

Talk

WITH GEOFF MULGAN



Tight focus on future if SA to prosper

GOVERNMENTS, like armies, always risk fighting the last war rather than preparing for the next one. Getting government to focus on what lies ahead is set to be the critical challenge for this state. After a tough period with slow growth, the fallout from the collapse of the State Bank and a stagnant population, South Australia has fought its way back to a triple-A rating and the prospect of faster growth in jobs and wealth, windfalls from mining and a growing population.

But adapting to success can be as hard as adapting to failure, particularly for public sectors, which often find it hard to keep up with the amazing pace of change in technology, business and culture.

In my work around the world, I've found the best keep up by doing three things simultaneously. First, they think about the future and put energy into bringing together their politicians, civil servants, business people and NGOs to forge a consensus about the big challenges and tough choices.

Doing this helped many northern European countries turn around from severe crises in the 1980s. Finland, for example, looked a basket case in the early 1990s but now regularly tops world league tables of economic competitiveness and has a relent-

less focus on future challenges and opportunities. Singapore does, too.

Second, the best have learned how to spend better. In the UK, the Treasury exemplified Oscar Wilde's comment about knowing the price of everything and the value of nothing.

But under Gordon Brown's leadership it was transformed. It became a major player in innovation, funding new projects where investment now could save money in the future, such as projects for young children. It connected thinking about the future to spending priorities – for example, reviewing how greater personal responsibility could contain health costs. It made tough examinations of the effectiveness of existing programs. Treasuries in other countries have also moved from being cost containers to value maximisers. In Denmark, for example, which now tops the World Bank rankings of government performance, the Treasury has taken the lead in promoting innovation across the public sector to drive up long-term productivity.

Finally, the best performers learn how to engage the public, so its members share in the big, and difficult, decisions. Electorates everywhere are sceptical about politics and government. In its early years the Blair Government responded to public and

media scepticism with tight control over communication and an often paranoid fear of leaks or uncomfortable facts.

But over time, it became clear this was counterproductive. Openness turned out to pay dividends, whether that meant opening up data about how well public services were performing, sharing policies in draft or being honest about risks.

In the long run, treating members of the public as adults turned out to create more trust, making them more receptive to hard choices, such as climate change and pensions.

SA has an extraordinary history of innovation. Under a strong and unusually strategic political leadership it's re-energising those traditions. But the Government here, as elsewhere, needs new ways to think better, spend better and engage better if it's to keep ahead of the game.

That won't be easy – it never is. But there's a big prize to be won from directing the state's resources to what's important, not what's urgent, and to what works rather than what's familiar.

□ **Dr Geoff Mulgan is Adelaide's Thinker in Residence. An expert on social and organisational innovation, he is the former head of policy for British Prime Minister Tony Blair.**

Continued



THOUGHTS FOR THE STATE

As Thinker in Residence I will consider:

- Ways South Australia will need to innovate to meet challenges such as marginalised young people, the ageing population and the impact of climate change.
- Innovation in the South Australian public sector, with a focus on community involvement.
- Future research directions in public policy.
- Collaborative decision making across local and state government universities, non-government, business and the community.
- Innovation in remote and rural South Australia.