aimed to ensure that public value was kept top of mind, through lines of accountability, annual reporting, performance agreements, position descriptions, and all policy development and budgeting activities. Such comprehensive action was deemed necessary if whole-of-government change was to be realized, not just espoused (Christensen and Laegreid 2007).

**Towards public value enhancement as embedded practice**

So far, we have discussed formal governance and process changes that were made to give a central place to the enhancement of public value in South Australia. Yet the reform practices did not stop there. Significant efforts were also made to influence the hearts and minds of public managers and their teams involved in service delivery
and everyday citizen engagement. As part of its efforts, the Policy and Public Value team in the Department of the Premier and Cabinet established a Public Value Network. That network had representation from across the government system and gave support to a range of agency-level “change champions”. Creation of this network pathed the way for professionals from various backgrounds and areas of operations to share insights about enhancement of public value. Given that face-to-face encounters can be difficult to coordinate, the Public Value Network was also supported with a range of on-line resources, including case studies and short videos capturing the essence of specific initiatives intended to advance public value.

**Insights from South Australia**

South Australia’s embrace of Mark Moore’s public value framework was unique because of the ambition to enhance public value on a whole-of-government scale. The preceding narrative has explained how that ambition emerged, how implementation of the whole-of-government initiative was pursued, and what was done to encourage all public sector leaders, policy designers, and public managers to habitually strive to enhance public value. Here, we summarize knowledge of the case in the form of five insights. We then draw suggestions for practice relevant to others interested in the pursuit of public value, the leadership of whole-of-government initiatives, and the intersection of the two.

**Support from powerful leaders**

The enhancement of public value as a whole-of-government initiative in South Australia emerged through the enthusiastic embrace and promotion of public value by the state’s highest elected official, the then Premier Jay Weatherill. His support gave permission to public sector leaders to drive a broad strategy around enhancing public value, starting with policy design. As the public value framework itself reminds us, successful change requires support from powerful leaders. This requirement must be satisfied at the right level of authority. In the case of ambitions to achieve whole-of-government changes, leadership must be seen to come from the top. This does not mean that change has to necessarily be initiated from the top, but it must have strong and visible top-down support.

**Clarity on what is to be achieved**

Significant effort was made in South Australia to define public value in a way that was easily understood, without making it a watered-down concept that could be used to label anything government plays a role in producing. When what needs to be achieved is clear, it becomes easier for leaders and managers in government to seek and gain support from others. The guidelines supporting the Cabinet submission process clearly stated the meaning of public value and what activities and resources are typically required to support public value creation.
**Dedicated organizational resources**

The Government of South Australia established a governance structure and operational capacity to embed public value thinking across the public sector. This ensured senior people in the public service were accountable for implementation of policies and programs consistent with the enhancement of public value. Further, the Cabinet submission process embedded key learnings from Mark Moore’s public value framework. This ensured all proposals for policy change and new programs were explicit about the public value they sought to generate, the legitimacy and support they enjoyed, and the operational capability they would draw upon.

**A coalition of committed practitioners**

Beyond the structural changes that were made to promote public value enhancement across South Australia, several strategies were pursued to establish and support a strong coalition of policy designers and public managers dedicated to the enhancement of public value. These include creating opportunities for managers from across the public sector to showcase their public value enhancement efforts and to discuss successes and challenges. Along with these coalition-building efforts, the Department of Premier and Cabinet sponsored regular workshops on public value. It also created a set of case studies featuring innovative ways policy design and practice were enhancing public value. Other efforts were made to support staff working at the front-line, so they could work with citizen groups to promote better social and economic outcomes.

**Continuous communication, learning and adaptation**

With a dedicated unit in the Department of the Premier and Cabinet, it was possible for public sector leaders in South Australia to establish systems supporting good communication across the whole of government about pursuit of public value. The same mechanisms that allow this gathering and sharing of information created opportunities for central analysis of efforts that had worked well and others requiring more support or more time to yield desired results. Consequently, mechanisms were established for supporting continuous learning and adaption of practices, all with the broader goal of enhancing public value across all areas of state government.

These insights can be transformed into suggestions for action. When seeking to promote change: (1) Gain powerful support; (2) Be clear on what is to be achieved; (3) Secure organizational resources; (4) Build a coalition; and (5) Keep communicating and learning. These suggestions would work well within a specific agency and its broader sphere of influence. As the case of South Australia has shown, they seemed to work well for enhancing public value across the whole of government.

These insights and suggestions are transferable in two ways. First, those committed to the public value paradigm and who seek its wider application could usefully follow them. Second, these insights and suggestions could also inform any initiative where the instigators have ambitions for whole-of-government implementation. On this point, we note a resonance between what we have said here and insights from recent reviews of
reforms in the United Kingdom Public Service (McCrae and Gold 2017; Panchamia and Thomas 2014). Similarly, we see parallels between these insights from South Australia and insights from the Policy Project in New Zealand, a recent initiative to raise the quality of policy advising across the whole of government (Davison 2016; Washington and Mintrom 2018). These insights and suggestions could inform various current and future whole-of-government initiatives across a range of other contexts.

**Conclusions**

The pursuit of public value holds a central place both in contemporary academic discussions of public administration and in practitioner interpretations of their roles in and around government. We have portrayed the whole-of-government approach to public value enhancement instigated by the Labor-led Government of South Australia (2002–2018) towards the end of its long term in office. It is a unique case. The Premier championed the public value framework. He did so against a backdrop of relative political stability and a tradition of openness to big ideas informing public actions. In addition, the public service in South Australia has enjoyed opportunities over many years to have senior managers receive high quality training in the pursuit of public value, often from Mark Moore himself. These attributes allowed the state’s pursuit of public value to start from a high base of readiness for whole-of-government reform.

Much can be learned from the clarity attained in pursuing public value, the care taken to appropriately resource the initiative, and the embedding of public value considerations in all Cabinet submissions and related policy development processes. Such efforts can do a lot to ensure the durability of any reform efforts, including those with whole-of-government ambitions.

**Notes**

1. Comment made to public managers on 8 November 2017.

**Disclosure statement**

This article expresses the personal views of the authors. They do not necessarily reflect the views of the Government of South Australia or the South Australia Department of the Premier and Cabinet.

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