



## WITNESS STATEMENT OF MARY-ANN O'LOUGHLIN AM

I, Mary-Ann O'Loughlin, Deputy Secretary, Skills and Higher Education in the NSW Department of Education, of 105 Phillip Street, Parramatta NSW 2150, say as follows:

- 1 I make this statement in my personal capacity and not on behalf of any government department or agency or any other organisation. The opinions set out in this statement are my own personal opinions.
- 2 I make this statement on the basis of my own knowledge and experience, save where otherwise stated. Where I make statements based on information provided by others, I believe such information to be true and correct.

### Background

#### ***Qualifications and experience***

- 3 I have had a career of more than thirty years in public policy, working for both the Commonwealth and NSW governments and in the private sector.
- 4 Between 2015 and 2020, my positions in the NSW Government included Deputy Secretary, Skills and Higher Education in the Department of Education; and Deputy Secretary, Social Policy, in the Department of Premier and Cabinet.
- 5 In 2018, I was seconded to the position of Deputy Secretary, Science and Commercialisation Policy in the Commonwealth Department of Industry, Innovation and Science. While on secondment I was head of the taskforce for the Prime Minister's independent review of Australia's vocational education and training sector conducted by the Honourable Steven Joyce.
- 6 Before joining the NSW Government, I was head of the Council of Australian Governments (COAG) Reform Council between 2008 and 2014. The Council assessed the performance of governments under intergovernmental agreements in education, skills, health, disability services, affordable housing, indigenous reform, and competition and regulatory reform.
- 7 Earlier positions include Director of the Allen Consulting Group, an economics and public policy consulting firm; head of Corporate Affairs at Australia's largest private health care company; Senior Adviser (Social Policy) to Prime Minister Paul Keating; and a number of senior executive positions in the Commonwealth Public Service, including the

*Please note that the information presented in this witness statement responds to matters requested by the Royal Commission.*

Department of the Prime Minister and Cabinet and Department of Employment, Education and Training.

- 8 In 2008-09, I was a member of the National Health and Hospital Reform Commission (chaired by Dr Christine Bennett), established by Prime Minister Kevin Rudd. The Commission was set up to report on a long-term reform plan to provide sustainable improvements in the performance of the health system. The final report was released in June 2009: *A Healthier Future for All Australians*.<sup>1</sup>
- 9 In 2009, I was a member of the Disability Investment Group set up by the Hon. Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services, to explore innovative funding ideas to help people with disability and their families access greater support. The recommendations included a National Disability Insurance Scheme (NDIS).
- 10 Between 2009 and 2012, I was a Director of the Committee for Economic Development of Australia (CEDA) and Member of the Research and Policy Council of CEDA.
- 11 I am a National Fellow of the Institute of Public Administration Australia.
- 12 In 2013, I was made a Member of the Order of Australia (AM) for significant service to public administration through the development of social policies and reform of federal financial relations.
- 13 Attached to this statement and marked 'Attachment MAO-1' is a copy of my CV.

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<sup>1</sup> The report is available at <<https://apo.org.au/sites/default/files/resource-files/2009-07/apo-nid17921.pdf>> [accessed 27 July 2020].

### **This statement addresses two key themes**

- 14 Based on my experience working in social policy for both the Commonwealth and state governments, in my statement I address two themes relevant to the Royal Commission:
- (a) Ways that the Commonwealth and state governments can best work together, especially when they share responsibilities for policy and service delivery, such as with mental health.
  - (b) The challenges of complex social policy.

### **Ways that the Commonwealth and state governments can best work together to meet their respective and shared responsibilities**

- 15 Both the Commonwealth and state governments have roles and responsibilities in the stewardship, funding, and delivery of mental health services. As the Interim Report of the Royal Commission notes, having multiple layers of government involved contributes to the complexity and fragmentation of the mental health system.<sup>2</sup>
- 16 Complexity and fragmentation are common features of many areas of public policy and service delivery where both the Commonwealth and state governments are involved – including health, education, community services, housing, and environmental regulation.

### ***Approaches to reform of federal arrangements***

- 17 There are regular attempts to reform these complex federal arrangements, spanning four different approaches.<sup>3</sup>
- 18 The first approach is *federation reform as a reassignment of distinct functional powers*. This approach aims to clarify the roles and responsibilities for different areas of policy and service delivery. The allocation of functions is typically based on the principle of subsidiarity, which states that matters should be dealt with by the lowest level of government practicable. This was the approach to the reform of the federation advanced by the Abbott Government in the 2014 White Paper process that sought ‘to clarify roles and responsibilities to ensure that, as far as possible, the States and Territories are sovereign in their own sphere.’<sup>4</sup>

<sup>2</sup> Royal Commission into Victoria’s Mental Health System 2019, *Interim Report*, pp. 98-103, at <<https://rcvmhs.vic.gov.au/interim-report>>.

<sup>3</sup> Smith, G. and Taylor, N. 2014, ‘Approaches to reform in the Federation’, in CEDA, *A Federation for the 21st century*, at <[https://www.ceda.com.au/CEDA/media/ResearchCatalogueDocuments/PDFs/24389-CEDAAFederationforthe21stCentury\\_withlinks.pdf](https://www.ceda.com.au/CEDA/media/ResearchCatalogueDocuments/PDFs/24389-CEDAAFederationforthe21stCentury_withlinks.pdf)> [accessed 27 July 2020].

<sup>4</sup> Department of the Prime Minister and Cabinet 2014, *A Federation for our future: reform of the Federation White Paper; Issues paper 1*, Canberra at v, available at <<https://apo.org.au/sites/default/files/resource-files/2014-09/apo-nid41596.pdf>> [accessed 27 July 2020].

- 19 The second approach is *federation reform as reassignment of revenue bases*. The focus of this approach is vertical fiscal imbalance, so the aim is generally to strengthen the relative fiscal independence of the states. In 2000, the entire net revenues of the new goods and services tax (GST) were assigned to the states in a major set of changes that combined tax and federation reform.
- 20 The third approach is *federation reform as new or improved models of intergovernmental cooperation*. This approach accepts that many of the functions of government are intrinsically interwoven between the Commonwealth and state governments and that cooperation is essential for successful outcomes. The reform issue is often cast as one of ensuring that all parties can come to the table as equals and that information and learning systems support accountability and continuous performance improvement in the delivery of agreed outcomes. This approach underpinned former Prime Minister Kevin Rudd's approach to reform of the federation in 2007-2008. The *Intergovernmental Agreement on Federal Financial Relations*, agreed by COAG in 2008, provided the framework for collaboration between the Commonwealth and state governments.<sup>5</sup>
- 21 The final approach is *federation reform as an integral part of economic and/or social reform to government roles and functions*. A significant part of economic and social reform in Australia over the past 30 years has involved consequential changes to arrangements in the Federation. However, the impetus for the changes was economic or social policy reform rather than pursuit of a federation agenda in its own right. For example, the economic reform agenda of the National Competition Policy and the social reform agenda of the NDIS both included significant changes to federal relations, but the changes were agreed to as a consequence of and support for the broader reform agendas.
- 22 All four approaches are likely to continue to have a place in the complex interplay of federation developments.<sup>6</sup> Furthermore, successful reforms will often take a hybrid approach. A hybrid approach combines clarity of roles and responsibilities, financial support and improved intergovernmental cooperation. However, importantly, it is driven more by a focus on economic and social outcomes, and less by reforming arcane areas of Commonwealth-State relations.
- 23 In areas of complex public policy, such as mental health, this hybrid approach has a good track record. The success of the National Competition Policy provides a good example.

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<sup>5</sup> COAG, *Intergovernmental Agreement on Federal Financial Relations*, at <[http://www.federalfinancialrelations.gov.au/content/intergovernmental\\_agreements.aspx](http://www.federalfinancialrelations.gov.au/content/intergovernmental_agreements.aspx)> [accessed 27 July 2020].

<sup>6</sup> Smith, G. and Taylor, N., *op cit.*, p. 17.

### ***National Competition Policy***

- 24 In 1991 the Commonwealth, state and territory governments reached agreement on the need for a national competition policy and later commissioned an independent Committee of Inquiry into a National Competition Policy for Australia, which reported in 1993.<sup>7</sup>
- 25 In 1995, COAG committed to three pivotal agreements that set the objectives for the National Competition Policy; widened the reach of competition law; and set out an agreed process to implement key reforms. COAG gave the National Competition Policy process authority and priority.<sup>8</sup>
- 26 COAG created a new institution, the National Competition Council, as an independent body to assess the progress of all governments on implementing their agreed reforms. Its assessment processes were transparent, and its findings were made public. In this way, governments were held to account if they did not meet their specific reform commitments.
- 27 To encourage reform, the Commonwealth Government established a system of payments to states known as National Competition Payments. These payments recognised the benefits to federal government revenues to be gained from the reforms and sought to share them with state governments that had to make the changes to bring these benefits about.
- 28 The National Competition Policy is recognised as being pivotal to the transformation of Australia's economy 'into an open, dynamic, flexible and high productivity economy'<sup>9</sup>. Its success was underpinned by new collaborative arrangements between the Commonwealth, state and territory governments. But, crucially, the new governance and financial arrangements were agreed for the purpose of achieving the economic outcomes of the National Competition Policy.

### ***Australia's response to COVID-19***

- 29 Australia's response to COVID-19 is proving to be another example of a successful hybrid approach to reform of federal relations. Again, the hallmark of the success is that it is driven by a focus on outcomes, not by the pursuit of an intergovernmental reform agenda in its own right.

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<sup>7</sup> Sims, R. 2013, 'Making markets work for increased productivity and growth: the Australian experience', Speech to Conference: World Bank Group and INDECOPi peer-to-peer event, 19 June 2013. Transcript available at <<https://www.accc.gov.au/speech/making-markets-work-for-increased-productivity-and-growth-the-australian-experience>> [accessed 27 July 2020].

<sup>8</sup> Sims, R., op. cit.

<sup>9</sup> Sims, R., op. cit.

30 Professor George Williams argues that Australia has responded to COVID-19 in ‘a surprising and successful way’. Whereas past emergencies have seen power concentrated in the national government, this time is different, particularly with the formation of the National Cabinet:

‘Our leaders have instead embraced a diversity of perspectives and shared leadership across the commonwealth and the states’.<sup>10</sup>

31 The Prime Minister set up the National Cabinet in response to COVID-19, thereby reforming federal relations. However, this was driven by the necessity for urgent intergovernmental focus on health, economic and social outcomes. As Professor Williams comments:

‘An impressive and intelligent use of our federal structure has enabled us to better solve the complex problem of responding to a nationwide pandemic.’<sup>11</sup>

32 Constitutional law expert, Professor Anne Twomey, states that the federal response to COVID-19 demonstrates that:

‘our federal system of government can operate exceptionally well when there is a common aim, respect for the roles of all parties, and preparedness to co-operate and compromise’.<sup>12</sup>

33 Professor Twomey identifies a number of key changes that supported this success:

- (a) The ponderous processes of COAG were replaced with frequent online meetings. Leaders could speak directly, share information and reach immediate common decisions, based upon the best scientific evidence.
- (b) This was reinforced by a change in attitude. There was acceptance that the leaders came to the virtual table as equals, and that the standing of each was enhanced, not diminished, by co-operating and contributing to a collective aim.
- (c) There was acceptance that some things needed to be dealt with by a uniform approach – achieved by co-operation, not threats, bribes or bullying.
- (d) Conversely, it was also accepted that other things needed to be dealt with in a way that meets the circumstances of each state and territory, including varying

<sup>10</sup> Williams, G. 2020, ‘Co-operation key to the united states of Australia’, *The Australian*, 11 May 2020. Available at <<https://www.theaustralian.com.au/commentary/cooperation-key-to-the-united-states-of-australia/news-story/f1ee3be55d217ee698ac2f7b3a1b0ce0>> [accessed 27 July 2020].

<sup>11</sup> Williams, op. cit.

<sup>12</sup> Twomey, A. 2020, ‘We should bake in improvements to our federation’, *The Australian*, 6 July 2020. Available at <<https://www.theaustralian.com.au/commentary/we-should-bake-in-improvements-to-our-federation/news-story/d4778571a8c8a9c39b2a04f0f2927664>> [accessed 27 July 2020].

rates of infection, the protection of remote indigenous communities, inconsistent school terms and different demographics.

34 As Professor Twomey notes:

'This is federalism at its best – achieving uniformity where it counts but allowing policies to be tailored to the needs and circumstances of local communities.'<sup>13</sup>

***The challenge of intergovernmental governance***

35 To preserve this success, Professor Twomey argues we need the following factors for effective intergovernmental relations:<sup>14</sup>

- (a) more frequent virtual meetings, where leaders can share frank observations and seek co-operative solutions, without wasting time with travel and without turning it into an event choreographed for the media or governed by bureaucratic processes;
- (b) working from a shared evidence base to which all jurisdictions contribute so that the best-informed decisions can be made;
- (c) recognition that sometimes uniformity is needed, but sometimes diversity, competition and customised solutions are better, and that good leadership involves discerning which approach to take; and
- (d) treating all jurisdictions and their leaders as equals who can contribute to a common goal.

36 Professor Twomey does raise a major concern about the structure and status of the National Cabinet. As the National Cabinet is constituted as a 'cabinet office policy committee' of the Commonwealth Cabinet, it derives its power from the Commonwealth Cabinet, which can alter any of its decisions. The Prime Minister controls its membership, sets its agenda, and determines when and where meetings take place. Where the committee cannot agree, the Prime Minister's view is authoritative.

37 Professor Twomey's concern is that this could undermine the effectiveness of the National Cabinet as a council of equals and take it back to the dysfunctional COAG days when meetings were irregular, determined at the whim of the Prime Minister, and the agenda was controlled by the Commonwealth.<sup>15</sup>

38 This raises a more general point about both the new National Cabinet arrangements and the previous COAG arrangements. These federal arrangements are not in the

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<sup>13</sup> Twomey, op. cit.

<sup>14</sup> Twomey, op. cit.

<sup>15</sup> Twomey, op. cit.

Constitution nor legislated for: in essence, the Prime Minister calls a meeting and invites the Premiers and Chief Ministers to attend. The arrangements tend to work for as long as the Prime Minister is supportive and engaged.

39 But as the COVID-19 pandemic has shown, federations require sovereign governments to come together in the national interest – governments with different priorities and circumstances and often led by different political parties. Without good governance, intergovernmental relations can be dominated by what have been called the ‘soft factors’ – personality, partisanship and the political cycle.<sup>16</sup>

40 To address this weakness, Professor Twomey calls for:

‘the establishment of the national cabinet as an intergovernmental body of equals with an independent national secretariat. The states and territories should be entitled to contribute to its agendas and agree upon the timing of meetings. All jurisdictions should contribute to a common evidence base that can support fully informed decision-making. This would better serve a renovated, more effective federation.’<sup>17</sup>

### **The challenges of complex social policy**

41 As the Interim Report of the Royal Commission makes clear, addressing the systemic changes that are needed for a fundamental redesign of Victoria’s mental health system is a complex undertaking.<sup>18</sup>

‘The causes of poor mental health are multifaceted, and the development of mental illness is influenced by personal attributes and people’s social, cultural, economic and physical environments.<sup>19</sup> In turn, social factors such as family and social connections can influence how well people recover from mental illness.

...

Social determinants that contribute to mental health include the person’s social and cultural characteristics, environmental events and neighbourhood, economic and demographic factors.

...

In common with other health concerns, social disadvantage (such as poverty), gender discrimination, poor social status, family violence and physical ill-health are among the important determinants of mental illness.<sup>20</sup> Additionally, some of the most powerful causes of inequalities in access to mental health services are

<sup>16</sup> Menzies, J. 2013, ‘Reducing Tensions in Australian Intergovernmental Relations through Institutional Innovation’, *Australian Journal of Public Administration*, vol. 72, no. 3, pp. 382–389.

<sup>17</sup> Twomey, op. cit.

<sup>18</sup> Interim Report, p. 43-44.

<sup>19</sup> World Health Organization, *Social Determinants of Mental Health*, 2014, pp. 5–9; *Witness Statement of Professor Helen Herrman AO*, 1 July 2019, paras 14–15.

<sup>20</sup> *Evidence of Professor Helen Herrman*, 4 July 2019, pp. 243–44.



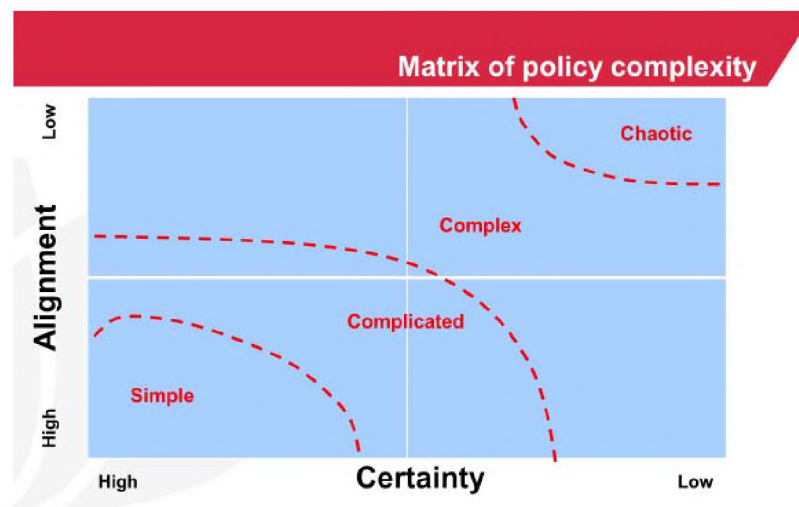
the social conditions in which people are born, grow, work, live and age, as well as the systems that shape daily life.<sup>21</sup>

- 42 In determining policy responses, the degree of complexity involved in complex policy issues like mental health is often mis-identified, with huge costs. This section draws on the work of Mark Cabaj to better understand degrees of policy complexity and the implications for effective policies.<sup>22</sup> Drawing on complexity theory, Cabaj argues we can understand public policy issues along two different dimensions:
- (a) the degree of certainty we have about tackling the issue; and
  - (b) the degree of alignment among stakeholders who are involved in tackling the issue.
- 43 Looking at these two dimensions in turn: first, the degree of certainty we have about tackling the issue. When an issue has a high degree of certainty:
- (a) there is a consistent pattern to the issue;
  - (b) there is a clear causal relationship or relationships driving it;
  - (c) the leverage points to change it are known;
  - (d) the strategies we need to undertake to change it are clear; and
  - (e) the outcome of intervening is predictable.
- 44 The second dimension is the degree of alignment among stakeholders who are involved in tackling the issue. When stakeholders have similar values, interests, and perspectives — when they are aligned — there is a high degree of agreement.
- 45 If we think about a matrix with two axis, we can plot public policy issues according to how much certainty we have about tackling the issue along the horizontal axis — from high certainty to low certainty — and how much alignment there is among stakeholders along the vertical axis — from high agreement to low agreement.

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<sup>21</sup> National Mental Health Commission, *Submission to the RCVMS: SUB.0002.0029.0106*, July 2019, p. 3.

<sup>22</sup> Cabaj, M. 2011, 'On simple, complicated and complex issues', 17 June 2011, see <<https://www.youtube.com/watch?v=9VeoxZRW5SI>> [accessed 27 July 2020]; and Cabaj, M. no date, 'Agreement and certainty matrix', at <<http://here2there.ca/wp-content/uploads/2018/01/AgreementCertaintyMatrix.pdf>>.



Based on Mark Cabaj, no date, 'Agreement and certainty matrix', at <<http://here2there.ca/wp-content/uploads/2018/01/AgreementCertaintyMatrix.pdf>> [accessed 28 July 2020]

- 46 According to this analysis, there are four main categories of policy issues.
- 47 First, *simple policy issues*, which are policy issues for which there is a lot of agreement and a lot of certainty about the right answer. Simple issues are characterised by stability, predictability and clear cause and effect relationships that are easily discerned — they are not very context sensitive. Like baking a cake, if you follow the 'best practice' recipe, you will get the outcome you are aiming for. For most people, immunisation of children is an example of a simple policy issue.
- 48 Second, *complicated issues*, which are policy issues for which agreement is still relatively high but certainty about the answer is much lower. Nevertheless, with complicated issues the answer is available — you just need to get the right experts, and people with the right experience, and through analysis and investigation of options you can build the knowledge base and come to the answer. Like getting the first man on the moon: rigid protocols and formulas are needed; sending one rocket increases the likelihood that the next will also be a success; high levels of expertise and training in a variety fields of study are necessary for success; and, once you've gone through robust testing, there is a high degree of certainty of outcome.
- 49 Setting up Medicare as the national health insurance system is an example of a complicated policy issue. To do this, government drew on a range of experts (for example, economists and clinicians) to work out many elements, including eligibility, health care coverage, schedule of fees, and funding. These are all difficult issues but there is an answer.
- 50 Third, *chaotic issues*: chaotic issues are far from both agreement and certainty. With these issues, it is hard to find a pattern of cause and effect and the stakeholders are

fragmented, even conflicting. To address these issues, you first must create stability, and then look for opportunities to innovate.

- 51 The early response to the HIV/AIDS crisis is an example of a chaotic policy issue. In the early 1980s, HIV/AIDS was a new, unidentifiable, infectious and lethal disease affecting some of the most stigmatised communities.<sup>23</sup> There was no certainty about how to tackle the problem — with no medical explanations, little understanding of the communities affected and no overseas policy models to guide action.<sup>24</sup> There was also no alignment among stakeholders. People were polarised; there was no consensus about what to do. It was a very ugly, frightening, and stigmatising environment.
- 52 HIV/AIDS policy is a good example of how policy issues can evolve over time. Over the years, the policy moved from chaotic to complicated as the disease became better understood, stakeholders became more aligned, and eventually effective drug treatment became available.
- 53 The fourth category of policy issues is *complex issues*: here there is a relatively low level of alignment and relatively low level of certainty about how to go about things. To tackle a complex issue requires a lot of diverse stakeholders to be on the same page — with similar values and interests — but often they are not. Furthermore, things keep moving — there is a lot of flux and unpredictability. The nature of the problem can also evolve. The context is critical. And if you intervene in the context, it can intervene back. The outcomes are unpredictable.
- 54 For complex issues there is no one answer. You must learn by doing; experiment; see what emerges; and adapt. Expertise can contribute, but it is not sufficient to ensure success. The example given is raising a child — rigid rules have a limited application or are counter-productive; raising one child provides experience but is no guarantee of success with the next; expertise helps but only when balanced with responsiveness to the particular child; and uncertainty of outcome always remains.
- 55 Mental health is a very complex policy issue: the causes of poor mental health are multifaceted, and its development is influenced by a multitude of personal, social, cultural, economic and physical environments. There is no one answer.

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<sup>23</sup> Fitzgerald, L. and Mutch, A. 2019, 'Responding to HIV/AIDS: Mobilisation through partnerships in a public health crisis', pp. 29-30, in Luetjens, J., Mintrom, M. and 't Hart, P. (eds) *Successful Public Policy: Lessons from Australia and New Zealand*, ANU Press, Canberra.

<sup>24</sup> Fitzgerald and Mutch, op. cit.

### ***Misunderstanding of complex problems***

- 56 As noted earlier, we often misdiagnose the degree of complexity involved in policy, with huge costs.
- (a) We often mistake complex issues for simple issues and call for best practice approaches, or cookie cutter approaches, which are fragmented and siloed, and ineffective.
  - (b) Alternatively, we think the issues are complicated: that we need lots of experts and to develop elaborate plans, which end up being necessarily unevenly and often poorly implemented. When this happens, we say we need more data, more time, more resources, more expertise; we cycle between perpetual reviews and planning.
  - (c) Alternatively, we think things are chaotic and so we avoid the problem altogether; or just as likely, we try to impose the solution without properly considering the nature or complexity of the problem, which of course fails.
- 57 But complex issues require adaptive responses, particularly given their characteristics of flux and unpredictability. Adaptive responses are participatory and collaborative, including with deep community engagement and multiple stakeholders: they need to be informed by 360-degree intelligence and have broad scale ownership. They must draw upon local knowledge and frontline workers. They must be strongly informed and shaped by the local context and social networks.
- 58 Adaptive responses are also experimental: learn by doing, trial and error, with iteration to improve response. Unique and shifting contexts require experimentation with real time feedback and data about what is working, and then adjustment.
- 59 It would be fair to say that generally we do not employ this set of adaptive responses to tackle complex social policy issues. But it is understandable why we often mis-identify complex problems. The way we fund, organise our resources, develop our processes, and train our staff privileges simple issues — find the recipe — or complicated issues — call for experts. It is unusual to find funding and support for adaptive, collaborative, local responses to complex policy issues. It is difficult to find the patience to take the time to try, test and learn.

***Roca: an example of an adaptive approach to a complex policy problem***

60 The story of an organisation in Boston called Roca is an example of taking an adaptive approach to a complex policy problem.<sup>25</sup> Roca serves an outer region of Boston. As Molly Baldwin, the founder of Roca, describes it:

'In this gateway city, a harbor for the region's poor and largely disenfranchised minorities, youths as young as eight and all the way up to 25 struggled to leave the streets and avoid gang life; to make it through school without becoming pregnant or addicted to drugs;... to just make it to adulthood, relatively unscathed.'<sup>26</sup>

61 In this community, Roca provides street outreach to young men at very high risk. But Roca started life in the 1990s as a very different organisation. According to Molly Baldwin, no matter what the problem, Roca was there to help solve it.

'We didn't discriminate as to which young people we thought we could effectively serve, nor did we carefully select the services we would use to try to help them. We provided a long menu of engagement activities for youth to choose from and crossed our fingers that we were helping them change their lives, get out of poverty, and stay out of harm's way.'<sup>27</sup>

62 In its early years, Roca provided programs in healthcare, education, employment, family outreach, immigrant rights, and conflict resolution; they also ran dance classes, leadership programs, social ventures, afterschool tutoring, fitness classes, a music studio, and sports programs.

63 There was just one problem: it wasn't working. Youth violence was not dropping in the community; lower-risk young people were still joining the notorious local gangs; and the clear indicators of community poverty — rates of teen pregnancy, crime, and school failure — were still on the rise. Again, in Molly Baldwin's own words:

'We feared we were running a self-esteem program for gang members: Young people who were winning Roca basketball tournaments by day were dealing drugs and shooting at people by night.'<sup>28</sup>

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<sup>25</sup> Baldwin, M. 2017, 'Narrowing Focus Was the Key to Transforming the Lives of High-Risk Youth in Massachusetts', in Federal Reserve Bank of San Francisco and Nonprofit Finance Fund, *What Matters: Investing in Results to Build Strong, Vibrant Communities*, at <<https://investinresults.org/book>> [accessed 27 July 2020]. See also Baldwin, M. and Zeira, Y. 2017, 'From Evidence-Based Practices to a Comprehensive Intervention Model for High-Risk Young Men: The Story of Roca', *New Thinking in Community Corrections*, September 2017 No. 5, Harvard Kennedy School and National Institute of Justice, at <<https://www.ncjrs.gov/pdffiles1/nij/250143.pdf>> [accessed 28 July 2020].

<sup>26</sup> Baldwin, op. cit., p. 358.

<sup>27</sup> Baldwin, op. cit., p. 359.

<sup>28</sup> Baldwin, op. cit., p. 359.

- 64 Roca's hard-fought journey to becoming a high-performing, effective organisation began when it asked the critical, dual question, 'Are we helping young people change their lives, and how do we know?' After much soul searching, Roca came to some hard conclusions: its focus was overly diffuse; its data gathering was insufficient; and its results were unsatisfactory.
- 65 Roca narrowed its target population and mission. The sole focus became severely at-risk young men aged 17 to 24, who had been caught up in the criminal justice system - all of whom had been arrested and most had been in jail; 85% were drug users; 85% had dropped out of school; and most were in gangs.
- 66 An essential criterion for targeting this group was that a young man must be not ready, willing, or able to participate in any other program. In practice this means that Roca only targets the hardest of the 'hard core'. It must find the participants — on the streets, at their homes, at courthouses, at the police station or in jail — and convince them to participate. It is called 'relentless outreach'.
- 67 Roca also clarified its intervention model. It became singularly focused on helping high-risk youths 'leave the streets and gangs and go to work'. It now provides two years of intensive services with three elements: life skills, education, and employment, wrapped together with individualised case management.<sup>29</sup>
- 68 Roca also turned its attention to data. It began to rigorously collect and track data on the performance of both young people and staff and continuously evaluate its practices and outcomes. Roca analysed data daily, weekly, monthly, quarterly and annually to review how it was doing, compare it with other effective models, and improve its model.
- 69 Caseworkers recorded how many times they approached a young person; whether the young person agreed to speak to them; whether he agreed to more contact; how many jobs and what sort of jobs were offered; how many days the young person held a job; how many days the young person spent in jail; and so on. They benchmarked this data across caseworkers. Hard numbers became essential to figuring out what worked and what did not over both the short and long term.
- 70 To illustrate, Roca points to insights from the data gathered over the past decade:
- (a) Two to three contacts a week moves a young person through behavioural change, but more contacts does not produce better outcomes, and fewer contacts is insufficient.

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<sup>29</sup> Since then, Roca has adapted the intervention model to help high-risk young mothers aged 16-24 to get out of violence, to go to work, and care for their children.

- (b) If you keep a young person in intensive programs for more than two years, he will not just stall but he will actively regress.
- (c) If the organisation can keep a young person out of prison for 18 months, that person is more likely than not to stay out for five years — and, with that, for life.

71 With their refocused, data driven way of working, Roca achieved exceptional results, with data showing improvement over time. In 2012, 90 per cent of participants in the follow-up and retention phase of Roca’s model had no new arrests, increasing to 93 per cent in 2015; and 79 per cent of participants retained employment, increasing to 92 per cent in 2015.<sup>30</sup>

72 The last words go to Molly Baldwin:

‘It isn’t enough to just “try” to help our young people change their lives. The stakes are too high. If we don’t do our jobs well, the young people we serve remain impoverished, they continue to get arrested, and most tragically, some commit violence or die from it.

This terrible reality is Roca’s call to action, and it’s why our organization compulsively uses data as a companion to experience. It’s why we’ve spent the better part of the past decade building a model that focuses on results first.’<sup>31</sup>

### ***Simplifying our approach to complex policy***

73 Roca demonstrates an effective way of tackling complex social policy problems. The building blocks are similar to what is called ‘deliverology’.<sup>32</sup> Deliverology is explained as the science of delivering results. It came out of the work of Sir Michael Barber who was the founder of the Prime Minister’s Delivery Unit under former British Prime Minister Tony Blair. The Delivery Unit was set up in response to Tony Blair’s lament that, in his first term in office, he did not actually achieve his policy priorities.

74 Over the years, Sir Michael Barber and the Delivery Unit codified the essential elements of deliverology. At the heart of a focus on delivery are the following deceptively simple steps:

- (a) Prioritise: agree a small number of clear priorities. Rather than ‘everything matters’, describe the problem in a useful way. Identify the outcomes sought.

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<sup>30</sup> Baldwin, op. cit., p. 362.

<sup>31</sup> Baldwin, op. cit., p. 361.

<sup>32</sup> Barber M., Kihn P. and Moffit A. 2011, ‘Deliverology: From idea to implementation’, at <<https://www.mckinsey.com/industries/public-sector/our-insights/deliverology-from-idea-to-implementation#>> [accessed 27 July 2020].

- (b) Context is everything: understand the environment and circumstances and the obstacles and advantages. Do fieldwork; talk to frontline workers; analyse disaggregated data; and target policy responses.
- (c) Rather than valuing aspiration, specify success. Set a small number of well-designed targets — this gives people direction; they make progress; this gives them the heart to go on.
- (d) Prepare a plan that is good enough to get started with. Pick a point and make some progress. This will give confidence to build upon. And remember that small scale interventions often create the big differences.
- (e) Agree how, at any given moment, you will know whether you are on track. You need good, close to real time data — not evaluations years later. Institute regular routines of monitoring and reporting.
- (f) If you are not on track, what are you going to do about it? Problem solve. Plans must be iterative: try, test and learn by doing.

75 Deliverology provides a way of *simplifying our approach* to complex policy problems, which is different from trying to simplify the policy problem.

sign here ►



print name Mary-Ann O'Loughlin AM

date 28 July 2020





## **ATTACHMENT MAO-1**

This is the attachment marked 'MAO-1' referred to in the witness statement of Mary-Ann O'Loughlin AM dated 28 July 2020.

### **Mary-Ann O'Loughlin**

#### **Curriculum vitae**

##### ***Employment experience***

Deputy Secretary, Skills and Higher Education, NSW Department of Education (July 2019 — July 2020)

Deputy Secretary, Science and Commercialisation Policy, Commonwealth Department of Industry, Innovation and Science (on secondment, September 2018 — July 2019). During this time also Head of the Taskforce for the Prime Minister's independent review of Australia's vocational education and training sector conducted by the Honourable Steven Joyce.

Deputy Secretary, Social Policy Group, Department of Premier and Cabinet, advising on education, health, NDIS, community services, justice, and counter terrorism. (May 2015 — September 2018)

Executive Director, Management Consulting, KPMG. (November 2014 — April 2015)

Consultant to the Business Council of Australia on reform of vocational education and training. (July—October 2014).

Head of the COAG Reform Council. The Council assessed the performance of governments under intergovernmental agreements in education, skills, health, disability services, affordable housing, Indigenous reform, and competition and regulatory reform. (November 2008 — June 2014)

Director, Allen Consulting Group, an economics and public policy consulting firm. Head of the Social Policy Practice, covering education, early childhood development, health and aged care, and disability and community services. (July 2000 — October 2008)

Head of Corporate Affairs, Health Care of Australia, Mayne Nickless (at the time the largest private provider of hospital and health services in Australia). (October 1996 — June 2000)

Deputy Secretary, Commonwealth Department of Employment, Education, Training and Youth Affairs. (March 1996 — September 1996)

Senior Adviser (Social Policy), to Prime Minister, the Hon. Paul Keating. (1992 —1996)

First Assistant Secretary, Social Policy Division, Department of Prime Minister and Cabinet. (March 1990 — April 1992)

Before 1990:

- Senior executive positions in Department of Prime Minister and Cabinet; Department of Social Security (including technical adviser to the OECD Panel on the labour force participation of sole parents); and Department of Employment, Education and Training.
- Researcher at Social Policy Research Centre, University of New South Wales and Department of Government, University of Sydney.

***Other positions***

Member of Council, Institute of Public Administration Australia NSW. (2016-2017)

Member of the Senior Capability Review Team for the Australian Public Service Commission. Undertook a review of the Department of Climate Change. (2011)

Director of Committee for Economic Development of Australia (CEDA) and Member of the Research and Policy Council of CEDA. (June 2009 — December 2012)

Member of the National Health and Hospital Reform Commission (chaired by Dr Christine Bennett), established by the Prime Minister. The Commission was set up to report on a long-term reform plan to provide sustainable improvements in the performance of the health system. The final report was released in June 2009: *A Healthier Future for All Australians*. (February 2008 — June 2009)

Member of the Disability Investment Group (chaired by Mr Ian Silk), set up by the Hon. Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services, to explore innovative funding ideas to help people with disability and their families access greater support. The recommendations included a National Disability Insurance Scheme. (2009)

Member of the Prime Minister's Taskforce on Employment. (1994)

***Educational qualifications***

BA (First Class Honours), University of Sydney  
Graduate Diploma in Economics, University of New England  
Australian Institute of Company Directors Course

***Awards***

Member of the Order of Australia for significant service to public administration, social policy and reform of federal financial relations, January 2013

National Fellow of the Institute of Public Administration Australia, 2010