Department of TREASURY AND FINANCE

How can we balance accountability and learning in evaluation?

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NORTHERN TERRITORY GOVERNMENT

“Some people think evaluation should be about accountability...hah!”

- I recently overheard this remark and the derogatory tone with which it was said has stayed with me.
- I realised that not everyone thinks evaluation should be about learning and accountability.

Accountability has a bad name…

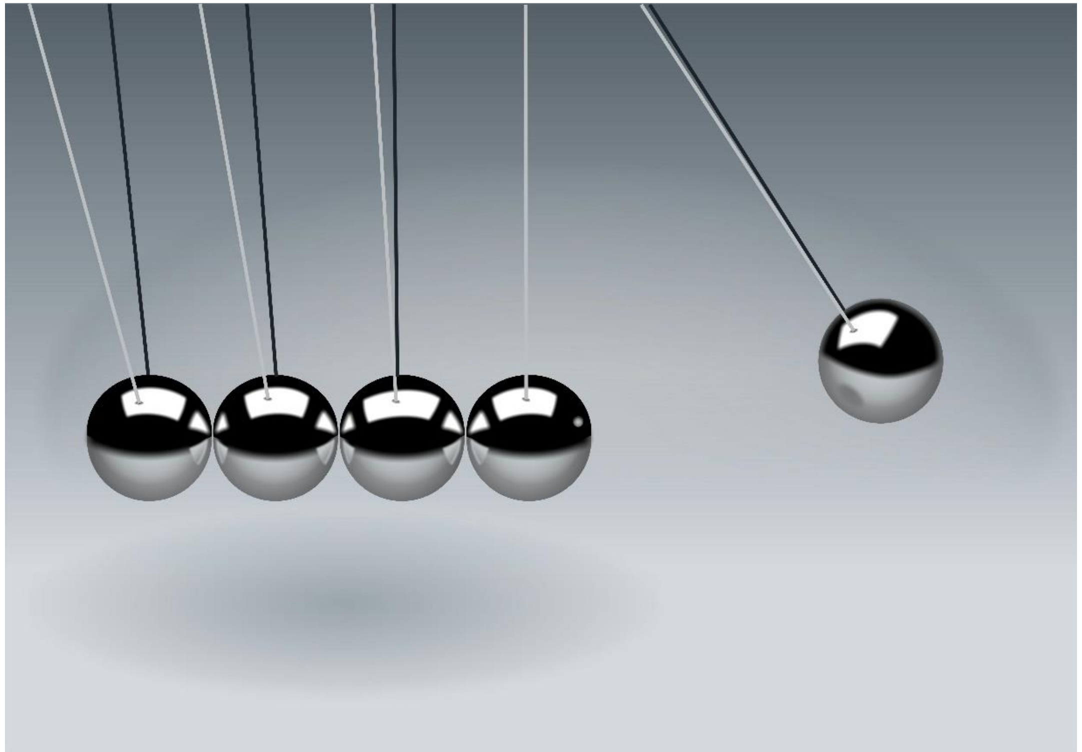
- A compliance-based approach is not always effective.
- The pressure can lead to gaming behaviour.
    - Ambulances circling hospitals so that emergency departments can meet their waiting time KPI…
- That's not what we want. Evaluation needs a learning culture but…

Has the pendulum swung too far?

What are the consequences if evaluations only focus on learning?

There are some important reasons why we need both learning and accountability in evaluation.

And I'm here today to speak in defence of accountability.



I work in Treasury

- I'm used to a negative reaction when I say that.
- But we come to conferences to listen and share.
- I learn a lot at AES conferences.
- And I'd like to share what it is like being in a central agency during Budget development to show why we need accountability in evaluation.

Accountability is central to the Budget process

- In the Northern Territory Government, we have the Charter of Budget Discipline, Treasurer's Directions, fiscal strategies, the Chief Executive Officer Code of Conduct.

- Evaluation focused only on learning just doesn't fit in this world.

Northern Territory Government Charter of Budget Discipline

November 2022

Treasurer's Direction – Organisational performance and accountability

Treasurer's Direction (mandatory)

Part B: Applicable to all Chief Executive Officers

Applies only to Public Sector Officers to whom Part 4 (Chief Executive Officers) of the Act refers (in addition to Part A of this Code)

CEOs are public figure responsible for providing leadership across the NTPS and within their agency.

CEOs are accountable to the relevant Minister for delivery of government priorities and budget decisions.

“We need to show our program works so we can get more funding.”

- This is not an ideal motive for evaluation.
- To show why this statement is so problematic, let me share some insights from government budget development.

The golden rule of budget development

There are always more worthwhile proposals than there is money to fund them

- Budget Cabinet needs to make difficult decisions.
- And public servants need to give the best possible advice to inform those decisions.

There is not a limitless supply of money

- If we haven’t got enough money to fund the programs government wants to fund, we need to borrow money.
- And who is going to pay off this debt?
- There are intergenerational considerations here – is the next generation likely to be able to pay off our debt?

There are sometimes bold claims made in Budget Cabinet submissions

- Such as:
    - “This investment will help reduce the rate of teenage pregnancies”.

- But what if we make the investment and the rate of teenage pregnancy doesn’t reduce?

- How do we hold agencies to account?

We don’t want a situation where the loudest or most persuasive voices have an advantage.

- Budget submissions should be assessed on merit.
- Submissions that make bold promises should be held to account.
- If we weren’t investing in this program, what else could we be investing in?

The Productivity Commission noted some major events that reported high economic impact assessments had low or negative net benefits associated with government funding.

Some independent cost–benefit analyses of major events have reported very low (or negative) net benefits associated with government funding. A cost–benefit analysis conducted on the 2005 Australian Grand Prix estimated that the event resulted in a net cost to Victoria of about $6.7 million — a previous economic impact assessment had estimated that the Grand Prix increased Victoria's gross state product by $166 million. An audit of government funding for V8 Supercar races at Sydney Olympic Park found that the benefits of the races had been overstated, as the analysis overstated visitor numbers and used input–output multipliers, rather than cost–benefit analysis.

- And this matters because if a program doesn't deliver on the promises it makes, perhaps the funds should be re-directed.

So, how do we get the balance right?

- We need to acknowledge the importance of accountability for public money in government budgets.

- If a submission promises world peace but only reports on the number of participants – it's fair to ask why we haven't achieved world peace yet.

We need to be less attached to our programs and more attached to the outcomes we are trying to achieve.

- If government wants to reduce youth re-offending, what's the best way to do that?
- We need a birds-eye view that allows us see the competing priorities across government and how various programs work together.

Budget Cabinet submissions should not be an exercise in persuasive writing

- Flat and factual
- Humble
- Less advocacy, more curiosity

Dear Budget Cabinet

You should definitely fund our program because...

We need genuine options analysis

We need the courage to ask the right questions…

- Why aren’t things getting better?
- Do we have the right programs? Are they being implemented well?
- What works for whom under what circumstances?

…otherwise there is a risk we will continue spending money without achieving outcomes.

If we only focus on learning…

- There may be some important questions that we are not asking.
- Are we spending our money well?
- If it is just about how this program can get better over time, how will we know if there is a more effective way to help people?

How do we make space to talk about de-implementation?

- If a program is not achieving the expected outcomes, should we continue to do this or try something else?

- It's not necessarily a bad thing to stop a program.

- De-implementation frees up resources that allows us to try something new.

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Learning is essential in evaluation

But, for as long as there are loud voices making bold claims about programs, we need accountability in evaluation too.

I'd welcome further discussion – whether you agree with me or not.

Thank you.