Discussion Paper

A NEW ERA FOR AUSTRALIA’S DECISION-MAKING SYSTEM?
IN-DEPTH CONVERSATIONS WITH 400 LEADERS

Ralph Ashton
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SUMMARY: OPPORTUNITIES TO IMPROVE THE ‘SYSTEM’

Imagine an Australia that had addressed the uneven economic impacts of the mining boom, unleashed the next wave of productivity gains, built the infrastructure to take advantage of the Asian century and make our communities more livable and healthy, achieved gains in equality and opportunity for Indigenous Australians, reined in our growing ecological footprint, and dealt with obesity, diabetes, and mental health problems. Imagine an Australia where decisions with positive long-term impact were easier to make – and successfully implement. This is the objective of the Australian Futures Project: to build Australia’s capacity to make decisions for a flourishing shared future in the 2020s and 30s.

A clear picture emerges from the Australian Futures Project’s in-depth engagement with 400 leaders across Australia and overseas of an old system struggling to adapt to a new world. There is an almost universally held view that – even though Australia is faring well compared to many advanced democracies:

- Australia must make and successfully implement decisions and investments this decade for a flourishing shared future in the 2020s and 30s.
- While long-term decision-making is always hard, Australia could be better at making and effectively implementing that calibre of decision and investment. Australia has experienced periods of significant and difficult reform in the past (most notably recently in the 1980s and 90s), sometimes even in the absence of an immediate crisis.
- Many efforts are underway to make progress on individual topics (including the topics listed in section 2.2). The problem is neither logic nor analysis on specific issues, but rather translation of the country’s best thinking into effective action.
- Some work has been done on diagnosing the underlying cause of the blockages in Australia’s decision-making system, mainly from the perspective of the role of politicians and bureaucrats, and often through the lens of economic reform. But very few, if any, initiatives are focussed on improving through incremental innovations the underlying ‘system’ itself.

This points to the need for an initiative like the Australian Futures Project, designed to not only identify ideas but also lead to innovations (rather than silver bullet ‘solutions’) in a complex adaptive system. There was broad (if not universal) agreement that something should be done. Many people considered that a good first step would be a series of engaging and empowering dialogues that brought people with traditional and non-traditional power together from different sectors into a ‘safe’ place to learn from each other, stimulate new insights and ideas, and build networks to take action. People thought that, to be useful, this engagement should not be based on ‘summits’, ‘talkfests’, or a standard ‘panel and plenary’ format; they must be deep and action-oriented, while also allowing for and fostering less tangible ‘outcomes’ like trust-building, networking, and reframing.

Through the course of discussions for the Australian Futures Project, four broad domains for improving Australia’s decision-making system were identified:

1. Fostering a National Identity, Vision, and Leadership (across all sectors)
2. Encouraging and Enabling Accountability and Contribution (across all sectors)
4. Repairing and Strengthening Relationships (between and within communities, between sectors, and between levels of government)

Furthermore, specific innovations were suggested, including the following. Some are home-grown. Others borrow from experience elsewhere.

- Establish an annual “State of Nation Address” from the Prime Minister
- Offer ongoing voluntary capacity building for members of parliament and political advisors at state and federal levels on relevant topics (mirroring the continuing professional development offered, and in some cases required, by other professions)
- Create an environment where a cross-section of leaders from business, the public service, NGOs, and academia can come together to build understanding and personal networks in an enduring way through an accelerated leadership program for both today’s leaders and the next generation’s leaders

These suggestions were not always accompanied by a detailed plan, but the strategy of the Australian Futures Project is to work with others to develop prototypes to test and refine potential innovations such as these. Your engagement would be welcomed.
1 INTRODUCTION

The Australian Futures Project began in mid-2011 as a question: Could Australia be better at making and implementing strategic decisions and investments to create a flourishing shared future?

Former lawyer, banker, and international public policy expert Ralph Ashton reflected on why Australia is finding it difficult to make and successfully implement the reforms and investments that would set our society up for success in the 2020s and 30s despite:

- Australia’s extraordinary wealth, both in terms of its own history and in comparison with other countries
- Australia’s strategic location on the doorstep of Asia in the ‘Asian Century’
- An apparent general agreement across sectors in Australia on many of the key issues to address
- An abundance of expert guidance on not only those key issues, but also, in many cases, suggested pathways to address them

After preliminary discussions with various mentors and people deeply enmeshed in the way Australia makes decisions, Ralph decided to launch a project to investigate and address these issues. He asked long-time colleague, Dr Fiona McKenzie, to help guide the project through three start-up phases: scoping, design, and implementation. Dr Sally Fawkes from La Trobe University also contributes part-time to the core project team.

They set out with a ‘gateway’ strategy, always with the intention of proceeding through the gate to the next stages only if there was enough evidence of the need for the project and enough diverse support (including financial support) to give the project a chance of success. Their intention was neither to create something for the sake of it, nor to predetermine what the most useful shape a large project should take. They did not set out to necessarily build any particular ongoing institution (eg, a think tank), but rather to design a response to their central question, and keep testing and refining the design based on input from a range of established and emerging leaders across Australia and overseas.

- **Scoping**: Ralph and Fiona spent 12 months from October 2011 speaking with respected leaders across a range of sectors and reading relevant material from academics, think tanks, journalists, government agencies, and lobby groups. They wanted to know from these meetings and literature if there really is a problem, what the nature of the problem is, and what is being and can be done about it. They looked within Australia and overseas for initiatives tackling similar questions to the central question above – both to avoid duplication at home, and to learn from experience elsewhere. Having financed the early months of the project themselves largely through pro bono work, they also raised seed funding, and established a relationship with La Trobe University, as founding host and financial sponsor.

- **Design**: There was enough evidence and support from the scoping stage to move to a detailed design stage. So, for the last four months of 2012, La Trobe University hosted a small design team to develop the project’s strategy, undertake preliminary analysis, and continue building relationships with organisations and individuals in the bureaucracy, politics, business, media, civil society, the expert community (including academics), and philanthropy. Experts and advisors acting in a pro bono capacity joined the team at times.

- **Implementation**: Since early 2013, the Australian Futures Project team has cemented relationships with the project’s key partners (see [australianfutures.org](http://australianfutures.org)), established an advisory board, raised additional funding and in-kind contributions, and further refined the project’s strategy through input from partners, the advisory board, and ongoing meetings with leaders. From mid-2013, the Australian Futures Project has started implementing activities with its partners. This first ‘phase’ of implementation will continue until around April 2014, and is focussed on bringing groups of people together to gain a deeper understanding of the situation in Australia’s decision-making system, and identify and commit to actions to improve it. A second implementation phase will begin in early 2014, which will be more focussed on prototyping ideas that have been generated in the first phase. Prototyping is an approach to developing, testing, and improving ideas at an early stage before large-scale resources are committed to implementation. It provides a way to experiment, evaluate, learn, refine, and adapt without the pressure of needing to be ‘correct’ or to commit a lot of resources upfront. However, a prototype is not just a small version of a desired larger project that has been ‘cut-down’ due to resource constraints. The second implementation phase will call on the support of people and organisations involved in the first implementation phase, as well as new contributors.
2 FINDINGS: A NEW ERA FOR AUSTRALIA’S DECISION-MAKING SYSTEM?

By the end of November 2013, the Australian Futures Project had engaged with 400 established, emerging, and former leaders in the bureaucracy, politics, business, media, civil society, the expert community (including academics), and philanthropy. The appendix provides a breakdown of the people engaged by sector and location. The meetings revolved around the following five questions. Section 2 works through responses to these questions. Section 3 concludes the paper with a discussion on where this leaves us as a society, and whether there is a role for the Australian Futures Project (and, if so, what sort of role).

1. What does Australia’s decision-making system look like?
2. Is there a major problem, and is it different from previous eras?
3. What’s causing it?
4. Is anyone working specifically on the problem in Australia, and what can we learn from other countries?
5. What can we do about it, and how?

2.1 WHAT DOES AUSTRALIA’S DECISION-MAKING SYSTEM LOOK LIKE?

People often began by describing Australia’s decision-making system as relatively simple: government (the bureaucracy and politicians at state and federal levels) under the (strong) influence of the media and vested interests (mainly big business and well-resourced lobby groups).

On further reflection, however, a more detailed picture would emerge. Australia’s decision-making system was described as comprised of government (split into politicians and the public service, and into state and federal levels), media, business, citizens (including civil society), and the expert community (including academics) — as well as the key formal and informal relationships between them (see diagram below). It can usefully be characterised as a complex adaptive system.

![Diagram of Complex Adaptive System]

Complex adaptive systems are dynamic, self-organising, and constantly adapting to change. They exist within other interdependent systems. They are driven by interactions between components in the system and governed by feedback. Changes in one part of the system can cause changes in other parts of the system, often in nonlinear and unpredictable ways. People both shape the system and are influenced by the system.
Going deeper, a system is a group of parts that function as a whole. ‘Systems thinking’ is a way to see the world that looks beyond individual parts to the interactions and patterns that characterise the whole. In other words, systems provide the conceptual framework for understanding how things work. Therefore, when seeking to define ‘the system’, it is important to not only consider the major ‘actors’ or components of the system, but also the interactions between these components and how these change the system. Furthermore, actors are influenced by many things including values, worldviews, vested interests, evidence, and knowledge. Interactions between actors can also be influenced by a range of factors, including both formal and informal processes, relationships, and structures.

2.2 IS THERE A MAJOR PROBLEM, AND IS IT DIFFERENT FROM PREVIOUS ERAS?

In almost all conversations for the Australian Futures Project, there was a frustration not far from the surface, and often openly expressed, that Australia as a society is not as good as it could be at making and successfully implementing the reforms and investments required to set our society up for success in the 2020s and 30s. Evidence cited in support of this assessment is that Australia has not yet:

- Addressed the impacts of the mining boom and multi-speed economy
- Reformed our tax base to take account of our changing population and economy
- Unleashed the next wave of productivity gains
- Taken practical steps to reduce income and social inequality across Australia, especially between Indigenous and non-Indigenous Australians, and between men and women
- Planned and started building the public transport, railways, ports, and other infrastructure we need to make our communities more liveable and to take advantage of the Asian century
- Bitten the bullet on under-funded retirement
- Set in place the building blocks to dramatically build Indigenous opportunity
- Dealt seriously with the underlying causes of chronic diseases (such as obesity, diabetes, cancers, and mental health problems), realising the serious effects they have not only on individuals and families but also on our national healthcare budget and productivity
- Reined in our growing ecological footprint, balancing current wants with future needs

The overwhelming feeling is that Australia faces a serious ‘systemic’ problem that is hampering effective and efficient progress on ‘foundational’ individual issues such as these. Without progress on these issues, Australia will struggle to prosper in the uncertain and dynamic future ahead of us. In other words, Australia must become better at making and implementing strategic decisions, especially considering the ‘megatrends’ that will likely shape our future (see for example, McKenzie 2013b).

The fact that other countries (especially other advanced democracies) are facing similar problems was not seen as excuse for inaction at home. Indeed, a number of people suggested that Australia would do better looking beyond the usual comparison cohort of Europe, North America, and (occasionally) Japan to countries like Singapore, China, Taiwan, and South Korea.

So is this ‘problem’ any different from previous eras in Australia’s history? Or are we falling into the dual trap of seeing the present as an extraordinary moment in history and the past through rose coloured glasses?

The consensus from conversations for the Australian Futures Project is that, while ‘preparing for the future’ is always difficult and time-consuming, and while there are always winners and losers, Australia does find itself in a predicament different from the past. It is currently harder to agree on and successfully implement major reforms and investments than in any recent era.

In particular, the 1980s and 1990s were raised time and again as a golden era of reform in Australia. A common refrain is that these reforms enabled Australia to adjust well to the wave of globalisation at the turn of the last century, and subsequently sail through the recent global financial crisis. People often noted that an enabler of this golden era was a sense of ‘crisis’; that ‘something had to be done’. But people also pointed to action that was taken in the absence of an immediate crisis and the need to act (for example, the role of the federal government’s intergenerational reports in raising community awareness of the impact of an ageing population and the need for action). There was an almost universal sense that compared with the 1980s and 1990s, politicians and senior business figures have stepped way from explaining difficult issues to the public, while the bureaucracy has either been silenced or lost its courage to speak out.

Given how well Australia is faring in comparison with the rest of the world on so many indicators, it is perhaps not surprising that Australia is struggling to chart its future. Australia is now at the leading edge, so there is no road map to copy.
2.3 WHAT’S CAUSING IT? AN OLD SYSTEM STRUGGLING TO ADAPT TO A NEW WORLD

In a similar vein to the simple and complex pictures of Australia’s decision-making system described in section 2.1, people often began with a relatively simple diagnosis of what is causing the problem, while further discussion uncovered a more detailed, layered, and complex situation. It was interesting that – on the whole – people pointed to causes outside their direct control, which reflected a sense that no one person or organisation can improve the system alone.

In the simple diagnosis, government is broken (politicians and their parties, the public service, and the recent minority government), the public is rich and complacent, and the media is meddlesome.

In the complex diagnosis, what emerges is an old system struggling to adapt to a new world. Sections 2.3.1 to 2.3.3 expand on this ‘new world’, while sections 2.3.4 to 2.3.6 provide detail on the ‘old system struggling to adapt’. At its core, people thought that there is a gap between expert and elite knowledge on the one hand and community expectations on the other, making it difficult for leaders to ‘bring the public with them’, while the public is prosperous and complacent, and ‘traditional’ leaders have lost the ability and / or the stomach to lead.

A New World: As discussed in section 2.2, Australia is no stranger to ‘golden eras’ of reform and investing in the future (witness the 1980s and ’90s). But the world has changed since then and continues to change at an increasing pace. Three facets of this new world became clear. The first two are common to other countries, while the third is perhaps unique to Australia at this time.

1. Speed and Incentives: I can’t keep up
2. Complexity, Idiosyncrasy, and Confusion: It’s all too hard
3. Prosperity and Complacency: She’ll be right, mate

An Old System Struggling to Adapt: Australia’s existing decision-making system has served Australians well in the past, but is now in flux as it struggles to adapt to the ‘new world’ described above. An overarching theme is that while the expert community still has much of the required knowledge and ability to advise in this new world, the old ways of communicating that knowledge to both leaders and the public are not working. Leaders cannot be too far ahead of the public. As long as there is a gap between expert knowledge and public expectations, leaders will not be able to lead. Everyone has a role in bridging this gap. Three critical dimensions emerged from conversations for the Australian Futures Project.

4. Relationships: I don’t trust you
5. Power: In the wrong hands
6. Storytelling and Leadership: No one’s explaining it

2.3.1 SPEED AND INCENTIVES: I CAN’T KEEP UP

Everything happens so much faster than it used to (and that speed keeps accelerating) while incentives are aligned to the (ever) shorter term rather than the long term. For example:

- The internet revolution (especially the advent of social media) has dramatically changed the way we live and communicate.
- The 24-hour media cycle is seen as both taking up too much of leaders’ time and as adding to the pressure to ‘manage short-term crises’ at the expense of debating long-term objectives. This aligns with other studies that have found that a change in the nature of the media has had a major impact on the quality of public debate. Together with the internet revolution, the 24-hour media cycle has both broadened and sped up the ‘national conversation’ but many people think these two forces have also contributed to a decline in the quality of that conversation. For example, in the 1980s/90s, debate was confined to well-informed elites so contentious decisions were easier to reach and implement, whereas today everyone can have their say, no matter how informed they are.
- Short electoral cycles at federal and state levels were consistently seen as getting in the way of long-term decision-making, with politicians seen to be starting their next re-election campaign as soon as they win office.
- The ability and tendency to constantly poll the general public have swung the incentives for leaders away from painting visions of the desired future and explaining difficult decisions and choices in favour of poll-driven policy-making for short-term electoral gain based on what politicians now know the electorate thinks and says it wants.
- Quarterly and even monthly reporting cycles in the business community – coupled with increased media scrutiny – are often disincentives for business leaders and their enterprises to act in the medium- to long-term, let alone to speak up in favour of
something that is in the national long-term interests or even enter the debate on issues not immediately connected with their business interests.

- Media and political scrutiny have instilled a fear of failure, which prevents both entrepreneurialism in the business community and experimentation in public service delivery from government and community groups.
- Technology is advancing at such a speed that humans are challenged to both manage and develop ethics for the implications and possibilities of the new technologies.

2.3.2 COMPLEXITY, IDIOSYNCYRASY, AND CONFUSION: IT'S ALL TOO HARD

Many of the issues facing Australian society today are complex, whereas our systems have evolved to address simple problems. The public holds idiosyncratic views, whereas in the past ideologies guided decision-making. Leaders are neither painting a coherent vision of a desired future nor prioritising actions to realise the vision.

- Issues can be categorised as simple, complicated, complex, or chaotic (Snowden 2010). On the whole, the ‘big issues’ facing Australian society today tend to be complex and even chaotic. Society has developed good tools and processes to address simple and complicated problems. Complex and chaotic problems require new approaches. Complex problems call for the ability to ‘probe, sense, and respond’ rather than just ‘sense, categorise, and respond’ or ‘sense, analyse, and respond’ as we have become accustomed to for simple and complicated issues. Complex problems require ‘emergent practice, risk-takers, and collaboration’ rather than just ‘good practice, experts, cooperation’.
- Part of this complexity is the fragmentation and multiplicity of interest groups that focus on specific issues (eg, productivity, asylum seekers, environment) or on specific interests (eg, industries, churches, geographic regions), making it hard for decision-makers to ‘get a fix on’ who needs to be involved in the decision and who speaks for whom.
- Meanwhile, individual voters have become more idiosyncratic at the expense of holding a coherent ideology or worldview. For example, someone who in the past might have been classified as ‘left’ or ‘right’ now holds views on climate change that would have been considered ‘right’ while holding ‘left’ views on homosexuality, ‘right’ views on the economy, and ‘left’ views on immigration.
- Whether caused by the same forces that have led to the fragmentation and idiosyncrasy described above, or in response to them, political parties have lost their own coherent ideology.
- Government has taken on too much that other sectors (notably business and civil society) could and should deliver services to the community. At the same time, the federal government has taken on service delivery projects that might be better left to state governments.
- Government (particularly at the federal level) has in recent times tried to push through too many reforms against a backdrop of ‘reform fatigue’ and a ‘natural cycle’ of policy-making that moves at its own (slower) pace.
- Exacerbating the impacts of this service and reform ‘overload’, and perhaps driven by the loss of coherent ideology described above, political leaders have failed to prioritise and sequence their actions.

2.3.3 PROSPERITY AND COMPLACENCY: SHE’LL BE RIGHT, MATE

After 23 years of economic expansion, Australians have become extraordinarily prosperous at the same time as developing (and being indulged in) an entitlement mentality, both of which have led to widespread complacency. There is no immediate ‘crisis’ demanding a response. In this context, holding on to the past is for many Australians a much more attractive option than embracing an (uncertain) future. As CEDA notes (2013, p14): ‘Compared to many other countries, the situation in Australia is far from intolerable.’ All of this makes action in the interests of the long term difficult.

2.3.4 RELATIONSHIPS: I DON’T TRUST YOU

Key relationships – that would otherwise enable a society to ‘work across difference’ to resolve difficult issues – remain weak or have fractured. In particular, a common refrain was that the public sector is ill-equipped to deal with the future Australia faces and the way Australia’s Federation works needs serious attention and reform.

- Lack of deep reconciliation between Indigenous and non-Indigenous Australians
- Loss of bipartisanship, the rise in oppositional oppositions, and the adversarial nature of politics
- Lack of empathy between citizens
• Lack of trust and communication between sectors, especially on six axes:
  • Federal-State Government
  • Public Service-Politicians
  • Business-Government
  • Business-Community
  • Government-Community
  • Disadvantaged Australians-Service Providers (Government and Non-Government)

2.3.5 POWER: IN THE WRONG HANDS

Power is in the ‘wrong’ hands, especially in light of (i) the complexity of many issues, and (ii) the incentives for short-term self-interest described in section 2.3.1.

• No one government department, level of government, sector, or individual organisation or leader in any one sector has the power to ‘fix’ the big issues of the day facing Australia alone; the issues are too complex, cross institutional boundaries, and require collaboration
• Media ownership is concentrated in a few hands
• Well-resourced vested interests can and do have a disproportionate voice in the national debate on matters of national significance
• A sense of hopelessness pervades those without formal power (‘nothing can / will be done, so why try’)
• Australia is still a monarchy, subject to a faraway monarch
• Post-1788 Australia lacks the teaching capacity of history because of our relatively short existence as a society, while we tend to be ignorant of or ignore the lessons from Indigenous Australian history
• Factors beyond our control (e.g., technology, international events, happenstance) have a powerful influence on our choices and ability to determine our destiny

2.3.6 STORYTELLING AND LEADERSHIP: NO ONE’S EXPLAINING IT

The story so far: The world has become more difficult to navigate because of increased speed, misaligned incentives, complexity, idiosyncrasy, and confusion. Australians are so prosperous that they have become complacent about the future. Key relationships within Australian society have broken down, and power is in the wrong hands.

Just when they are arguably needed more than ever, storytellers have either walked away from or been driven from storytelling, and leaders have left the stage.

• Senior figures in politics, the bureaucracy, civil society, and business lack coherent, comprehensive, and compelling visions for the future of Australia, and / or lack the courage to stand up for what they believe in the face of potential criticism, and have stepped away from leadership
• There is a gap between expert and elite knowledge on the one hand and community expectations on the other, making it difficult for leaders to ‘bring the public with them’
• People in traditional leadership positions have either given up trying, or no longer have the skills, to patiently explain difficult issues and build coalitions of supporters that accept trade-offs and compromise
• The bureaucracy has been silenced and / or lost its ability to ‘speak truth to power’
• The white paper / green paper process for exposing new policy to national debate and refinement has broken down
• Journalists lack the ability (and / or incentives) to report accurately and with nuance on the major issues of the day
• The quality of the political class as a whole has diminished (often because of youth and a lack of experience in non-political jobs), creating a vicious cycle where talented candidates for political office or the bureaucracy are no longer attracted to those roles
2.4 IS ANYONE WORKING SPECIFICALLY ON THE PROBLEM IN AUSTRALIA, AND WHAT CAN WE LEARN FROM OTHER COUNTRIES?

2.4.1 AUSTRALIA

People pointed to the numerous efforts underway in Australia to tackle individual issues (eg, productivity, climate change, infrastructure, education, health, etc) and to specific efforts or innovations to improve aspects of strategic decision-making, particularly within government, both in Australia and overseas.

People also pointed to specific analytical and policy-guiding efforts to get ready for the future. At the federal level these include (without limitation) Defence Whitepapers and Intergenerational Reports; cross-departmental foresighting initiatives; the role of the COAG Reform Council, the Australia and New Zealand School of Government, DesignGov, the Strategy and Delivery Unit in the Department of Prime Minister and Cabinet, the Office of National Assessments, and the Department of Foreign Affairs and Trade, among others; and reviews like the Garnaut Climate Change Review, the Henry Tax Review, the Asian Century Whitepaper. State governments have their own processes.

But it appeared that no organisation is working specifically on a process to uncover innovations that would improve Australia’s underlying system of making and implementing decisions across sectors and topics with long-term strategic benefit to Australian society. This is not to say they don’t exist, but an extensive search has failed to uncover them.

2.4.2 OTHER COUNTRIES

People suggested that experience overseas might help in two ways:

1. **Systemic Initiatives**: There might be initiatives in other countries at the national or sub-national scale with the objective of improving the underlying system of making and implementing decisions with long-term strategic benefit. If so, Australia (and the Australian Futures Project) could learn from these efforts.

2. **Specific Innovations**: There are examples in other countries of innovations to improve facets of their decision-making system.

In terms of systemic initiatives, people referred to non-governmental organisations and think tanks working on the future in various countries. The one that most resembles the aims of the Australian Futures Project is the Think Long Committee in California, USA, which ‘advocates a comprehensive approach to repairing California’s broken system of governance while proposing policies and institutions vital for the state’s long-term future’ (see [http://www.berggruen.org/councils/think-long-committee-for-california](http://www.berggruen.org/councils/think-long-committee-for-california)). Again, this is not to say that more do not exist.

Numerous examples of specific innovations were cited. This points to the fact that it is possible to actively promote better strategic planning and decision-making across a nation, and that other countries have found it worth their while trying. Without going into detail, and without being exhaustive, examples include (McKenzie 2013a):

- Leadership development (eg, Institute for Government, United Kingdom)
- Independent Funds (eg, Sitra, The Finnish Innovation Fund, Finland; The Government Pension Fund Global, Norway)
- Mid- and long-term planning (eg, Government Programme, Finland; Five-Year Plan, China; Plano Plurianual, Brazil)
- Spatial Planning (eg, National Spatial Strategy for Ireland until 2020)
- Performance and Accountability (eg, Government Accountability Office, United States; Open Government (Global Partnership); Movimento Brasil Competitivo, Brazil)
- Bipartisanship (eg, Bipartisan Policy Center, United States)
- Drawing on the intelligence community (eg, National Intelligence Council, United States)
- Encouraging Innovation (eg, National Failure Day, Finland)
- Linking academia and government (eg, The German Council of Economic Experts, Germany; The Behavioural Insights Team, United Kingdom)
- Linking across government (eg, President’s Office of the Chief of Staff, Brazil; State Council’s General Office, China; European Strategy and Policy Analysis System, European Union; State Sector and Public Finance Reform Bill, New Zealand)
- Linking community and government (eg, Citizens Assembly, British Columbia, Canada)
These innovations are context specific. What works in one country at one time might not necessarily work in another at another time. Although this is no excuse not to try, it is important to ask questions such as: What were the conditions that enabled them to be implemented? Would they be transferrable to Australia? Would Australia want to take the ‘bad’ with the good (eg, Chinese governance with Chinese 5-year plans)? Did they actually lead to positive change in their own context?

2.5 WHAT CAN WE DO ABOUT IT, AND HOW?

Continuing the simple / complex dichotomy, the solution proposed for the simple picture described in sections 2.1 and 2.3 is some combination of ‘fixing broken government’, reining in vested interests, and ‘doing something’ with the media. Moving to the more complex picture, the problem is not caused only by the capacity or actions of individual actors, but also the processes, relationships, and structures that imbue Australia’s decision-making system. In this picture, there is no ‘silver bullet solution’, everyone and every sector has a potential role, and progress will come incrementally from a range of interventions.

A range of ideas was given for what to do about the problem, from ways of finding solutions to specific innovations in the system (often in response to individual causes set out in section 2.3.1 to 2.3.6).

Ways of finding solutions:

• Work at the whole system level as well as at the specific issue level (eg, early childhood development, chronic illness, social and economic participation of an ageing population)
• Work from the top-down (eg, government, big business, established civil society organisations) as well as the bottom-up (eg, engaging the public at large)
• Build capabilities along two streams: (i) to proactively make decisions and investments this decade to prepare for and take advantage of the future trends we can discern; and (ii) to react in real time to new information and changes beyond our control
• Build skills and comfort to work in complex adaptive systems

Specific innovations (not always accompanied by a detailed plan):

• Establish an annual “State of Nation Address” from the Prime Minister
• Offer ongoing voluntary capacity building for members of parliament and political advisors at state and federal levels on relevant topics (mirroring the continuing professional development offered, and in some cases required, by other professions)
• Create an environment where a cross-section of leaders from business, the public service, NGOs, and academia can come together to build understanding and personal networks in an enduring way through an accelerated leadership program for both today’s leaders and the next generation’s leaders
• Enable the public to instruct the Productivity Commission to investigate and advise government on specific issues of concern
• Develop and use a trusted framework to document and evaluate policy-making (and build up over time a set of case studies from which to learn)
• Focus COAG’s agenda on the period beyond the next election
• Improve federal-state relations
• Rebuild trust between business and government
• Foster collaboration between business, government and academia
• Stimulate community interest in democracy and mass political engagement
• Create a spirit of entrepreneurship (including a comfort with innovation and failure) in all sectors
• Create a centre for dialogue modelled on the Aspen Institute in the USA

While a small number of people had concrete ideas, there was broad (if not universal) agreement that something should be done. Many people considered that a good first step would be a series of engaging and empowering dialogues that brought people with traditional and non-traditional power together from different sectors into a ‘safe’ place to learn from each other, stimulate new insights and ideas, and build networks to take action. People thought that, to be useful, this engagement should not be based on ‘summits’, ‘talkfests’, or a standard ‘panel and plenary’ format; they must be deep and action-oriented, while also allowing for and fostering less tangible ‘outcomes’ like trust-building, networking, and reframing.

A very small number of people (less than 10 out of 400) thought that there was no need to act because the problem would resolve itself sooner or later anyway. This would be driven by the end of minority government, some crisis that would eventually force Australia’s hand, or Australia returning to an active phase in the natural cycle of reform.
Curiously, another small group of people, often even after mentioning complacency as a root cause of Australia’s predicament, thought that Australia was ‘pretty good’ ‘all things considered’ especially when ‘comparing ourselves against Europe and the US’. However, others pointed out that just because we might be good doesn’t mean we can’t get better, and just because we are better than others now doesn’t mean we don’t need to keep improving to give ourselves the best chance of a flourishing shared future. Some suggested that Australia should also be careful in choosing its comparison cohort: the countries we have traditionally compared ourselves with are not necessarily the ones we should compare ourselves with over the next 50 years.

3 CONCLUSION: WHERE DOES THIS LEAVE US?

A clear picture emerges from the Australian Futures Project’s engagement with 400 leaders across Australia and overseas of an old system struggling to adapt to a new world. There is an almost universally held view that – even though Australia is faring well compared to many advanced democracies:

- Australia must make and successfully implement decisions and investments this decade for a flourishing shared future in the 2020s and 30s.
- While long-term decision-making is always hard, Australia could be better at making and effectively implementing that calibre of decision and investment. Australia has experienced periods of significant and difficult reform in the past (most notably recently in the 1980s and 90s), sometimes even in the absence of an immediate crisis.
- Many efforts are underway to make progress on individual topics (including those listed in section 2.2). The problem is neither logic nor analysis on specific issues, but rather translation of the country’s best thinking into effective action.
- Some work has been done on diagnosing the underlying cause of the blockages in Australia’s decision-making system, mainly from the perspective of the role of politicians and bureaucrats, and often through the lens of economic reform. But very few, if any, initiatives are focussed on improving the underlying ‘system’ itself.

Four broad domains for improving Australia’s decision-making system were identified:

1. Fostering a National Identity, Vision, and Leadership (across all sectors)
2. Encouraging and Enabling Accountability and Contribution (across all sectors)
4. Repairing and Strengthening Relationships (between and within communities, between sectors, and between levels of government)

This points to the need for an initiative like the Australian Futures Project, designed to not only identify ideas but also to lead to actions in a complex adaptive system. The 400 conversations synthesised in this paper have shaped the ongoing work of the Australian Futures Project. In particular, tackling complex challenges requires an emphasis on trying new approaches, and learning from the results. The Australian Futures Project therefore moves through a four-stage iterative loop, allowing adjustment to lessons at each stage, and moving back to the stage 1 at the end of each loop to design the next loop:

1. **Design:** With partners, design the details of the next three stages based on progress to date
2. **Explain:** Explain the context of Australia’s decision-making system, the need for action to protect our future, and the Australian Futures Project’s plans
3. **Act and Learn:** Uncover actions to build Australia’s capabilities to make decisions for a flourishing shared future by working along three streams: Learning from the Past and Overseas, Learning from Collective Wisdom, and Learning from Rapid Prototyping
4. **Articulate:** Synthesise insights from the three Act and Learn streams, and, with partners, articulate concrete pathways for action (including suggestions of who needs to be involved)

More information is available at [australianfutures.org](http://australianfutures.org).

The objective of the Australian Futures Project is to build Australia’s capacity to make decisions for a flourishing shared future in the 2020s and 30s. Based on the discussions synthesised in this paper and the appetite of organisations to collaborate with the Australian Futures Project, that is far from a pipe dream. Your engagement would be welcomed.
APPENDIX: THE 400 CONVERSATIONS

With the limited resources available in the early stages, the Australian Futures Project could reach neither every sector nor every corner of Australia. The intention was to engage as widely as the team’s resources, networks, location, and time allowed, and to remain conscious of the blind spots (apparent in the following table). The Australian Futures Project will continue to broaden its engagement as resources allow.

The following table provides a breakdown by location and sector of the 400 people engaged for the Australian Futures Project up to the end of November 2013. Almost all are from cities and traditional power structures. There is a weighting towards business and civil society leaders because the Australian Futures Project sought a strong engagement with these sectors to ensure the project was not dominated by voices that are often heard on topics like this (especially bureaucrats, politicians, and experts / academics) and because the team believed that business and civil society can and should – with other sectors – be strong drivers of positive change in the way decisions are made in Australia for a flourishing shared future.

Engagement was concentrated in Victoria and NSW because that is where team members live and where La Trobe University, the project’s host, is located. They are also two of the most populous states. This was balanced by building relationships in Western Australia to avoid the project becoming another South-East Australian venture. There remains a lack of engagement in the Northern Territory, Queensland, South Australia, and Tasmania, which the project aims to address in coming phases.

Some people do not fit neatly into one sector, and have been allocated to the most relevant sector. Peak bodies and lobby groups are categorised as civil society.

These meetings were conducted on a confidential basis. They were not recorded and detailed notes were not taken. This document is based on insights and observations from all these meetings, but no statement or view has been attributed to any individual. The Australian Futures Project is grateful for the generous time participants gave and the guidance provided through these meetings.

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<th>Bureaucracy</th>
<th>Civil Society</th>
<th>Expert / Academia</th>
<th>Media</th>
<th>Philanthropy</th>
<th>Politics</th>
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SELECTED REFERENCES

Fawkes, S. 2012. Enhancing decision making in Australia: Institutional innovations to strengthen foresight. Australian Futures Project.
McKenzie, F., 2013b. Welcome to the Future: Drivers and trends that will shape Australia. Australian Futures Project