

Effective leadership



Leadership is a critical element of an organisation. The approach of public sector leaders to decision-making and culture has a major influence on their organisations. Although audits rarely set out to consider the effectiveness of leadership, several reports highlighted the significant role of leadership within the programs and activity they assessed.

Guidance and direction

There were instances of leadership showing the way and being the source of improvement, as well as instances where agencies failed to effectively set direction and drive change.

'Systemic failures by [the Department of Health & Human Services] DHHS—some of which were identified over a decade ago in our 2005 audit—collectively indicate that DHHS is not effectively providing leadership or oversight of patient safety.'

—Patient Safety in Victorian Public Hospitals (March 2016)

Operational guidance from the centre on key activities or processes was often unclear, inadequate or absent, although we found some examples of good guidance material.

Creating a positive and ethical culture

Leaders are role models for an organisation's behaviour and actions. Leaders who model appropriate conduct and behaviour will contribute to a positive culture. We found problems with culture—how members of an organisation approach their work and interact with each other—that were concerning. Leaders have opportunities to make a difference to these matters, by driving cultural change.

'There is widespread fear among staff and a reluctance to raise issues or make formal complaints because of the perceived repercussions of doing so.'

—Bullying and Harassment in the Health Sector (March 2016)

'There needs to be cultural change across Victoria Police, supported by strong leadership for this initiative to succeed.'

—Follow up of Asset Confiscation Scheme (June 2016)

Frank and fearless advice

For leaders to fulfil their roles and make informed decisions, they need frank, impartial and timely advice from the public sector. This is enshrined in the values and principles that guide the public sector, with ‘providing frank, impartial and timely advice to government’ listed as a key value in the *Public Administration Act 2004*. We found some positive examples where decision-makers were supported well with advice.

‘Advice provided to government to support decisions on the establishment and rollout of the [Protective Services Officer (PSO)] ... program was comprehensive. The report back to government following the first 18 months of the program was focused on the government’s priorities at the time, but it also advocated for changes to the PSO program in order to improve efficiency and effectiveness and to reduce costs. While government chose not to follow this advice, the options presented were comprehensive and soundly based.’

—*Public Safety on Victoria’s Train System* (February 2016)

However, we found several instances where this principle was not fulfilled across aspects of public sector administration including for major policies and infrastructure decisions. Similarly, we found shortcomings in advice or information provided to oversight bodies such as audit committees.

‘Over the life of this costly and complex project, advice to government did not always meet the expected standard of being frank and fearless. This highlights a risk to the integrity of public administration that needs to be addressed.’

—*East West Link Project* (December 2015)

‘The application of the [High Value High Risk] ... process to CityLink Tulla had significant gaps which [the Department of Treasury and Finance] ... needs to address for similar proposals in the future. The lack of sufficient information on the project’s benefits, the absence of a full funding analysis and weaknesses in the approach to stakeholder engagement are fundamental gaps which compromise the quality of advice government is entitled to receive.’

—*Applying the High Value High Risk Process to Unsolicited Proposals* (August 2015)

‘Public sector leadership needs to be focussed on creating a sense of public trust for government’s stewardship role. This public trust needs to be a network of trust: Citizens must be able to trust public institutions to defend their interests. Politicians and ministers must be able to trust that the public service will give them objective, high quality and fearless advice.’

—Chris Eccles, Secretary, Department of Premier & Cabinet, in his ‘Leadership from the centre’ address, Melbourne 23 June 2016

Self-assessment questions

- 1 How does my agency get assurance and feedback about whether the guidance and support we give other agencies or staff meets their needs?
- 2 Does my agency’s leadership group use indicators to benchmark positive culture to strengthen integrity and monitor the risk of inappropriate behaviour?
- 3 Do I have assurance that my agency provides frank and fearless advice to government? Do I offer advice both for and against options in briefings to support decision-making?