

Submission to the Productivity Commission in relation to the proposed Indigenous Evaluation Strategy

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We are three researchers who have been researching Public Value and Indigenous organisations. Our research speaks to the Productivity Commission's paper on Indigenous Evaluation Strategy and for this reason we have prepared this short response.

Evaluation is essentially about judging the value of something. In this case, the something the Productivity Commission is concerned with is publicly funded programs intended to improve outcomes for Indigenous Australians.

What is public value?

Public and governmental organisations produce public value. In contrast, private value is produced by private organisations in industry and elsewhere (Moore, M.H. 1995: 28-29). The unique aspect of public value is that the process for its creation is as important as its outcome. If the purpose of governmental organisations is to produce value for their publics, and because this value is inextricably tied to the process of government and not just to its products, value creation for the Aboriginal public should be assessed and measured differently to privately produced value for the general public (Moore, 2013). We believe that the creation of public value implies reciprocity between citizens and governments, often mediated by third sector organisations (whether Aboriginal organisations, NGOs or private sector providers).

Our research and its implications

Our research shows that while government may assess the success of its programs by evaluating whether these programs have achieved their objectives, this is insufficient in terms of addressing whether public value has actually been created. To do this, the objectives must be aligned with a particular group's social and cultural values.

For example, one of us has documented a housing program in the Kimberley, delivered by an Aboriginal organisation. The organisation may have met all its service contract obligations and delivered the program successfully, but this does not tell us whether the program has actually created optimum public value. In this case, due to the nature of the service contract, several opportunities for far greater value to the Aboriginal public (and indeed to the wider Australian public) were missed, including loss of Aboriginal businesses and related Aboriginal employment. Thus the objectives of that contract were met, and no doubt the overall government program objectives could have been met as well, but the optimum value for that Aboriginal public was not attained – the public value created was sub-optimal (see Hunt 2018 attached, particularly pp 6-9).

So, in evaluating a program, there is a necessity, if we are to understand whether it is seen as valuable by Indigenous citizens as well as government, that the process by which the program is designed and delivered is evaluated. This must be in a manner which steps back from just assessing whether program objectives and contract objectives have been met, to considering **the value accorded those objectives by Indigenous citizens, and the processes by which the program was designed and delivered.**

If the overall goal is to improve outcomes for Indigenous people, then they need to have a say in whether, from their perspective, outcomes have improved. In other words, our research has found that program goals may be met, but outcomes have not improved, particularly (but not only) from the perspective of those whose lives are meant to be improving.

Current accountability approach

We have observed that Australian indigenous people are required continually to give account of themselves to multiple agencies, even while current whole-of-government policy attempts to streamline the delivery of development programs. The implementation of whole-of-government policy brings to the fore discrepancies in accountability requirements. Cross-departmental, inter-agency, and cross-jurisdictional collaboration inevitably blurs the boundaries of responsibility and makes it difficult to assess performance. Yet, Aboriginal community sector organisations remain firmly under the gaze of the bureaucracies' what of our researchers has called 'audit fetishism'. Because accountability procedures have so permeated public practice, producing the "audit society" (Power, 1997), its effects as an instrument of control and acculturation in Aboriginal development are masked by its apparently unimpeachable rationality. But it is a sterile rationality if it fails to produce improvements in Aboriginal wellbeing and instead simply institutes regimes of oversight and control that tend to neo-colonialism.

The financial instruments that make up the armoury of accountability practices are labelled one of the 'softwares' of colonialism by Neu (2003) because they institute regimes of discipline, control and surveillance, while at the same time inducting the colonized into an alien cultural practice.

It is important to go beyond limited, output oriented, forms of accountability. Limited formal accountability wastes money, renders practical programmes inefficient and does not deliver the outcomes of equity, transparency and responsibility that it promises. As it is presently practiced in Indigenous affairs in Australia, it is incompatible with whole of government coordination of service delivery and is an impediment to the community sector engagement that good service delivery depends on. It accounts for public money without measuring the delivery of a public good.

Alternative approaches to accountability

Alternative methods of accountability, which are simultaneously instruments of planning and community engagement, could usefully be applied to Aboriginal development. A good example of this is balanced scorecard reporting (see Dyball, Cummings & Yu 2011:336–8). This has been shown to work well in mainstream public health

and in commercial operations, but only when front-line workers are involved in producing their own scorecard (Dyball, Cummings & Yu 2011:351). Moore (2013) points out that the balanced scorecard method is a useful way of recognising public value. The balanced scorecard approach starts with the broad strategic statement of aims that all organisations have. Equally, Aboriginal communities and individuals will have such broad aspirations, even if they have not been codified in the way that modern management demands of organisations. The scorecard process asks each individual to consider how they, their team, group or section contributes value to these broad strategic aims. There is then a peer review of claims, which must be justified before being recorded. The next part of the process is to identify how an outside observer could understand that there has been progress towards these aims. What are the indicators or stages that mark success or failure, how can these add up to a 'score' that is useful in evaluation? Finally, there must be a process for weighting scores and amalgamating them to see how well the organisation or community is doing in producing value at any particular time.

The Service Efforts and Accomplishments Framework in New South Wales is another example of positive, rather than punitive, evaluation. It builds into its assessments qualitative accounts of improvements at the receiving end of government services. As one of its architects points out:

. . . in the private sector it is recognised that the presentation of financial indicators (such as earnings per share or "dividend coverage") are useful ways of communicating key information to readers of annual reports about financial performance. In the public sector, the financial performance of *general government* agencies may be of less interest than information about the quality and quantity and target of services provided within the community, and the efficiency with which services have been delivered (Walker, 2001, p. 5, emphasis in the original).

The Western Australian trial of citizen juries for rationing choices in health care (Mooney and Blackwell, 2004) offers an example of how policy can be formulated in concert with citizens themselves. Similarly, Meredith Edwards, drawing on Canadian and British experiences, proposes the adoption of the Canadian Auditor General's Accountability Framework for community sector/public sector partnerships (Edwards, 2001). Financial accountability is only one aspect of this Framework. Edwards goes on to suggest it could be more productive simply to ask people in surveys whether aspects of their lives are getting better. This is the approach taken by Dr Mandy Yap in her groundbreaking research on a wellbeing framework with the Broome-based Nyamba Buru Yawuru organisation (Yap 2017). Such a dialogue with the client citizens has other benefits than more accurately reflecting performance. It can be used as an instrument of policy development, of planning, and monitoring of implementation.

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