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PURPOSE

TRANSCRIPT OF PODCAST

Work with Purpose

EPISODE #115

CHAMPIONING EVALUATION WITH THE HON
DR ANDREW LEIGH MP

TRANSCRIPT

David Pembroke:

Hello, everyone, and welcome once again to Work with Purpose, a podcast about the Australian public sector and how it serves the Australian people. My name is David Pembroke, thanks for joining me. As we begin, I'd like to acknowledge the traditional custodians of the land on which we are meeting today, the Ngunnawal and Ngambri peoples, and pay my respects to elders past, present and emerging.

And acknowledge the ongoing contribution they make to the life of our city and, indeed, this region. I'd also like to acknowledge the custodians of all the lands from where anybody listening to this podcast today is also joining us from. In a recent episode of Work with Purpose, we discussed policymaking with three experts: Andrew Tongue, Dr. Trish Mercer and Fiona Barbaro.

A fascinating conversation it was, and it was agreed that good policy must be supported by robust evaluation. The experts agreed that one must come with the other. And that evaluation needs to be baked into the policymaking process when problems and solutions are being defined and agreed, rather than when policy is implemented and programs and projects are finalised.

The message was clear that evaluation should never ever be retrofitted, but is this utopia? How realistic is it in the time-poor, fast-moving, multipriority, always-pressured lives of public servants, that there is the time, the space, the budget and the skills to carefully consider, artfully design and effectively implement a robust evaluation program?

Where is the time for a randomised control test? Does the culture of the APS support evaluation and, indeed, what are the benefits? Well, today on Work with Purpose, we have the man who is the champion of evaluation in the Albanese government. In 2023-24 budget, Dr. Andrew Leigh secured \$10 million over four years to establish the Australian Centre for Evaluation in the Australian Treasury.

And the task was clear. How does the Australian government establish a centre of excellence to work with NGOs, state/territory governments, academics, indeed, local government, to build a culture of evaluation evidence to ensure that policymakers better understand what works, why and for whom? Now fresh from our discussion with the Honorary Patrick Gorman, MP, we're excited to have our second ministerial guest on the Work with Purpose series.

And it is, indeed, Andrew Leigh, who is the Assistant Minister for Competition, Charities and Treasury, and the federal member for Fenner in the ACT. Prior to his election to parliament in 2010, Andrew was a professor of economics at the Australian National University. He holds a PhD in public policy from Harvard, having graduated from the University of Sydney with First Class Honours in arts and law.

Andrew is a past recipient of the Economic Society of Australia's Young Economist Award, and a fellow of the Australian Academy of Social Sciences. He has also written many books, including most lately, Fair Game: Lessons from Sport for a Fairer Society & a Stronger Economy. Andrew Leigh joins me in the studio, welcome to Work with Purpose.

Hon Dr Andrew Leigh MP:

G'day David, great to be with you.

David Pembroke:

Now listen, before we jump into all things evaluation, our listeners love to know about the person behind the personality.

And I suspect that they like to do that because our guests like to dissect those personalities to discuss at dinner parties. So just what is the Andrew Leigh backstory?

Hon Dr Andrew Leigh MP:

So I grew up in Sydney and Melbourne, Malaysia and Indonesia, and was the child of parents who were academics working overseas on an aid project. So where others might describe themselves as army brats, I guess you could think of me as an aid brat. And that experience of growing up, particularly in Banda Aceh in the north of Indonesia in the late 1970s, brought me face-to-face with extreme poverty.

I went to school with kids who lived in houses with dirt floors, who ate their meals off banana leaves with their right hand. And that gave me a lifelong interest in inequality and in poverty, which I carried through to first working as an associate for Michael Kirby after graduating with my law degree.

Then on to becoming a professor of economics focusing on inequality and poverty, and then into parliament, where it was to focus particularly on how we can assist the most disadvantaged. So to the extent that there's a golden thread running through my career, to the extent that anyone has this, it would be a focus on redressing deep disadvantage.

David Pembroke:

And what sort of, that experience of growing up in that type of environment, apart from opening your eyes to disadvantage, what sort of impact did it have on you as a person?

Hon Dr Andrew Leigh MP:

Huge. So I was attending for a while the local Banda Aceh school and speak all the lessons in Indonesian. I was the kid with the unusual skin colour in the class, which is a pretty good experience for an otherwise privileged, middle-class white kid to have. To have a little bit of discrimination, nothing like what many Indigenous Australians or migrants would face here today, but enough to get a tiny window into that perspective.

And that, I think, gave me a greater sensitivity to those causes. Now, I've shifted over the course of my career in terms in the means. I used to think that law was the best way of addressing social disadvantage. I've shifted from that rights-based frame to the more incentive-based frame of economics. But I still, the issues on which my passion burns brightest, are on disadvantage.

And that extends to strengthening community, which I think is the other side of the coin from inequality, the gap between rich and poor.

David Pembroke:

You're unusually bright. Not many people are as accomplished as you are. At what age did you start to know and understand that you're particularly bright and smart?

Like not many people have a background that you have or have accomplished what you have.

Hon Dr Andrew Leigh MP:

Well, that's very kind of you. I have two remarkable parents who were both academics, and so books in the world were regulars in our home. Radio National was always on, and the discussion of what you could do for others shaped by a background of both my parents in the Methodist Church was pretty substantial.

I had the benefit of going to James Ruse Agricultural High School, a school which was a selective school, so I always felt I was middle of the pack there. And the benefit of just extraordinary teachers like Judith Anderson, my English teacher, who just brought into the classroom this passion for Dunn and Browning and Shakespeare, which she infused all of us with.

David Pembroke:

So that interest in education was broad. So it was the social sciences, the English, the histories, not just the economics, the maths and everything else.

Hon Dr Andrew Leigh MP:

Yes. Economists talk about the productive value of education, but there's also a pretty big consumption value as well. And I think the 10 years that I spent at university, four years doing arts degree, a couple more years doing law.

And then four more years doing the PhD at Harvard, were for me a period of great joy just exploring all of those ideas. And getting a taste of what else I would then research as an academic after I left Harvard and joined the Australian National University.

David Pembroke:

Now listen, we will pole vault over that substantial body of work because otherwise, we won't get through it all. But you've landed in politics, you've been there for a while now and you now have a very large job.

You are the Assistant Minister for Competition, Charities and Treasury and Assistant Minister for Employment. Just give us the summary of what that is.

Hon Dr Andrew Leigh MP:

So that means I'm responsible for a range of things in the government, thinking about competition policy and how we get more dynamism in the Australian economy. And ultimately, better productivity growth and higher living standards' growth. I've, as you said, had the fortune of working with Jim Chalmers on establishing the Australian Centre for Evaluation and Treasury, which is aimed at doing more high-quality evaluations, particularly randomised trials.

And the charity's portfolio, I think about that as a chance to work on the community building side of things. I was lucky enough to work with Robert Putnam at Harvard just after he'd written *Bowling Alone*, and have written a couple of books on social capital, disconnected and reconnected. So I think there's an awful lot more we can do to turnaround those trends.

And then in the area of inequality, I have responsibility in the government for thinking about multinational taxation, assisting Jim with what we do to make the tax system fairer, which is one important way of reducing the gap between the haves and have-nots.

David Pembroke:

Okay. So let's go to evaluation, and indeed, you were successful, you along with the treasurer in getting the funding over four years.

What were those early conversations about when you and Jim Chalmers were sitting down thinking about this Australian Centre for Evaluation? What were you talking about?

Hon Dr Andrew Leigh MP:

Well, the aim was to raise the quality and quantity of evaluation across the Australian Public Service. The past reviews of the APS have found that evaluation was piecemeal, and that the quality wasn't as good as it should be. One estimate from CEDA says that about 1.5% of Australian evaluations are randomised.

Probably we don't want that to be 100%, but my guess is we could take it up to 10% or 20% and we would improve the quality of evaluations. So the conversation with Jim was really about how we make sure that this entity works as well as it can for the Australian people collaborating across government.

We decided not to make it an external unit. Evaluation is not like auditing, you can't come along and do it at the end. You've really got to build it into program design working collaboratively with agencies.

David Pembroke:

But would you accept that it's a challenge around establishing and implementing evaluation when the environment, it doesn't take to the environment that is so fast-moving? That it does involve questioning, interrogation, it does involve surveys.

And really, is the environment there that is going to allow it to build from where it is? As you say, CEDA says 1.5%, you'd like to get it up to 10% or 20% but is that realistic in the form of government that we have in the environment that we operate in?

Hon Dr Andrew Leigh MP:

Look, David, I think it is and the best example there is medicine. So medicine was essentially doing no randomised trials in the 19th century. But by the end of the 20th century, if you wanted to get public funding for a new drug, you needed a randomised trial. That was because they discovered that the observational studies simply weren't cutting it.

That the people who chose to take a drug, were systematically different from the people who chose not to take a drug, and we discovered this during COVID. The observational studies of hydroxychloroquine suggested that it had a useful, preventive effect. When the randomised trials were done though, it turned out that hydroxychloroquine was not an appropriate treatment for COVID.

And COVID's also a great example because things were moving fast, people were dying, but we didn't just take vaccines out of the lab and start plugging them into people's arms. We ran randomised trials, we tested which vaccines work and which didn't. Some of them were extraordinarily successful, Pfizer and Moderna. Others like the UQ vaccine, which had looked promising, didn't turn out to work in those trials.

And we can take that approach to some aspects of social policy. The policy, Scared Straight, which takes delinquent youths and puts them behind bars for a day, was thought to be an efficacious program that would reduce youth offending. It turned out when they did randomised trials of it, it actually increased youth offending, perhaps because the youngsters realised that jail wasn't as bad as they'd thought.

So supposition, expert wisdom and your gut only takes you so far. You need good evidence if you're to put into place policies that serve the Australian people.

David Pembroke:

Now, as you've observed it since the centre's been in place, what's worked and what hasn't worked?

Hon Dr Andrew Leigh MP:

So we've got great collaboration with a number of agencies. The Department of Employment has set up a number of quality improvement trials. Things like a randomised trial, which provides some people in online services with access to a career coach. To test whether or not that intervention, which is expensive, might have a big enough payoff that it makes it worthwhile for the taxpayer.

We're also working with health and with other agencies in order to expand the number of randomised trials, and doing some natural experiment studies as well. We've established the evaluation profession, which is

something that Patrick Gorman might've talked to you about. That crosscuts agencies. Most evaluators are not in the Australian Centre for Evaluation.

They're sitting within other government agencies. And the evaluation profession brings them together, creates a sense of esprit de corps, fosters training, and ultimately should raise the bar in evaluation.

David Pembroke:

So how should people be thinking about this in terms of what level of evaluation they adopt from a randomised control trial, all the way to something that may be a little less comprehensive but still useful?

Hon Dr Andrew Leigh MP:

Yeah, there's place for all kinds of evaluations. If you want to find out whether the money got to the right place, a process evaluation can be really useful. But if you want to discover whether you've had an impact, then it's worth thinking about whether you can do a randomised trial. And if it's clearly impossible, then stepping back to what a natural experiment approach might look like.

Too often people in the public service themselves block randomised trials, because they think they're going to prejudice the politics or the ethics. My sense from talking to my parliamentary colleagues is there's a strong appetite for doing randomised trials. My parliamentary colleagues to a person want to make a difference in the world. That's why they got into politics, and part of that is knowing what works.

Simple trials can be useful. If you're sending out an email, why not experiment with sending out two versions of that email tweaking the subject header? Why not look at tweaking text messages or letters? All of those are fairly straightforward approaches. We don't think it's unethical to make a change to a letter for everyone. So why should it be unethical to change it for half the population, and then see which letter produces the best outcome?

David Pembroke:

So in terms then of who should have these evaluation skills, how do you define that in terms of what roles in the public service should be thinking about acquiring these skills, perhaps through the evaluation profession?

Hon Dr Andrew Leigh MP:

Well, I'd like everybody to be an evaluator. Now, I would love it if when people were applying for a job in the SES, the question wasn't just tell us about a management challenge you faced, but tell us about a randomised trial you've run. It ought to be par for the course in government, as it is in many technology corporations that people have experienced doing randomised trials or A/B tests.

This simply should be part of the toolkit of an effective public servant. We can also do a better job in pulling the evidence together. So high-quality evidence synthesis, which highlight the gaps and bring together the best studies, are much more useful than relying on just a single study.

The Campbell Collaboration has drawn together the social policy evidence, much like the Cochrane Collaboration before it had done with the medical evidence. And there's now a lot more focus on how we can build living evidence synthesis, potentially even in collaboration with countries like Canada, and the UK and New Zealand, Joe who are facing many of the same challenges as Australia.

David Pembroke:

You talk about a culture of evaluation and that's certainly an aspiration. But you also in an answer previous, just mentioned that perhaps there is some thought barriers to building this culture.

How do you overcome that? How do you start to get people to really embrace it?

Hon Dr Andrew Leigh MP:

Trying your first randomised trial can be useful.

David Pembroke:

Okay.

Hon Dr Andrew Leigh MP:

So when I was writing a book on inequality, my editor thought it should be called Fair Enough. My mum thought it should be called Battlers and Billionaires. So we took out Google Ads for both titles and just looked at the click-through rate. Within a couple of days, it was very clear that my mum's title had four times the click-through of my editor's. My editor graciously conceded.

That was a trial that took a couple of days and cost about \$50. There's many opportunities to do trials of this kind. And once you start randomising, you see the opportunities of what medical researchers call the magic of randomisation, to uncover true, causal effects. And simply looking at the observational data can lead you badly wrong.

Hormone replacement therapy looked as though it was efficacious in reducing heart disease. And millions of women around the world used hormone replacement therapy, until a randomised trial was conducted that showed no beneficial effects in heart health for a post-menopausal woman on hormone replacement therapy, completely changed clinical practice.

If we'd only trusted the observational data, we would've gotten the wrong answer. It was the randomised trial that showed us the true impact of hormone replacement therapy for post-menopausal women.

David Pembroke:

Yeah. Certainly, when you set out on this journey to establish and implement and get it started, the release for the evaluation centre spoke of working with NGOs, working with academics, state/territory governments, all the rest of those people.

How well has that gone? Have you been able to spread your wings as far as you would like so far? Or is it really just working so far inside the federal public service?

Hon Dr Andrew Leigh MP:

Now there's a great deal of enthusiasm. The Paul Ramsay Foundation, Australia's biggest charitable foundation, is soon to announce the winners of its experimental evaluation round. It's a \$2.1 million grant that'll fund seven \$300,000 projects using experimental methods to evaluate social programs.

We just held a workshop at the University of Melbourne earlier this week, which brought together foundations, charity sector leaders and academics, particularly economists and health researchers, to look at opportunities to run randomised trials. I've had productive conversations with state and territory governments who are interested in this.

And I'll be in the UK next week speaking to experts there who are very excited about what we're doing. The Australian Centre for Evaluation was mentioned in an editorial in Nature this week, which talked about how the growing evidence ecosystem around the world, not just to create more rigorous evidence, but also to better distil the evidence for busy policymakers. So it's an exciting time to be doing evidence-based policymaking.

David Pembroke:

Okay. So if we're doing well, who else is doing well?

Who should we look to for inspiration and aspiration to see who have been able to build that culture of evaluation?

Hon Dr Andrew Leigh MP:

The US charity sector and the UK government, I think, are probably doing it best. In the US, the Arnold Foundation has funded hundreds of randomised trials of social programs showing a range of interventions that work, particularly for assisting the most disadvantaged.

In the UK, they've got what they call What Works Centres, such as the Education Endowment Foundation, which is part funded by government, and has a mandate to not only run randomised trials and it's done hundreds of them.

But also to put together the best evidence on what works, not only for education public servants, but also for teachers.

David Pembroke:

Now, it's quite early days really here for the centre that you established, so if I might take you back to your university days.

And if you were marking a second-year student who was 18 months, maybe 20 months into their particular course and you were to apply that to how the actual centre's going, what sort of grading would you give the centre so far for its performance?

Hon Dr Andrew Leigh MP:

Oh, look, I think Eleanor Williams, who's heading it up, is an A-plus student and her staff are doing extraordinarily well. We're engaging across governments. We're building a stronger culture of evaluation, and this really is a focus on the practical over the ideological, David.

We're not interested in rolling out ineffective solutions that suit our prior beliefs. As a government, we are very keen to put in place things that work. That rigorous what works philosophy is burned strong within the government, and characterises a lot of what my parliamentary colleagues are doing within their portfolios.

So I've also had terrific conversations with people like Jason Clare and Bill Shorten about the opportunities for better expanding the evidence base, and distilling what works within their departments.

David Pembroke:

So the audience for Work with Purpose is largely members of the Australian Public Service and people with an interest in public service.

What message would you have for them today about how they can contribute to this culture of evaluation? Or what might they be able to do practically in their roles to make a contribution?

Hon Dr Andrew Leigh MP:

Think about how you might run a straightforward, randomised trial. So when the Department of Prime Minister and Cabinet was trying to increase workplace giving rates, they thought, "Well, maybe one way of doing that would be to have an email come around from one of the deputy secretaries encouraging people to sign up for the Workplace Giving Program."

But rather than sending that email to everyone, they sent it to half the department and looked at the workplace giving rates. That gave them really strong evidence about the impact of the email on boosting

workplace giving rates. If you can do it there, then you can do it on more consequential policies, which in turn, has a hugely beneficial effect to people's lives.

Good evidence saves lives in medicine and can transform living standards in public policy. Being part of that conversation might involve getting more training, and the Australian Centre for Evaluation has been providing evaluation and training to a range of public servants. Whatever agency you're in, you can learn more about producing and using evidence.

David Pembroke:

There's certainly a huge array of templates and tools and other things on the website, isn't it, at the ACE?

Hon Dr Andrew Leigh MP:

Absolutely. The Australian Centre for Evaluation is aiming to be a repository of a lot of knowledge about what works with evaluation, also bringing in some of those international resources. There's a global evidence report just produced by David Halpern and Deelan Maru that talks about how we can join up across countries.

And there's straightforward toolkits, such as the UK's Magenta Book, so we don't have to build everything from scratch. There's actually a lot of careful thinking that goes along behind this in areas such as health, and overseas in countries such as the UK.

David Pembroke:

So optimistic and a bright future for evaluation. And you'd believe that the funding will be sustained well into the future to help build out this culture?

Hon Dr Andrew Leigh MP:

Yes, I certainly hope so. And the culture itself, I think, is fundamentally something that ought to chime with the way in which many public servants think about the world.

David Pembroke:

Yeah.

Hon Dr Andrew Leigh MP:

Donald Campbell talked about an experimenting society, which is modest about the impact of any particular program, but idealistic about the goals, which is scientific in how it thinks about evaluating programs and willing to be proven wrong.

If you're willing to be surprised, willing to have the results of a randomised trial show you that a program you hadn't expected to work does work or vice versa. Then you're in the right mindset for doing evidence-based policy, and you are far more likely to benefit the Australian people.

David Pembroke:

Now, a final question, if I take you into the future, perhaps maybe five to 10 years down the track.

What changes would you like to have seen that this initiative may have started to drive into the Australian Public Service?

Hon Dr Andrew Leigh MP:

I'd like to make sure that we're doing more randomised trials and that we have the system set up to make them more straightforward.

David Pembroke:

And the skills?

Hon Dr Andrew Leigh MP:

Absolutely. The skills, the understanding and the data that sits behind it. So if public servants are sending out an email, it should be easy for them to send out two versions of that email through a dropdown A/B testing menu. We should be having good ethics systems in place and so the ethical review can be done, and so we're asking those questions upfront.

I want systems in place that ensure that the data can be captured with appropriate privacy protections, but we know that survey response rates are falling off. So being able to do randomised trials and follow them up through administrative data is really critical.

I was just reading this morning about a US randomised trial, which was looking at intensive tutoring support for disadvantaged youths to keep them engaged at university. It was oversubscribed, so it was allocated through a lottery, and the results were followed up through administrative data.

The entire research component of the trial cost less than 200,000 US dollars. So you can learn a lot and you can do it fairly quickly, if you've got a good evaluation framework in place. Randomised trials can be quick and simple, and can produce results that allow us to improve policy.

David Pembroke:

Well, Andrew Leigh, all the very best with that. Congratulations on the establishment of the centre and good luck with your continued advocacy for that.

And best of luck with the results that hopefully will come that obviously serve the Australian people.

Hon Dr Andrew Leigh MP:

Thanks so much, David. Really appreciate the chance to talk on the podcast.

David Pembroke:

There we go, ladies and gentlemen, the very impressive minister, who is really leading the charge for evaluation. And articulate as ever in describing why you should have a go, why you should get involved, and why and how, indeed, you can get involved in the evaluation profession. But indeed, I would encourage you all to go and have a look at the website for the Australian Centre for Evaluation.

Because there is a vast number of tools and templates, and other things and examples of good randomised control trials and the results that there have been, if you need convincing. But yeah, a very vast reservoir of information that can really help you on your journey to become more effective in your role as a public servant.

So a big thanks for the minister coming in today, and a big thanks for you coming back once again. We are very encouraged by the number of reviews that we have had recently about Work with Purpose. So if you do have the opportunity to listen to previous episodes or indeed, into the future, if you would like to leave us a rating or a review, it certainly does help us to be found.

And if you would like to make a contribution to Work with Purpose, if you have any ideas of people you would like us to speak with, you can follow up with IPAA ACT on LinkedIn, or indeed, give us a nudge here at

contentgroup and we will follow that up. And indeed, you can stay up to date on all the latest at IPAA ACT and indeed, contentgroup on LinkedIn.

Now, listeners, if you've ever wanted to look behind the scenes of how Work with Purpose is made and really hear about an important topic in person, now is the time. On the 20th of November, we'll be talking to Matthew Short from the Department of Health, and Matthew Breen from Running for Resilience about men's mental health.

And interestingly, what the minister was saying there about community and the importance of community, it is one of the great stories this Running for Resilience. A Canberra initiative where people gather on a Wednesday night at the Dock Hotel to go running. Started as about five people, and I think they're now up to 300 or 400 who gather there and go for a walk and get together.

But Matthew will be telling us that story, and we invite you to actively shape the conversation with us on that evening, so make sure to register now via the IPAA ACT website. Limited tickets are available and we would love to see you there. Now, Work with Purpose is produced in collaboration between contentgroup and the Institute of Public Administration of Australia ACT.

And supported as always by our good friends at the Australian Public Service Commission. We'll be back at the same time in a fortnight with another episode of Work with Purpose. My name is David Pembroke and it's bye for now.

Voice Over:

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