Investigating Project Management Practices in the NSW Public Sector

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Abstract

This paper reviews the position of public-funded projects and project management practices within the New South Wales (NSW) public sector in Australia. It focuses on evaluating project delivery; however, identifies project management challenges while identifying strategies for overcoming these hurdles in the NSW public sector. This paper will discuss the process of project implementation within the NSW government. It will identify and examine project management related issues that may occur during the project implementation of public-funded projects within the NSW government. It will discuss the measures, procedures, and strategies employed to overcome these challenges and scrutinize the effectiveness of these measures to achieve the project goals. It will conclude with recommendations on a way forward to increase project performance, implementing project management best practices and measuring project efficiency within the NSW government. However, this paper is based on a review of a single government department, the NSW Department of Communities and Justice; it will explore concepts that can provide guidance and can be applied more broadly on other public-funded project and within other government agencies.

Keywords: NSW Government, NSW Public Sector, Project Management, Project Manager

Introduction

The nature of project management can be defined as the achievement of project objectives through people and involving the organization, planning and control of resources assigned to the project (Harrison 2017). Project management is the practice of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific success criteria at the specified time (Phillips 2003). According to the Association of Project Management UK (APM), "Project management is the application of processes, methods, skills, knowledge and experience to achieve specific project objectives according to the project acceptance criteria within agreed parameters" The projects implemented in New South Wales (NSW) public sector makes a unique and important contribution to the state as it implements the policies of the elected government and provides a broad range of essential services to the community. The primary challenge of project management is to achieve all the project goals within the given constraints. Project management in the NSW public sector has been introduced as a way of growing the opportunity of on-time and within-budget delivery. The NSW public sector seeks to deploy innovative technologies to provide services to its residents. However, the NSW government is embarking on elaborate and costly public sector projects and they are depending on project management to ensure that these are delivered effectively and efficiently. However, the application of project management practices is not always even and does not always deliver the benefits formerly intended. This maybe for several reasons including when implementation is not handled as a project itself with attention being paid to the definition of goal and objectives; the establishment of project governance and careful examination of the NSW public sector environment in which it is being rolled out. Successful project implementations can only be the result of a formal project management practices. Managing projects in the NSW public sector has always been a challenge, especially when those projects involve multiple stakeholders (the government, trade unions, the political structures, the general public), new or unproven technology, shifting or unclear project requirements, and constrained resources. These project challenges multiply in the public sector, which depends on successful projects to make the changes necessary to cope with a fast-changing world.

The state of new south wales (NSW)

New South Wales (NSW) is a state on the east coast of Australia. It borders Queensland to the north, Victoria to the south, and South Australia to the west. Its coast borders the Tasman Sea to the east. The Australian Capital Territory is an enclave within the state. New South Wales' state capital is Sydney, which is also Australia's most populous city. In March 2019, the population of New South Wales was over 8 million, making it Australia's most populous state (Australian Bureau of Statistics 2019). According to the Australian Bureau of Statistics (2019), just under two-thirds of the state's population, 5.1 million, lives in the Greater Sydney area. Inhabitants of New South Wales are referred to as New South Welshmen.

The Colony of New South Wales was founded as a penal colony in 1788. It originally comprised more than half of the Australian mainland with its western boundary set at 129th meridian east in 1825. The colony also included the island territories of New Zealand, Van Diemen's Land, Lord Howe Island, and Norfolk Island. During the 19th century, most of the colony's area was detached to form separate British colonies that eventually became New Zealand and the various states and territories of Australia. However, the Swan River Colony has never been administered as part of New South Wales. Lord Howe Island remains part of New South Wales, while Norfolk Island has become a federal territory, as have the areas now known as the Australian Capital Territory and the Jervis Bay Territory.

The Executive authority is vested in the Governor of New South Wales, who represents and is appointed by Elizabeth II, Queen of Australia. The current Governor is Margaret Beazley. The Governor commissions as Premier the leader of the parliamentary political party that can command a simple majority of votes in the Legislative Assembly. The Premier then recommends the appointment of other Members of the two Houses to the Ministry, under the principle of responsible or Westminster government. As in other Westminster systems, there is no constitutional requirement in NSW for the Government to be formed from the Parliament—merely convention. The Premier is Gladys Berejiklian of the Liberal Party.

According to the Australian Bureau of Statistics (2018), the estimated population of New South Wales at the end of September 2018 was 8,023,700 people, representing approximately 31.96% of nationwide population. In June 2017 Sydney was home to almost two-thirds (65.3%) of the NSW population.

The NSW public sector

The New South Wales (NSW) public sector delivers a wide range of services and regulatory functions to the community, such as education, health services, roads, public transport, law enforcement and environmental protection. As of 1 July 2019, there are eight clusters that deliver the work of the government.

1. Premier and Cabinet
2. Treasury
3. Customer Service
4. Planning, Industry and Environment
5. Transport
6. Health
7. Education
8. Stronger Communities

In 2018–19, the NSW public sector had a net worth of $262.0 billion. Employee-related costs were the single largest expense, accounting for 46.2% of general government expenditure in 2019–20. 'NSW Public sector' is a broader title encompassing both the Government Sector and the independent offices that sit outside of it (e.g. the Independent Commission Against Corruption, Judicial Commission, Audit Office etc.).

Almost 330,000 full-time employees make up the NSW public sector workforce and they support vital services such as health, education, housing, public transport, agriculture, environment, fire and emergency services as well as the police force, prisons and courts.

New South Wales is a major global and Asia-Pacific cultural hub. Home to a diverse population of 7.7 million people, NSW is Australia's oldest, largest and most cosmopolitan state. In addition to its cultural and economic strengths, the global status of NSW is underpinned by its international transport links, with over 1000 flights operating per week.

Project management practice in the NSW public sector

The New South Wales (NSW) public sector is structured as pyramids. There are policies and decisions that are formulated at the highest hierarchy, responsibilities and tasks are also decided at the upper level of the pyramid and assigned to the lower levels through a hierarchical chain of command. The NSW public sector departments are different than their private sector counterpart because of the complex organizational environment, goals, structure and managerial values (Boyne 2002). The NSW public sector advocates the implementation of project management techniques which have demonstrated value as seen in the private sector. The use of project management is one of those techniques which have recently attracted a lot of attention in the NSW public sector. Through project management, the NSW government has put in place a systematic system through which its government agencies can achieve its goals effectively and efficiently.

The implementation and delivery of projects in the NSW public sector continues to evolve as a practice due to greater demand for innovative, citizen-focused delivery models. The demands in the NSW public sector are increasing and projects becoming gradually challenging. Managing a project in the NSW public sector is a complex activity, in particular when it involves many people working over long periods of time and many multiple stakeholders.

This increasing complexity requires project management practices and tools that assure an efficient use of resources. Project managers play a crucial role in all kinds of projects and influence projects' success (Crawford 2005). David Wirick (2009) highlights that project managers in public sector face team management challenges such as: the inability to clearly link performance and reward, compensation systems that are biased towards longevity, the inability to select project team members based on their expertise. Project managers are now required to understand the overall responsibility for the successful initiation, planning, design, execution, monitoring, controlling and closure of a project. They must embrace digital engagement as a means of encouraging real-time feedback. They need to learn quickly. Program management in the NSW public sector now calls for agility and adaptability.

Challenges of NSW public sector projects

There has always been a challenge managing projects in the New South Wales (NSW) public sector especially when there are changes to government policies and the needs of the end users for the final product can be difficult to assess within varying political influences. The NSW Premier, Gladys Berejiklian started her new term with significant changes to the NSW public sector. Government departments were disbanded, and offices being closed, merged or rebadged with new names. Power also being concentrated within ministers and ministries. Berejiklian's spokesman said: The changes are designed to ensure the structures of the NSW government are fit for purpose well into the 2020s, in particular, to provide for a greater focus on improved service delivery, less red tape and government priorities (Saulwick, Hannam & 'Sullivan 2019).

The overall project environment in NSW involves stakeholders from external and internal with conflicting agendas. There are fewer risks that can be taken in public projects with all the regulations in place. The level of effort spent on stakeholder management, risk management and scope management might be greater for such projects, but the basic process remains the same. What is more challenging is that the primary drivers for many public sector projects may not encourage alignment as easily as in private sector projects where the profit motive can be a powerful catalyst.

Every project explores new terrain, and uncertainty and risk are a part of the environment from project conceptualization. Government project managers can expect to encounter additional circumstances that add complexity and challenge to their mission. NSW projects drive the government's economic success providing the ability to grow and become more viable and competitive in Australian markets.

Fundamental shift for NSW public sector

The NSW government wants a fundamental shift in the way the public sector goes about implementing its projects. This amounts to embedding a focus on effectiveness, efficiency, and innovation as a priority, and developing an expectation that achieving value for money in the public sector is business as usual and not an exception or a one-off objective. The NSW government has been looking at improving public sector productivity by doing the same tasks in new ways, learning from the private sector and international experience. A collection of initiatives designed to improve the efficiency of public expenditure is under way. This includes structural changes to public sector agencies (including merging some agencies), preparing and implementing alternative approaches to delivering services (such as providing single points of entry projects), as well as making greater use of the private sector and the not-for-profit sector, such as using public-private partnerships.

Political interference

In NSW public sector, political interference is a major hindrance for the smooth execution and delivery of development projects. The geopolitical context of NSW has greatly influenced the progress of public-funded projects by making it more complicated and slow-moving due to political interferences. The nexus of the elected parliamentary representatives, executing agencies, and stakeholders were the major cause of nepotism and exploitation. Usually, these intrusions were found during the conceptualization and project design phase of the projects. In most of the cases, the executing agencies had designed the project based on political affiliations rather than a performance-based system.

Sub-standard project design

There have been cases in the NSW public sector that projects have been designed inappropriate to local conditions, needs and capacities. In those instances, resource needs have been underestimated, incorrect amortization obligations, insufficient allowance for resource demands of other on-going projects, leading to heavy additional unplanned spending. Insufficiently detailed project designs create the need for frequent design changes in subsequent stages of project planning and to unplanned additions to or expansions of the project.

Lack of contingency planning to meet emergencies or unanticipated delays have also resulted to delays in delivery of projects. Most public projects are implemented without adequate baseline data and developmental indicators during design to allow monitoring, control and post-evaluation. Lack of interaction between project planners and, clients and beneficiaries during project design has been a major setback in implementing projects in NSW.

Project management skills storage

According to the Project Management Institute (2005) "Project and program management are best viewed as placed on a continuum of complexity: a practitioner progresses from over-sighting simple to more challenging projects and then goes on to develop a more strategic approach to integrating a diversity of longer-term management objectives". Project managers in the top echelon in NSW public sector are likely to have years of experience, tertiary education, a commitment to continued professional development, demonstrated leadership and a track record of success. Their role is unique in public sector projects, since public projects always deal with multiple, different stakeholders whose opinions can strongly influence the project. Bowman, West, Berman & Wart (2004) argue that successful public manager must possess 'skills triangle', which comprises of three different types of competences: technical, leadership and ethical. This set of competences combines the key skills, knowledge and attitudes that should be possessed by a successful Project manager, who is working in NSW public sector.

However, in the NSW public sector, there are project managers who do not have the required key skills, knowledge and attitudes. Technical capabilities aside, the difference between a good and a bad project manager often come down to how effectively they manage the people that have influence over their project–or on its perception, i.e. stakeholders (Holloway 2016).

Project management methodologies

Choosing the right project management methodology is the first step to implementing successful projects. But with so many different and in some cases, overlapping approaches to managing the complexities of any given project seem problematic. Having a single point of accountability is a cornerstone of project management methodologies (Kerzner, 2015). An individual need to be accountable for the end-to-end delivery of a project or program, within agreed timeframes and conditions, through an implementing government agency. Single point accountability is not about greater bureaucratic proceduralism or endless layers of reporting. Indeed, bureaucratic concerns about probity and agency have, traditionally, hindered exactly the kind of collaboration and flexibility required between the NSW public sector and the non-government entities involved in the co-production of public policy outcomes. Emerging forms of governance, such as 'network governance' offer the promise of more 'joined up' services without a concomitant reduction in the accountability of all the actors involved.

Project governance

The project governance structure may at first glance appear to have blurred lines of accountability, with multiple stakeholders being responsible for aspects of implementation at different stages of the project. The establishment of project governance structures are lacking in most NSW public projects. Project governance structures can engage both formal and informal stakeholder consultation, is a useful way of formalizing channels of advice from diverse perspectives. However, the project managers remain accountable for ensuring that the job gets done well. Many competent project managers work in the NSW public service sector. They oversee the multitude of projects which abound throughout government. Surprisingly however, there appears to be a decline in the number of high-quality, experienced and qualified practitioners at the very time that the complexity of government projects is increasing. The emerging capability gaps related to working within the project governance structures are being filled by public servants who have fallen (or been pushed) into these roles. Often, they have limited experience and qualifications and are given insufficient support from management.

Training and development

The importance of formal qualifications should not be underestimated. One of the best levers to mitigate risks associated with program delivery is to have properly trained and certified practitioners. It seems inconceivable that a government agency would put an 'unqualified' project manager in charge of any public-funded project, but in fact this occurs regularly. Formal qualifications and demonstrated proficiency are a prerequisite for many professions that are given authority for financial and administrative risks inside and outside of the NSW public sector. Professional occupations have long-standing educational requirements which provide a degree of assurance to employers of the competency of the practitioner. The more senior the practitioner, the higher the level of qualification that is expected. So, too, should it be expected with project and program managers. The need for project management professional certification has been recognized by industry associations and training institutions in NSW and across Australia. This is not to suggest that pursuit of formal recognition of specialist skills should detract from the value placed on experience. NSW agencies need to identify and encourage talented project managers and then support them to map out a career path to more senior program management roles. Program managers need to be prepared for an evolving public sector environment. Setting minimum competencies, subject to the operational requirements of each agency, would increase the professional standing of project and program management skills within the public service. It would significantly strengthen NSW public service delivery capability.

Unclear mandate and authority

Positioning of staff to a specific project would operate best at the authority and expense of the relevant government agency head, though from time to time it may be necessary to have the Secretaries of government agencies, exerting their influence on behalf of cross-agency collaboration.

This has resulted to government agencies and individuals knocking heads together. In the most cases, the project team faces significant cultural difficulties gaining traction in the agencies they join. They have to wrestle with agency-specific practices and cultural norms. However, success will depend on having a clear mandate and authority from within the agency, strong leadership and the ability to deliver high-quality projects and programs under intense financial, time and political pressures. It is a model which will only work when the teams have unambiguous support to get the job done.

The right skill and mindset

Policy skills are generally viewed as a 'creative' or 'strategic' while implementation skills are often perceived as 'corporate' or 'operational.' This outdated assumption can result in a bias towards promoting the former at the expense of the latter. It is premised on a falsehood. Most leadership positions require a variety of expertise and experience across policy advice, program design, service delivery, regulatory impact, and procurement practice or resource administration. This is not an argument for more generalists. Senior leaders can be specialists in more than one area, and their professional background often continues to influence their managerial capacity. Regardless of background, the key to success is that leaders have the capability not only to provide strategic advice but to oversee its execution. They must understand that these skills are two sides of the same coin. They should have a depth of understanding in both. Changing the recruitment criteria for senior executives would be a means of driving change over the medium term.

Overcoming project challenges within the NSW public sector

Controlling and managing issues on any public-funded project can feel like a round-the-clock assignment. And for project managers within the NSW public sector, it often is. Several project managers within the NSW public sector have experienced it and transitioned through it. NSW public sector has a series of small, medium and large-sized projects. However, there are a lot of small projects within the NSW public sector. Whilst not as complex and high profile, small projects can be just as challenging to manage than very large projects because, requiring project managers and their teams to scale down their methods without losing control over quality and other deliverables. This paper will help put things in perspective; here is an overview of how to overcome project challenges within the NSW public sector.

Effective project controls system

Several NSW public sector projects are more complex, uncertain and risky, either because the methodological domain is more obscure, the impact of the project is greater, the scale of the team is larger or because there are more users and stakeholders. In order to manage this added complexity, there is a need for the project manager to utilize a mature project management method so that they can exercise a greater level of control. The more complex and uncertain the project, the more control and structure required. Project controls are all-encompassing for project definition, planning, execution, and completion; assisting in the entire lifecycle of your project.

Choosing the right project team

Choosing the right experts or team to deliver public funded projects for the NSW government is essential to its future growth and success. Public projects are an essential part of the government and its program for its people because NSW public projects are designed to develop new products, services or processes, it's vital that they are managed by experts or teams that have the right level of skills, experience, and expertise. The ideal project manager needs financial, scheduling and management skills to keep projects on time and on budget. An underlying factor that can determine the success of a project is the team of people working on the project. It is the collaboration and teamwork among the project team members, performing their varied functions that make them a successful project team, thus, contributing to the success of the project.

Conducting a project baseline assessment

The project baseline defines the original scope, cost and schedule. The project baseline should always come in-between the planning phase and the start of the project. A new baseline should be conducted when there are major changes in the project such as: delays, overrun of budget or loss of key resources. The right time to do the first baseline is when the initial planning is completed, and the budget is approved. It is important that every NSW public project have a baseline because it helps in tracking the project progress against the original project plan. A project baseline is a reference point for the project schedule. However, it has been observed that some NSW public projects are executed without any baseline. Once the project starts execution, the project baseline is put under change control to help in evaluating and assessing any further change and its impact on the project. Frequent requests for changes to the project requirements may indicate that there was an incomplete initial requirements analysis or the lack of meaningful communication with users and customers early in the project initiation phase.

Undertaking community needs assessment

Most NSW public projects start with thoughts or a felt needs that takes place not in the community or in consultation with stakeholders but with the initiator. All NSW public projects should start with community needs assessment. A community needs assessment provides community stakeholders with a snapshot of government policy, systems, and environmental change strategies currently in place and helps to identify areas for improvement. A community needs assessment identifies the strengths and resources available in the community to meet the needs of children, youth, and families. The assessment focuses on the capabilities of the community, including its citizens, agencies, and organizations. It provides a framework for developing, identifying services and solutions and building communities that support and nurture children and families. A community assessment may be limited to a compilation of demographic data from census records, results of surveys conducted by others, and informal feedback from community stakeholders and may be expanded to include focus group discussions, town meetings, interviews with stakeholders, and telephone or mailed surveys to partnership members and the community.

Formal project governance

Project governance is a critical element of any public funded project. Project governance frameworks should be based around several core principles in order to ensure their effectiveness. Governance of projects is linked to the governance structures in the organization overall. Project governance should fit seamlessly into each NSW government agencies current organizational processes. In general terms, governance relates to "all processes of governing, whether undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through the laws, norms, power or language" (Bevir, 2013, p. 1). A project without a clear understanding of who assumes accountability for its success has no clear leadership. The concept of a single point of accountability is the first principle of effective project governance. Projects have many stakeholders and an effective project governance framework must address their needs. The application of good governance minimizes risks arising from change and maximizes the benefits. It also assures the continued development of the profession and disciplines of project, program, and portfolio management.

Project risk management

Project risk management is the process of identifying, analyzing and then responding to any risk that arises over the life cycle of a project to help the project remain on track and meet its goal. Risk management is not reactive only; it should be part of the planning process to figure out risk that might happen in the project and how to control that risk if it in fact occurs. All projects, programs and portfolios are inherently risky because they are unique, constrained, based on assumptions, performed by people and subject to external influences. Risks can affect the achievement of objectives either positively or negatively. Risk includes both opportunities and threats, and both should be managed through the risk management process. The reason why project risk management is important is that

risks can throw a project off course. Risk planning will provide structure to a project, ensuring you mitigate risk at every corner. Looking at risks do not just happen during project initiation or on a reactive basis. Risk management at project level is most often focused on individual risks that, should they occur, will affect the project's objectives. It is, however, also important for the project manager to understand the overall risk exposure of the project, so that this can be reported to the project sponsor and other stakeholders. Risk management must be closely aligned to schedule management. Cost, time and resource estimates should always take risks into account. The project manager is accountable for ensuring that risk management takes place. Depending on the size and complexity of the project, a specialist risk manager may be appointed to oversee and facilitate the risk management process.

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