

# The establishment of behavioural insights units in three Australian governments

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**Ministry of Business, Wellington,**

**16 April 2019**



# Expertise for policy innovation

- Public policy is fundamentally about managing or resolving collective problems.
  - There is widespread interest in devising better processes and instruments for problem-solving.
- The **policy innovation** agenda covers many substantive fields -- economic productivity, environment, social equity, public safety, and so on.
  - **'Innovation'** is always subject to changing fashions, intellectual paradigms, and zealous marketing of remedies.
- Currently there is a decline of trust in established political and media institutions
  - Multiple perspectives about policy ideas and policy solutions.
- Can we develop evidence-informed approaches that are rigorous while also less technocratic and elitist?

# Behavioural-Experimental approaches

- Micro in orientation, anchored in cognitive psychology and behavioural economics.
- Focus on scientific understanding of individual behaviour through laboratory studies and field experiments (and preferably using **RCTs**).
- Research on individual psychology is basis for designing targeted 'behavioural change'; approached through changing the 'architecture' of citizen choice.
- Preference for voluntary and indirect methods of influence ('nudging'), rather than coercive regulatory methods.

# David Halpern – Wellington roundtable 5 Dec 2017

“Behavioural insights combines understanding of human psychology with empirical data analysis.

“It recognises that getting the small details right in implementation of a policy (e.g. encouraging desired behaviour by making things easy, attractive, social and timely) can be as crucial as the policy itself.

“But you can't always predict what will work. Through a series of controlled trials, policy practitioners can find out which approach is most effective.

“This reverses the more traditional ‘top down’ grand design approach, starting instead by understanding details, then scaling what works.”

# The appeal of behavioural experimentalism


- In some countries and some public agencies, the language of behavioural **economics** has high **trust or legitimacy**.
- Early ‘wins’ (the ‘low-hanging fruit’) were well publicised: targeted improvements in operational efficiency (e.g. keeping medical appointments), in legal compliance (e.g. tax payments), and in public good choices (e.g. organ donation registers).
- Behavioural approaches are increasingly influential in public policy design and evaluation:
  - They purport to identify the most **effective** means to leverage shifts in behaviour
  - Aim is to design **low-cost** innovative instruments that have measurable benefits.
- But it is important to ensure that policy innovation is centred on linking broad social goals to effective tools and methods.

# DIFFUSION: Behavioural insights are being applied across many domains

 **Behavioural Insights  
and Public Policy**  
LESSONS FROM AROUND THE WORLD

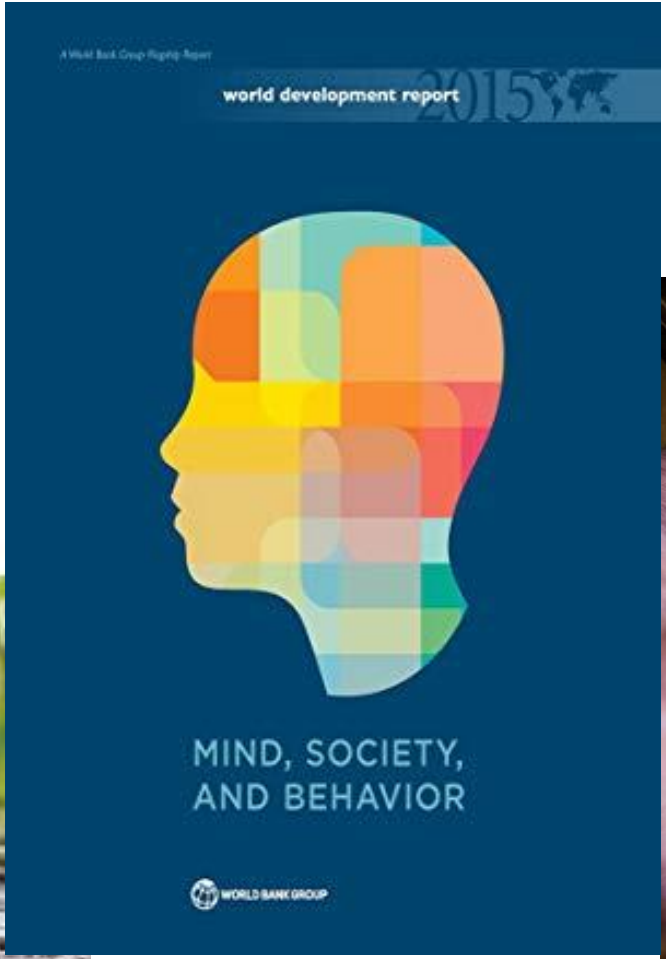


 OECD

 **Tackling Environmental  
Problems with the Help  
of Behavioural Insights**



 OECD



**BEHAVIOR CHANGE  
FOR NATURE:**  
A Behavioral Science  
Toolkit for Practitioners

 THE BEHAVIORAL INSIGHTS TEAM | CENTER FOR BEHAVIOR & THE ENVIRONMENT

# Behavioural insights – many domains of application

## Behavioural Approaches to Increasing Workforce Diversity

August 2016



## Nudge vs Superbugs

A behavioural economics trial to reduce the overprescribing of antibiotics

June 2018



Australian Government

# BETA

BEHAVIOURAL ECONOMICS TEAM OF THE AUSTRALIAN GOVERNMENT

## Going blind to see more clearly: unconscious bias in Australian Public Service shortlisting processes

June, 2017

Authors: Professor Michael J. Hiscox, Tara Oliver, Michael Ridgway, Lilia Arcos-Holzinger, Alastair Warren and Andrea Willis



## Electricity information to fit the bill

December 2018



# Diffusion of behavioural-experimental approaches

- **Diffusion** or adoption of behavioural approaches has been encouraged by:
  - consultancy firms, government policy units, and university-based Policy Labs in several countries.
- The OECD and other international bodies have sponsored conferences, workshops and surveys of international experience in relation to Behavioural Insights and Behavioural Economics.
- Several governments have established dedicated units to progress these ideas. The BI unit in the UK Cabinet Office formally commenced in 2010.
- BI units established in US and in other countries including Australia:
  - The national government
  - State of New South Wales
  - State of Victoria



# Research project on government “BI” units

- **Current project** on ‘Behavioural Insights in the Australian Public Sector’. [Acknowledgement: funded by ANZSOG]
- Mapping and investigating the work of “BI” units in three central agencies of government (National, NSW, Victoria)
  - We also examined key “BI” projects being undertaken independently in major line-departments in those three jurisdictions;
  - plus we are exploring early steps in New Zealand.
- In addition to a large literature review, in 2018 we interviewed around 40 public servants & their consultant advisors/partners (including 8 in New Zealand).  
[Acknowledgement: interview coding assisted by Michele Ferguson]



8 June 2017

Encouraging fund choice  
in KiwiSaver

This report is for KiwiSaver providers and  
for providers of any Managed Investment Scheme.  
It will also be of interest to behavioural insight researchers.

This report describes the results of a  
behavioural insights randomised control trial.

# Research project on government “BI” units

**The 40 interviews focused on eight themes:**

- the aspirations and mission of each unit
- the structure and financing of each unit
- their criteria/ selection process in choosing projects
- their modes of working with partner agencies

## Interviews themes [cont.]:

- their assessment methodologies
- their commitment to publishing results
- their skills and staffing
- their sense of opportunities, benefits and achievements.

# Overall understanding of governmental “BI” units

Six emergent issues, themes and tensions:

1. Structural location: How does the central BI-Unit **act as a catalyst**, with only fixed-term funding, to promote BI and assist agencies use new methods?
2. **Methodology**: Are they more about rigour/purity of methods (acting as an ‘instrument constituency’ for RCTs), or more about creating social value?
3. Have they focused too much on ‘**small wins**’ and ‘low-hanging fruit’?
4. Can “BI” become a new **mainstream** paradigm for policy design? or is it one shiny tool in the larger toolbox?
5. How can they ‘scale-up’ the **scope and impact** of policy work?

## 6. How can they develop stronger partnerships to tackle complex issues? (e.g. see the VIC study of Family Violence)

### [Improving information sharing in the family violence system](#)

Information sharing in the family violence system is essential to keep victim survivors safe and hold perpetrators to account. Victoria's Royal Commission into Family Violence found that information is not routinely or systematically shared in the family violence system, exposing victim survivors to risk of further harm.

To better understand the kind of decision making that results in information sharing, we undertook extensive research, including over **270 hours of observation and interviews with front line workers** in the family violence system. The ensuing report, *Applying Behavioural Insights: Improving Information Sharing in the Family Violence System* exposed contextual and psychological factors that influence the accessibility and sharing of information.

Findings from the report are being used to inform policy, process and cultural change around information sharing. For instance, this research has been used to simplify the Ministerial Guidelines on how services should share information, to improve efficiency and reduce errors in workers' decisions.

The report also demonstrated that incorporating behavioural insights upstream in the policymaking process has the potential to generate improvements that are broader than optimising the delivery of individual services alone.

<https://w.www.vic.gov.au/publicsectorinnovation/behavioural-insights/how-we-work/our-projects/case-studies.html>

# Conclusions

- Behavioural and experimental research has a long history. Inclusion in the policy toolkit is highly desirable.
- Some claims to novelty or to major break-throughs may have been a little exaggerated. Humility is useful.
- The ‘big’ policy issues still require a full range of measures:
  - regulatory standards and interventions
  - collaborative and participatory processes
  - conflict-resolution methods

These measures complement the more specific insights from behavioural nudging and communication framing.

- In real-world policy-making, good data has to be converted into persuasive **policy ideas** and **policy framing**.
- Relying solely on technical experts (of whatever variety) for solving complex problems is bound to fail.