

Performance, conformance and good governance in the public sector

By **Peter Bridgman**,* Director,
Decisive Consultants Pty Ltd



Good governance has always been important in organisations, even before it became fashionable. It is a pervasive idea simply because it is relevant to almost every aspect of organisational management and especially to good government.

There are many aspects of good governance, and this article looks at a crucial set of relationships between conformance, performance and governance.

The context for exploring the relationships among compliance,¹ performance improvement, and good governance is the Queensland public sector. A major objective of this article is to explore ways that public service leaders can maximise the good governance return on the investment on compliance.

Compliance costs are a significant and mandatory investment. Understanding the relationship between compliance, performance and good governance increases the prospects of achieving that return on investment.

What is governance?

There is no settled definition of governance. Rather there are many different, sometimes conflicting definitions. The word is sometimes used to capture the totality of activities necessary for a well-managed organisation, a collective noun for administrative and managerial activity. Sometimes it describes the higher order deliberative and strategic activity of a company's board or chief executive.

This article takes the messy state of definitions and the underlying complexity that causes it, and explores that complexity through the relationships among conformance, performance and governance.

The working definition used to inform this article leans on the idea that good governance is about excellence in organisational decision-making²: governance is the distribution of authority to make decisions and the systems of accountability for exercising that authority. Good governance is the qualitative state of excellence in the decision-making.

- *An exploration of the complexity of relationships among conformance, performance and governance in the public sector*
- *Good governance is complex. It is related to and bound with compliance and performance but is somehow more.*
- *Understanding the complexity of governance allows organisational leaders and managers to improve all aspects of governance, including compliance and performance improvement, and to intervene when change is needed*

While good governance is a high-order activity, it stands in context with administrative and managerial activity, and is not separate from them.

Governance has infused our collective conscience and pervades the way we talk about management, whether in business, community organisations or public administration. But governance is complex, both as an idea and in the work needed to realise good governance.

Despite all the interest and the huge and growing literature,³ the concept of governance remains elusive, and it can be very challenging to explain what governance is, identify examples of good governance in our own organisations, and articulate how governance improves organisational performance and capacity.

Appropriating too many things to good governance is risky. It is possible to dilute the idea to meaninglessness by making it applicable to

everything in organisational life,⁴ but governance will only be diluted to meaninglessness if we forget it rests alongside other complex ideas of organisational management and performance. In that regard, governance is very like planning, policy and ethics.

To explore fully the meaning of governance, and how it stands in relation to conformance and performance, some fundamental points about governance can be stated.

It is very doubtful that good governance causes good performance — the relationship is probabilistic: a well-governed organisation has a better likelihood of good performance than a poorly governed one. The relationship also has reciprocal elements: good performance is likely to facilitate good governance. Any contest around this idea is fuelled by divergent views about the causal relationships between performance and management processes.

Compliance also stands in non-linear and reciprocal relation to performance and governance. It is clear that compliance alone is insufficient for high performance or good governance. But can one assert confidently that a habitually non-compliant organisation is less likely to succeed than a usually-compliant one?

Organisational

The first key point is that governance is an organisational construct. That implies formal structures, reporting relationships, and organisational forms such as hierarchies. It also means people and, therefore, governance is about human behaviour.

Contextual

The next key point is that governance takes place in the organisation's context. Relevant factors to governance of an organisation include:

- its strategic purpose and the substance of its work
- its place in the organisation's life cycle
- its geographical place
- its scale, and relationships to other organisations
- its financial and physical resources (and, in the commercial sector, fiscal data like the price-earnings ratio)
- its immediate past and its planned future
- its current and past reputation
- its dependence on key personnel
- the influence of stakeholders and their presence in the organisation's operations (and shareholder value for the commercial sector)
- external pressures that are bearing on the entity.

In the public sector, politics is an important

context. Public officials serve the government of the day in a non-political way, but emerging political issues, the point in the political cycle, political priorities and the ideas and skills of the minister are key issues affecting agency governance.

There is no more dramatic governance impact in the public sector than major machinery of government changes, often happening after an election (whether the government is changed or returned). Departments are merged or split or even abolished. Ministers and parliamentary secretaries change. Chief executives move. Responsibility for legislation is redistributed.

Dynamic

It follows that good governance is not static, but changes and adapts with context. The most common failing is to focus on compliance at the expense of performance improvement and good decision-making. As discussed below, the public sector is particularly exposed here, although current experience with Australian small-to-medium enterprise governance indicates the corporate sector also struggles to elevate their governance dynamic above the rudimentary.

Governance principles and themes

The Australian community had the complexity of public sector governance laid bare to it by the Coombs Royal Commission on Australian Government Administration, which reported to the Federal Government in 1976. The Commission found the Australian public service (APS) to be overly centralised, hierarchical, rigid and over-structured. Since 1976, the APS has been reformed dramatically, and now invests a great deal in good governance.

In Queensland the Fitzgerald commission of inquiry into 'Possible Illegal Activities and Associated Police Misconduct' recommended significant structural reform, including creation of the Electoral and Administrative Review Commission (EARC) charged, over a short period, with systemic reform of public administration and other matters. Queensland 'lagged well behind other Australian jurisdictions in administrative law reform and in the structure of its public service'.⁵ This is no longer true, and public sector governance is far stronger now than it was before Fitzgerald and EARC.

That is not to deny the obvious governance challenges. Peter Forster's Health Systems Review Report⁶ recommended significant governance changes, administrative improvement and reprioritisation in Queensland Health. The Queensland Audit Office⁷ and the Ombudsman regularly suggest improvements to governance

arrangements in their reports and in informal discussion with agency leaders. The Service Delivery and Performance Commission was established early in 2006 'to review and improve the performance of the public service to meet the service expectations of the Queensland community'.⁸

The evolution of new entities and ongoing critical analysis of public administration is a sign of healthy governance. Failings are identified, scrutinised and changes implemented to avoid repetition of failures and to create systematic improvement.

Queensland has several specialised bodies (such as the Audit Office, Competition Office and the Ombudsman, to name but a few) which are charged with oversight of public governance. Each has a particular role, and there is often overlap.

Leaders of Queensland public sector bodies must govern their organisations in compliance with the requirements of such bodies, and with the principles of good public sector governance from a range of legislative sources including some not generally applicable to non-government entities such as the *Constitution of Queensland Act 2001*, the *Crime and Misconduct Act 2001*, and the *Financial Administration and Audit Act 1977*.

There is an extensive list of other requirements, some administrative in character, and some with statutory authority. Some public sector entities have additional obligations imposed by the Acts under which they are created. Others have additional obligations under Commonwealth law, or are subject to appeal from their decisions to various legal forums. Local governments must also comply with many unique obligations and requirements reflecting their context and jurisdiction.

In short, compliance is a significant and demanding obligation on Queensland public sector agencies, and the same obligation would no doubt apply in other states and territories. As a result, each agency must dedicate considerable resources to compliance with local and general governance obligations. These costs are part of the overheads of public sector existence. They are part of the accountability that comes with being funded from or supported by the public purse, and having power to make decisions that affect others.

While these are inherent overheads in public sector management, the investment is likely to pay dividends because lessons in effective governance will survive even fundamental changes such as losing key personnel, new practices and policy directions, shifts in the architecture of government and the political complexion of the ministry.⁹ Yielding a return on that mandatory investment should be a major objective for managers and leaders.

Public sector governance

Every organisation has unique governance requirements and challenges. However, there are some features of public sector entities that differentiate them from other organisations.

Institutional

Firstly, public sector bodies are mostly institutional in form. The bulk of the Queensland public sector is found in departments of state, established under the *Public Service Act 1996*.

Some Queensland public sector entities are companies, subject to both federal corporations law and Queensland's general suite of governance obligations.

Some organisational forms are not consistent with public administration as we know it in Australia. Examples include industrial representative bodies, families, churches and community entities. Government agencies are likely to work with organisations in all these forms, but are very unlikely to take one of the forms.¹⁰

Scale

The overwhelming proportion of the Queensland public sector is employed in just two departments: Queensland Health and Education Queensland, which between them employ about 140,000 people. Almost 700 statutory bodies are listed on the register of statutory authorities.¹¹ Of these, Queensland Rail is the biggest, employing over 13,000 staff. The smallest bodies employ only a handful of staff.

The scale of an organisation impacts on its capacity to deliver on complex governance activity. Big agencies can afford the organisational costs of strong compliance and performance activity while smaller ones may struggle to meet these overheads. Nonetheless, in every agency leaders are required to comply, expected to perform and no doubt aspire to good governance.

If scale makes finding resources easier, it can also make governing harder. Big departments are geographically dispersed. Authority is necessarily distributed among many decision-makers. Consistent decision-making becomes difficult; leaders can become remote from the day-to-day concerns of staff; compliance volumes are commensurately large; and performance monitoring and improvement develops many threads that intersect and relate in unpredictable ways.

History and culture

Public sector bodies develop strong cultures and many place great value on their history and importance in the development of Queensland. These can be great strengths, but also impede change, if allowed to dominate other imperatives. At their best they can be powerful integrators of action, bringing diverse skills together to solve difficult

problems and serve the community to the highest standard. At their worst, they may supplant the duty to serve the government of the day and place loyalty to the department ahead of serving elected leaders and citizens, undermining policy initiatives and leading to serious reputational damage.

Sphere of activity

Institutions are created for specific purposes, and their remit is a major determinant of governance priorities. The governance challenges of arts and culture bodies (for example, Arts Queensland, Queensland Arts Gallery, Queensland Performance Trust, Pacific Film and Television) are fundamentally different from those faced by Education Queensland, even though they sit in the same portfolio.¹² The differences are driven in part by scale, but also by organisational purpose and the web of relationships necessary for the purpose, and the expertise needed to deliver outcomes.

Large uniformed work forces such as the Queensland Police Service, Corrective Services, Brisbane City Council local laws officers and emergency services present some interesting governance challenges, especially in the exercise of discretion over individual cases in the context of a large body of rules, procedures and policies and very strong hierarchies.

Hierarchical

Public service departments are inevitably hierarchies.

Other organisational forms include markets, partnerships, networks, and matrices. All exist in the real world, and are manifest to some extent in big organisations like government departments. Importantly there are both formal and informal arrangements, especially networks, and these influence culture and information flows. But the building blocks of public institutions are hierarchies, driven mainly by the position classification, derived in turn from assessed work value.

There is more on this point below under the heading of 'The problem of many masters'.

Budgetary

Most government entities are allocated a budget through centralised budget processes. This has important implications¹³ and points to differences from other sectors. Fiscal accountability is driven by government criteria, through executive government and parliamentary processes.

Government business enterprises, whether incorporated (GOCs), administratively formed (commercialised business units) or statutory bodies, have dual sets of accountability, some under corporations law, and others under internal rules about fiscal performance and return on investment.

The idea of a 'community service obligation'¹⁴ has been an important reform to budget accountability over recent years, improving transparency of cross-subsidisation by government trading entities.

Independent

Public officials are expected to be ethical and independent. This typically is expressed as offering 'frank and fearless advice'. Yet public servants are also expected to be responsive to the government of the day and to citizens whom they serve on behalf of the government. This formulation is very different from that expected of commercial enterprises, and representative or community organisations. The governance differences — especially about to whom employees, managers and leaders account, and the manner of accounting — are stark.

Interdependent

While independence is a well understood tradition, public entities are also interdependent. There are many other agencies with which a department must relate: the Treasury; the Premier's Department; the accountability bodies listed above; other departments with overlapping or competing responsibilities; state, territory and Commonwealth counterparts. This interdependence is effected at multiple levels, from ministers and chief executives, to cabinet liaison officers, to line managers, regional managers and accounts clerks.

The development of shared service providers has drawn a vast number of corporate service functions into a new environment where there are many overlaps, and collective departmental responsibility.

Many policy objectives of government are achievable only through inter-agency cooperation. Knowing that governing one public sector agency is complex, it follows that governing inter-agency activity is challenging too. Chief executives are accountable for their own agencies' activities, and cannot pass that accountability to someone in another agency. As a result, considerable thought and planning should be put into governance of inter-agency activity, possibly with the development of special purpose governing structures, designed to guide the agencies towards joint outcomes while maintaining the good governance of every agency involved.

The problem of many masters

The Queensland public service concentrates governance responsibility in the chief executive¹⁵ (also called the 'accountable officer' for financial management purposes¹⁶). Thus there is often only one master, usually the director-general of the

department.

In reality, the director-general (or chief executive, commissioner or director) is not capable of every good governance activity. Multiple perspectives are needed for good decision-making and this indicates a plural approach should be taken. Large-scale activity in a government department requires support from subordinates and delegation of authority.

Many departments therefore have informal governing boards that are chaired by and advise the CEO.¹⁷ Specific issues are usually addressed by other committees: audit and risk; ICT governance; equity and so on.

But the public service is confronted by the reality of ‘many masters’. Accountability lies to the minister for portfolio performance and cabinet collectively, to the parliament through the minister, and to the citizenry through parliament. Directors-general are contracted through the Premier, not the minister, and have performance agreements with the Premier. The accountability bodies listed above have a different quality of relationship, which is nonetheless influential and sometimes determinative (for example, public service directives issued by the Public Service Commissioner). The central agencies, especially the policy and budget agencies, exercise a control function through their various responsibilities.

There are also accountabilities to stakeholders, citizens and ‘clients’, and considerable overlap of responsibilities, increasing the number of people with legitimate interests in good governance of an agency.

Having ‘many masters’ brings great complexity to good governance. The more stakeholders involved, and the more they interact, the more complex governance becomes. Managing that complexity requires an understanding of who the stakeholders are, their influence, and the nature, quality and frequency of interactions.

Making sense of complexity in governance

Some problems are so complex that you have to be highly intelligent and well informed just to be undecided about them.

Laurence J. Peter

A system is **complex** if it is difficult to describe.¹⁸ We know it is somehow organised but we cannot describe the organising principles. The literature on complexity suggests there are two main underlying causal factors: the number of ‘agents’ (which could be translated as stakeholders) and the interaction among agents. The more agents and the more interactions (including ‘many masters’ and inter-agency activities), the greater the complexity. Complexity can also arise from rules interacting

with variables in a system. Vast numbers of possible interactions can arise from small numbers of rules or variables. For example, with only 10 rules or 10 variables, over four trillion patterns can be generated. In complex systems, there may be order, and we may sense it, but it is not able to be described in terms of cause and effect, except in hindsight. The whole is greater than the sum of the parts: a person is somehow more than accumulated liquids and solids — we know this but cannot explain it.

By way of contrast, in **simple** systems, description is easy, usually because there is a discernible pattern, simple rules that govern the orderly system and readily described cause and effect relations that form the basis of the rules. Simple systems are discrete and reducible.

Systems can also be **complicated**: there are patterns and rules, the system is still orderly but description requires more than mere observation: only a deep understanding of the content and data will reveal the patterns. Rules can still be stated, but deep expertise is required to discern, understand and act on them. A complicated system is the sum of its parts: for example, one can with the necessary expertise build a car from its parts laid out in a workshop.

If there are no patterns, and cause and effect relationships seem not to exist at all, chaos ensues. There are no rules or all the rules have broken down.

Figure 1 depicts four ‘domains’; these describe the relationships between complexity, complication, simplicity and chaos.¹⁹

Figure 1: Domains to make sense of complexity

Complex	Complicated
Complex un-order Cause and effect coherent in retrospect	Hidden order Cause and effect are discernible
Chaotic un-order No perceivable cause and effect	Visible order Cause and effect are ordered
Chaotic	Simple

Note that these are not independent quadrants, states or categories, but ‘domains’. A system might blur between simple and complicated because of the volume of data, speedy changes, or increasing numbers of stakeholders and interactions. A complicated system requiring expertise might become simpler, or because of changes in stakeholder numbers or characteristics, drift into complexity. Rules that are disrupted might precipitate a crisis — a slide into chaos.

Figure 2: Mapping conformance, performance and governance

Governance	Performance
Multiple actors and interactions	Performance is relative
Challenge is to make judgements	Challenge is to analyse
Discretionary; exercise judgement	Deducible; reportable
Coherent in retrospect	Discernible causes with analysis
Dynamic — decide for strategic position	Dynamic — change for improvement
No-one understands what is happening	Compliance is absolute
Rules have broken down	Challenge is to categorise
Only action changes the dynamic	Reducible; measurable
	Visible causes — identify and categorise
	Static — categorise and report
Crisis	Compliance

Conformance, performance and governance

There are complex relations between the different aspects of good governance. In many ways some factors can be seen as preconditions of others (e.g. technical and managerial competence is one precondition of organisational capacity, and organisational capacity is one precondition of maintaining the rule of law). But there are also important effects in the other direction (e.g. organisational capacity reinforces technical and managerial competence, accountability reinforces the rule of law).²⁰

Compliance activity is orderly and categorical. An individual or organisation has complied or it has not. Discerning compliance is usually a matter of observation, sometimes easy, sometimes hard, but always the product of observation and categorisation of facts. Compliance is about rules and whether they have been adhered to or not. Many organisational systems called 'performance' are in fact compliance-based, and often are called performance measurement (observation) or performance reporting (categorisation).

Performance improvement is an altogether more complicated proposition. One performs in a graduated rather than categorical way. The organisation met the targets, exceeded them, almost met them, or maybe the targets became

irrelevant due to changing circumstances and performance must be assessed in a different context. Performance improvement requires considerable understanding in order to be determined: analysis is needed rather than just observation; deduction rather than categorisation.

Good governance is complex. It is related to and bound with compliance and performance but is somehow more. It is the strategic value of all the compliance and performance data, and the proposed direction and the contextual factors. In a complex domain expertise is not enough. Governance cannot be mere application of rules, no matter how detailed and voluminous they are, because the systems are un-ordered, and cause and effect cannot be seen except in retrospect. Judgement and the exercise of discretion are required to govern well in the face of complexity.

Figure 2 maps the relationships in the form of the domains described above.

This analysis has important implications for the distribution of compliance, performance and governance authority. Figure 3 shows a notional distribution of tasks based on normative organisational roles. Note that as with the complexity domains, these are not independent categories but activity domains, and individuals' actions may be described in other domains as need arises. This puts some real context around the cliché that 'in our organisation everyone is a

Figure 3: Mapping organisational roles

Governance	Performance
Leaders	Managers and Experts
Exercise judgement	Analyse based on deep understanding
Autocrats	Administrators and supervisors
Act to impose order and stability	Apply the rules and categorise
Crisis	Compliance

leader'. From time to time, if a person has the knowledge and skills and the situation demands it, then the person will be called on to act as a leader — or as an administrator.

Conformance, performance and governance can only be achieved when all organisational roles operate together, because they are interdependent. If compliance systems fail, an organisation will not be focused on performance or governance because it will be managing a crisis. Rapid action is needed to bring order and stability, so that judgement and discretion become meaningful.

Parts of organisations can be in crisis while the balance are functioning healthily: a riot in one prison does mean the entire correctional system of the state fails, unless the crisis is not acted on, stabilised, order restored, and the underlying cause and effect relations investigated (complicated system) or judgement applied to improve the prison's management (complex).

The domains are a key to improved governance, performance and compliance. Knowing that complexity derives from the number of agents (stakeholders) and their interactions allows one to intervene in complex systems by changing the agents and the dynamics. Because the cause and effect relationships are not known, however, sometimes the consequences are unpredictable.²¹

Some actions and reforms

Saying that good governance is complex is not an admission of defeat. Understanding the nature of complexity, and how one can make sense of it, allows organisational leaders and managers to improve all aspects of governance, including compliance and performance improvement, and to intervene when change is needed.

Most organisational interventions assume that systems are complicated and therefore analysis is the key to change. Approaches like business process re-engineering, quality circles and total quality management might work in a regimented or ordered environment.

But complex issues are not amenable to analytic intervention because analysis does not comprehend un-order, and because the number of agents and

their interactions are so numerous it is difficult to predict the outcome of a change:

Just as a few simple rules and a small number of variables can create a complex adaptive system, small reductions in the number of variables and rules can have dramatic and nonlinear impact in reducing the complexity of a system... When changes are made, unintended side effects can occur that may be beneficial or detrimental.²²

Interventions in complex systems should address the number of agents or the number of interactions, or aim to reduce the number of rules or variables. Interventions may be local or systemic. But typically, changes are experimental, precisely because of the unpredictability. Therefore the changes might be small.

The aim is always to improve the good governance return on the significant investment made in compliance and performance systems.

Management action

Public sector leaders can make a real difference through some carefully targeted interventions to reduce complexity, improve organisational predictability and make better use of resources.

Align and integrate reporting and planning

One of the greatest investments in public sector governance is mandated reporting and planning: strategic plans, ICT strategic plans, business plans, personnel development plans, annual reports, ministerial portfolio statements, Tridata financial reports, travel reports, election commitment reports ... the list goes on.

Aligning processes, resources, personnel and accountability lines can have considerable benefits. But be warned: there may be resistance from within the organisation and possibly from central agencies and accountability bodies — even political criticism at the Estimates Committee. Sudden changes need support through out the organisation and with key reporting stakeholders. However, a plan staged over an extended period may be very successful, and allow a more experimental approach, improving the chances of success.

Build resilience and agility

If organisational design assumes ordered systems, it also assumes a higher degree of stability than reality suggests. It is possible to build a nimble organisation, one that is agile and resilient when confronted with change.

One intervention is to embed change in the organisation's processes: things are changed periodically to ensure that staff are able to respond.

Public sector leaders can make a real difference through some carefully targeted interventions to reduce complexity, improve organisational predictability and make better use of resources.

This should not be change for its own sake, but a well considered series of developments that will enhance productivity and performance as well as building agility and resilience.

Regular exercises and simulations complementing strategic planning and scenario (future) planning can also assist.

Managers also have capacity to reduce the ever-growing body of rules that govern organisational behaviour, a bit of red tape reduction for the public service. There is a tendency for procedures, protocols and practice guidelines to be cumulative, adding to the complexity of governance, and diminishing coherence. Rules are often particular when they might be based on principle and personal responsibility.

Organise for change

Organisational structure can be a significant impediment to dealing with complex issues. Most public sector departments are organised functionally: a division or unit is charged with a particular responsibility, revealing an assumption that systems are orderly, sometimes contrary to evidence. The larger and more diverse the responsibilities, the more specialised the organisational units are likely to be. Specialisation limits capacity to deal with issues outside the narrow framework.

Complex issues need to be viewed from more than one perspective, and to accommodate the range of stakeholders and interactions. Organisational design should contemplate perspective shifting as issues are analysed. Including one or more units that are organised in different ways encourages creativity (a rare commodity in the big organisations!). The most common organising feature of this type in the Queensland public sector is the policy or research unit. But these units are also relatively specialised, and often populated by staff with a narrow band of professional qualifications, skewing perspectives and often limiting the range of options.

Manage for complexity

Assumptions of predictability and order run strongly though any large organisation. The Queensland public service is no different, and rarely manages in contemplation of complexity.

Managing for complexity requires acknowledgement of context, realisation of the potential for multiple stakeholder involvement, and understanding of the many interactions that can influence outcomes. This entails a great deal of ambiguity, and organisational leaders will do well to identify and foster tolerance for ambiguity in key staff, because these are people with capacity to develop judgement in the face of uncertainty.

The desire for completion is powerful in most people. Complexity makes completion harder to see, and those who work with complex issues are less likely to see matters to completion. The less certain the environment, the more management should provide operational stability and build sophisticated feedback mechanisms.

A final word

The policy settings surrounding good governance in the public sector are themselves complex. There is a national trend to creating specialist accountability bodies, increasing the number of stakeholders in good governance. The audit mandate has continued to expand; accounting methods have become more and more technical; governance practice varies from agency to agency as a result of increasing devolution from the centre.

Policy challenges include reducing the volume of rules; integrating the accountability institutional arrangements; reducing the number of interactions required to address governance issues; allowing budgetary flexibility so that departments can experiment with reduced risk of governance failure.

This article was originally delivered as a paper at Chartered Secretaries Australia's Public Sector Update in 2006.

** BA (Hons), LLB(Hons), FAIM, MAICD. Peter Bridgman can be contacted on (07) 3255 3556 or at peter.bridgman@decisiveconsultants.com.au.*

Notes

- 1 This article uses the terms compliance and conformance interchangeably.
- 2 Compare, eg, Briggs, L. (2005) *APS governance: Keynote address to Department of Employment and Workplace Relations Governance Workshop*. Retrieved 14 August 2006 from <http://www.apsc.gov.au/media/briggs220205.htm>
- 3 Internet searches on the word 'governance' with Amazon.com returned 5294 results; Google, 405 million results. Retrieved 19 August 2006
- 4 Compare Wildavsky, A. (1973) 'If planning is everything, maybe it's nothing', *Policy Sciences* 4(2): 127-53
- 5 Preston, N. (1999) *Public Sector Ethics in Queensland Since Fitzgerald*, Australian Society of Archivists Conference. Retrieved 14 August 2006 from <http://www.archivists.org.au/events/conf99/preston.html>
- 6 http://www.health.qld.gov.au/health_sys_review/final/default.asp
- 7 Significant good governance papers include *Corporate Governance Beyond Compliance* <http://www.qao.qld.gov.au/publications/document/AGReports/9899/report7.html> and *Review of Corporate Governance* <http://www.qao.qld.gov.au/publications/document/AGReports/0102/report1.html>

- 8 Explanatory notes:
<http://www.legislation.qld.gov.au/Bills/51PDF/2005/SerDelPerComB05Exp.pdf>
- 9 Compare investment in policy effort: Bridgman, P. & Davis G. (2004) *The Australian Policy Handbook* (3rd Ed). Sydney: Allen & Unwin, pp 148-149
- 10 Industrial representative form (employer or employee unions) is inconsistent with the independent and non-partisan character of the public sector. Family form amounts to nepotism. Church form is constitutionally problematic. Community entities respond to local interests, not the broad public interest through the government of the day.
- 11 Total of 691. Accessed on 12 August 2006 from <http://governmentbodies.premiers.qld.gov.au/stat/list-board.html?list=all>
- 12 Portfolio structure as at 29 August 2006
- 13 see ANAO (2000) *Applying Principles and Practice of Corporate Governance in Budget Funded Agencies*. Retrieved 15 August 2006 from <http://www.anao.gov.au/WebSite.nsf/Publications/4A256AE90015F69B4A256975008291CA>
- 14 Queensland Treasury (1999). *Community service obligations' A policy framework*. Retrieved 18 August 2006 from <http://www.treasury.qld.gov.au/office/knowledge/docs/community-service/community-service.pdf>
- 15 *Public Service Act 1996* sections 46 to 58
- 16 *Financial Administration and Audit Act 1977* sections 34 to 36B
- 17 Eg Senior Executive Conference of the Queensland Police Service; Executive Business Team of the Department of Industrial Relations. GOCs and government companies and many statutory bodies have collective governing boards
- 18 "Effective complexity", a cognitive development of Kolmogorov complexity in mathematics'. See eg Gell-Mann, M. (1994) *The Quark and the Jaguar: Adventures in the Simple and the Complex*. New York: WH Freeman & Co; Gell-Mann, M. and Lloyd, S. (2003) *Effective complexity*. Santa Fe Institute Working Paper 03-12-068. Retrieved 12 August 2006 from <http://www.santafe.edu/research/publications/workingpapers/03-12-068.pdf>
- 19 Compare Kurtz, C.F. and Snowden, D.J. (2003) 'The new dynamics of strategy: Sense-making in a complex and complicated world', *IBM Systems Journal*, 42, 462-483; Snowden, D. (2002) 'Complex acts of knowing: Paradox and descriptive self awareness', *Journal of Knowledge Management* 6(2), 100-111.
- 20 Global Development Research Center *Promoting Good Governance*. Retrieved 10 August 2006 from http://www.gdrc.org/u-gov/doc-oecd_ggov.html
- 21 Eg Smith, M., and Feied, C. (n.d.) 'Design of an emergency department process'. Retrieved 17 August 2006 from <http://www.necsi.org/guide/examples/er.html>
- 22 Smith & Feied ●

Do you fully understand your AML obligations?

LexisNexis® helps you track the development of AML/CTF Rules and meet your responsibilities under the new AML/CTF regime.

Anti-Money Laundering and Financial Crime

Anti-Money Laundering and Financial Crime provides online commentary to help you decipher complex legislation relating to AML and financial crime. This new service will keep you abreast of all the developments in this rapidly changing area – helping you understand your obligations.

Register for more information today at www.lexisnexis.com.au/aml or call 1800 772 772.

