

From response to recovery

Delivering public value through the waves of the COVID-19 crisis

May 2020

Version 1.0



Flattening four curves: How to manage public services through the waves of the COVID-19 crisis

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2020

Navigating the four waves of disruption

Australia's immediate response to the COVID-19 pandemic has been as effective as any in the world. The most recent data is confirming that strict social distancing measures – combined with effective contact tracing, containment and treatment actions by our health system – has substantially flattened the curve of COVID-19 cases. Most importantly, our health system is now unlikely to face the overwhelming 'wave' of demand experienced in parts of Europe, the United Kingdom and the United States¹ and has had important time to prepare if it does.

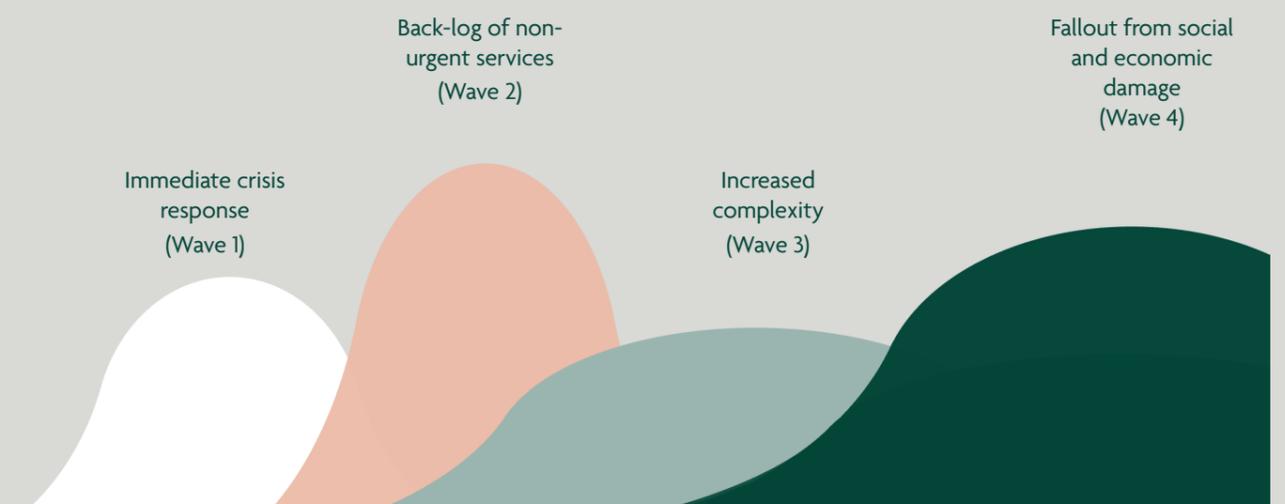
However, the COVID-19 pandemic will create not one wave of service delivery challenges, but four. These waves will be interrelated and (most likely) overlapping, but have distinct drivers:

1. An immediate response (Wave 1) to tackle COVID-19 and to maintain essential services while social distancing restrictions are in place
2. An inevitable back-log (Wave 2) from less urgent services that have to be delayed as part of the mitigation effort, but are now time-critical to enable recovery

3. Rising complexity and complications (Wave 3), as opportunities to intervene early or manage ongoing problems are missed during crisis and underlying problems escalate
4. Fallout from the deep social and economic damage (Wave 4) caused by the pandemic on individuals, families and communities.

Public purpose organisations have been shoring up the most urgent services for the first wave. Sometimes, this means continuing face-to-face interactions safely; in many other cases, remote interactions are replacing face-to-face processes as quickly and safely as possible. Their achievements have been remarkable.

And yet, even as we come to grips with immediate challenges of service delivery in a COVID-19 environment, the next wave of short to medium term challenges will soon be upon us. Public purpose leaders – across all sectors – need to prepare now for each coming wave in order to help lead our community from response through recovery.



Wave 1 – Responding to the ongoing COVID-19 crisis, while continuing essential services

As Australian communities experience an ongoing threat from the virus and major restrictions on their daily life, public value leaders must sustain robust essential services over a long period of difficulty and uncertainty.

COVID-19 is moving rapidly through communities across the globe. While Australia's strong response – combined with our fortunate location and environment – has profoundly reduced the risk of an overwhelming health crisis, threat of exponential growth and significant restrictions on daily life remain. The impact of the immediate crisis on public services will continue for months to come.

Australia faces four broad paths (depicted below). Even the most optimistic (eliminating COVID-19 from Australia) involves months of uncertainty and, if achieved, maintaining strict isolation from the rest of the world until an effective vaccine or treatment is found. At the time of this report, elimination is not the goal of Australia's governments.

Rather, as we begin to re-open economic and community life, the experience of other countries (such as Singapore or Japan) suggests that the re-emergence of COVID-19 is possible, even likely. A 'second wave' of exponential growth would still represent an enormous challenge to our health system, even if it is better prepared to manage it, and would likely mean re-imposing strict social distancing rules. However, the recent expansion of testing and contact tracing are decreasing the likelihood of this occurring. The most likely scenarios represent long periods of uncertainty, with location-specific outbreaks and/or a 'flattened curve' of transmission (maintained by ongoing social distancing).

Health services achieved an enormous scale-up in their capacity to respond to COVID-19. It was generated by additional staffing, equipment and supplies but also halting or re-allocating non-urgent treatments and procedures and changes to increase safety for health service staff. New models for service delivery have been stood up, including a dramatic push to deliver services outside of the hospital. As non-urgent treatments re-commence, these new models will need to adapt again. The capacity to respond to a crisis must remain, but alongside providing other important healthcare services.

Other public purpose organisations have also embraced new ways of delivering services through the crisis. Remote service delivery, along with streamlined processes, has seen the continuation of many essential services. However, with restrictions on face-to-face interactions likely to be with us for some time, organisations must move from a crisis mentality to a 'new normal'. New models of service delivery must be made sustainable, their risks managed and workforces supported and sustained.

Organisations must move from a crisis response to sustainable structures and delivery models that can be effective over the long term and withstand future shocks (both related and unrelated to COVID-19).



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How we can respond now

1. Build business resilience, not business continuity¹

All organisations are planning and preparing to sustain their business during the crisis. For many, this means resorting to business continuity plans (combined with overdue uptake of remote working options) to quickly enable staff to work from home.

This won't be enough. Business continuity plans are designed for a discrete, short term emergency (e.g. natural disaster) and are inadequate for an ongoing and sustained change to your operating environment. Getting your staff online only gets you so far. With a period of weeks and months in mind, public purpose leaders need to consider how the drivers of high performance – vision and leadership, productive planning, team culture and cohesion, performance management and development, and more – can occur in a remote environment.

Sustaining your business through the path ahead requires a holistic view, from preventing and planning for future shocks through to responding and recovering from them. And it requires moving from crisis response to maintaining your workforce and organisational capacity for the long term.

2. Plan for uncertainty

Health services, along with wider social services, will require new levels of agility and responsiveness to address outbreaks and other pockets of

extraordinary need that will arise over the next phase of containment. These services will need to retain the capacity to respond quickly to a crisis without the reduction in non-urgent services that has occurred so far.

Typically, service plans take a long term view (~3-5 years). For many organisations, those plans are now obsolete and have been (rightly) set aside for the sake of a crisis response. However, very few organisations can perform effectively over the medium term without a plan.

Short/medium term service plans should define how important services (both urgent and non-urgent) can be maintained alongside the crisis response. They should acknowledge uncertainty and use tools such as scenario planning, risk and contingency management to provide a concrete basis for leaders and managers to plan and manage effective services.

3. Redefine services to create a new normal

New service models have been stood up rapidly in response to the COVID-19 response and containment effort. In the process, many organisations are seeing changes they wish to keep even after the crisis has past, even as we realise that their operating environment will not go 'back to normal' anytime soon (if ever).

As with all processes of innovation, the impact of service model changes will be a mixed bag. Some

¹ See our recent article 'Why an emergency management mindset boosts resilience' (available at <https://www.consultancy.com.au/news/1917/why-an-emergency-management-mindset-boosts-resilience>)

changes are positive, even long overdue, and the crisis environment will have overcome barriers that previously prevented innovation and improvement. Others are undesirable and should only be temporary. An important third group are changes that are positive in the short term but are exposing organisations, their staff or clients to risks that may not emerge until later.

Rapid and adaptive design and evaluation of new processes is essential to ensure good innovation is kept, enhanced and sustained. At the very least, emergent processes or practices should be defined to give staff and managers confidence that they are safe, consistent and effective. Fit-for-purpose performance monitoring and evaluation can provide evidence for these assessments and the sooner they are put in place, the better placed your organisation will be to learn and adapt to a 'new normal'.

4. Be agile but be prudent

While bureaucratic 'red tape' must be the first thing to go in a crisis, good decision-making and oversight structures must be part of the new normal. Smart, fit-for-purpose governance and project enablement do this without complicating your ability to innovate and respond.

For many public purpose organisations, decision-making has been streamlined to enable rapid rollout of new models or responses. However, the crisis is also highlighting how interdependent organisations

are, how much their decisions impact each other, and how much greater collaboration is possible. For example, the 'national cabinet' of Australian Commonwealth, State and Territory governments is achieving extraordinary levels of federal cooperation even when decisions must be made quickly.

The strength of a project or organisation's governance is not how simple or how complex it is; it is how meaningful it is in driving good decision-making, performance and risk outcomes in the context you're in. Fit-for-purpose is more important than 'best practice'.



Wave 2 – The back-log in non-urgent services

As Australians begin to resume social and economic activity, the ability of public value organisations to get through the back-log of demand for their services is crucial to accelerating the recovery

We are all now acutely aware of just how many of the essential public services that keep Victoria's society and economy moving involve face-to-face interactions. From civil and criminal court proceedings, business, land-use and transport regulation, prisons and corrections processes, health clinics and appointments, child protection and social services visits, housing applications, professional mentoring & supervision, disability assessments and other entitlement checks... and many more. Despite two decades of information technology revolution, face-to-face remains the mode for many public services.

Efforts to deliver services in new ways during the crisis, however dramatic, have (so far) been limited to processes and services of the highest urgency. Beyond these is a myriad of small, daily functions. No one of these may be urgent (especially in the current environment), but suspend them for 4, 6, 8, 12 weeks and Victoria quickly grinds to a halt. For example, we estimate that current restrictions could result in Victoria alone having back-logs of:

- up to 150,000 criminal matters in the Magistrates' Court alone
- up to 20,000 new driver licence applications to VicRoads
- up to 750,000 appointments at specialist clinics in public hospitals.

In a time of crisis, the need for these less urgent interactions does not go away. As Australia turns towards recovery, many public services will face unprecedented back-logs. Some of those back-logs will occur in places already struggling to keep up with demand (e.g. minor court matters, elective health service waiting lists).

Simply returning to 'business as usual' will mean major delays and ballooning waiting times for these processes, significantly hampering the ability of Australia's economy and public services to get moving again. For some, it may mean levels of demand that overwhelm these processes entirely.

Major – and, at times, radical – step-changes in the efficiency of business processes are needed to avoid stalling the recovery effort. This means taking the opportunity to critically review your services and processes. It may mean eliminating low value functions or delivering value more quickly and more effectively.

How we can respond now

1. Define a razor-sharp understanding of your public value outcomes and priorities

A new level of scarcity and overwhelming demand will make prioritising more important than ever. Hard trade-offs between outcomes, efficiency, and risk will need to be made to avoid stagnating indecision. Only organisations that know their values and priorities with precision can move ahead confidently.

A focus on outcomes has been focus for many public purpose sectors in recent year. Some have done it better than others. Good outcomes frameworks are necessary, but not sufficient, for prioritising effort and investment in times of scarcity. Without a strong understanding of your outcomes there is little basis on which to make difficult trade-offs.

Priorities are different to outcomes. They represent strategic choices about what, in the current environment, matters most to your mission and organisation. Now could be the time to, for example, prioritise timely responses over consistency. Organisations that make these strategic choices explicit are better placed to make day-to-day decisions that reflect their values.

2. Re-engineer processes around value (not efficiency)

Overwhelming demand pressure often has the perverse effect of making services less, not more,

efficient, when considered from the perspective of the value they need to achieve. Managing triaging, waitlists, holding patterns and more can consume great resources all while outcomes (from client wellbeing or timely resolution) deteriorate.

At the same time, large components of the demand for public services (of all types) arises from 'failure demand' – demand for services or processes that arises from a failure to do what the client or customer needs the first time.² For example, a high proportion of child protection investigations relate to children/families already known to child protection. Rapidly escalating demand for child protection is making it more difficult to intervene effectively the first time, resulting in further demand in the future.

Escalating demand can create pressure to handle matters as quickly as possible. However, process re-design must focus on getting people the outcomes they need quickest rather than the temptation to achieve output volumes. And it must include truly understanding the impact of services or processes on the outcomes you value. Low value services or activities are a luxury that we can no longer afford.

² This concept was first identified by John Seddon (see, for example, Freedom from Command and Control: A better way to make work work (2005)).

³ Standish Group (2015), CHAOS report

3. Change your strategy, don't ignore it

For many public purpose organisations, the strategies and business plans you're executing may feel irrelevant. Leaders have (rightly) recognised that the operating environment has changed so fundamentally that the strategy is no longer fit-for-purpose. Longer term ambitions have been put on hold for a focus on immediate response.

But ignoring your strategy means operating without one. And at the very time when strategic choices are most important.

Rapid engagement of core leaders to reset your organisation's strategy for the new normal is critical to thriving in it. A profound change in operating environment should be the catalyst for difficult conversations about what goals, services and processes your organisation should keep, stop, start or change. This process would re-centre an organisation on its mission and values and give teams clarity and confidence about what should (and should not) change for you to succeed in an uncertain and rapidly evolving landscape.

4. Don't put a technology cart before your service model horse

While many organisations are rushing to implement technology solutions, these innovations are not risk-free. Technology innovation mean significant disruption to the way your organisation operates. While the benefits may outweigh this disruption,

studies suggest that only one third of technology projects successfully realise their benefits.³ And a time of crisis may, in fact, be the most difficult environment in which to introduce new and unfamiliar ways of working (even if the need is at its greatest).

Despite the urgency, at a time when maintaining essential services is paramount, the risk of technology projects must be considered. While technology projects fail, it is usually not the technology solution that is the problem; it is a failure to design and deliver the change your organisation needs. Technology must enable the services your clients need and value. This means getting technology solutions that suit the value you need to deliver, not the other way around.

It also means re-orientating an organisation towards delivering value more quickly, cheaply and conveniently for the people it serves. Delivering the same processes electronically achieves marginal improvements (at best) and crippling disruption (at worst). To generate real value from technology solutions, public value organisations must reimagine what service delivery can look like in a technology-enabled world and invest in a holistic changes – in their people, processes, strategy and leadership as well as their systems – to make it happen.



Wave 3 – Rising complications and complexity

With severely limited support and interventions over recent months, many Australians will emerge with problems that have escalated during the crisis. This will make demand for public services more urgent and more complex.

The unfortunate reality is that much of the expansion of health system capacity and the public purpose sectors participation in social distancing has come at the expense of important, non-urgent services. Not urgent does not mean not important. In fact, the mark of a strong service system is its ability to invest in important, non-urgent services that intervene early, manage ongoing risks and issues, and prevent problems from arising or escalating.

For health and social care services, the COVID-19 crisis has meant a backwards step in the focus on early intervention. Non-urgent health services addressing chronic disease, child and family health, health promotion and mental wellbeing and resilience have all been substantially reduced to free up system capacity and reduce face-to-face interactions or because of patients' concerns about the safety or capacity of the health system. This has already resulted in:

- up to 40 per cent reduction in pathology tests
- up to 50 per cent reduction in new cancer patients and
- up to 30 per cent reduction in cardiac emergencies.⁴

The same is true in child & family welfare, ageing and disability care, support for at risk youth or adults, support for at risk or disengaged learners, and more. Identifying and responding early to emerging issues or complications plays a critical role in keeping people and families well and managing demand for our essential services. The timeliness of responding is key to effective engaging

people and families in these services. With these activities severely limited, increasing prevalence and complexity across a wide spectrum of health and wellbeing issues is likely.

For other public services, public education, communication and proactive issues management play a similar role in reducing the need for more complex, intensive and costly services. For example, regulatory agencies communicate with business or individuals, as well as conducting inspections or other monitoring activities, to improve compliance with laws and regulations (and reduce the need for more intensive enforcement action). Court Network volunteers provide support and information to thousands of people accessing Victoria's courts, making it easier for them to access the system and reducing the demand on court officials. VicRoads uses concierge and other face-to-face services to supplement and improve people's ability to access online transactions. Actions like these have (rightly) been de-prioritised during the crisis, but this comes with a future cost.

The COVID-19 response has also drawn into question a range of important strategic or reform agendas. At the State Government level, the bushfire recovery program, the Mental Health reform program and expanding 3 Year Old kinder are just a few examples of many significant agendas that are impacted by the pandemic. Each of these needs to be re-thought. They cannot continue as they would before, but they also cannot be forgotten. The underlying social and economic imperatives will remain (and, in many cases, be heightened) by this crisis.

How we can respond now

1. Revise your medium to long term plans and budgets

New service profiles will be essential over the medium term to meet new levels of need beyond the crisis. For most organisations, current service plans and operating budgets reflect a reality that no longer exists. Budgets, in particular, will be inadequate for the volumes and complexity of many services.

While Australian governments have demonstrated a willingness to invest what is necessary to help Australia recover quickly, they will continue to face competing trade-off's. In particular, investment in business and economic recovery and long-term capital programs will need to be balanced against growing demand for essential services. Compelling business cases will be required to balance these needs.

2. Don't go back to normal

The COVID-19 crisis has enabled reforms that many leaders have wanted for some time. Introducing new models of service delivery that are technology-enabled and rely less on numerous or intensive face-to-face interactions (at, say, hospitals, courts or service centres) have been stated goals for some time. The current crisis has presented an opportunity to overcome barriers to implementation that previously prevented valuable innovation.

As restrictions are lifted, public sector leaders have a unique opportunity to 'start from scratch'; to consider afresh the strategic value of what public value organisations do and re-orientate

your business to your mission and values. Strategic restarts will prioritise the highest value activities and leave behind historical programs or activities that don't contribute to your future.

Effective evaluation of new business models will be critical to identify innovations to keep (and old services or functions to leave behind) and leave you better placed manage new waves of demand and complexity.

3. Do it together

Partnerships are a key feature of most public service systems. Good partnerships improve the capacity of service system, provide more seamless experiences for clients or customers, and a strengthen organisations' leadership, workforces and supply chains. In the current crisis, partnerships can offer new capacity to quickly respond and ensure business continuity in the event of localised crises or other needs.

However, partnerships take time. The pillars of a strategic partnership – such as a shared vision, values and expectations, trust and effective communication – require investment by leaders, often well in advance of them producing tangible value. Now is the time to develop new models of collaboration to manage the shared challenge ahead.

⁴ See, for example, Royal Australian College of General Practitioners (April 2020) quoting Associate Professor Dion Stub (<https://www1.racgp.org.au/newsgp/clinical/dramatic-drops-in-cancer-and-heart-attack-patients>)

4. Re-imagine your strategic and reform plans, don't abandon them

Many public value organisations had important strategic and reform programs interrupted by the current crisis. Future uncertainty, pressing immediate priorities and the stress and workload on many frontline staff are all factors that work against long term planning and reform. And many traditional change management approaches rely heavily on face-to-face interactions.

Yet the scale of the challenge posed by the four waves of disruption make the performance of public value systems and organisations more important, not less. Some sectors and organisations were already at a point of crisis, that the current environment exacerbates; others will struggle to manage increasing and complex pressures on their system or organisation without much needed reform.

If done wisely, many of the components of a good reform program – including stakeholder engagement – need not rely on face-to-face interaction to the extent they currently do. Creative use of technology tools can achieve the same engagement goals and high EQ facilitators can manage the work and non-work stresses that participants will bring to the discussion.

Enabling important change programs to continue (in a carefully adapted way) sends a positive message about the future and encourages people and teams to begin the recovery journey.



Wave 4 – Deep social and economic damage

The COVID-19 crisis will do deep and lasting damage to the social, community and economic wellbeing of many Australian people and families. It will leave public purpose organisations with new levels of demand for the long term.

The global response to COVID-19 has created significant change in most people's lives. Major components of our nation's social and economic life have been disrupted and will continue to be even as restrictions are gradually lifted.

From an economic point of view, many economists are predicting financial hardship and unemployment levels not seen since the Great Depression. Many sectors and businesses have been shutdown or had their markets dramatically reduced, international trade and travel has been profoundly disrupted, and business and consumer confidence is low. Early estimates suggest 2-3 million Australians could be out of work due to COVID-19 containment restrictions (up to one quarter of the Australian workforce). Poverty and welfare dependency levels will rise dramatically.

Social and community life has been similarly impacted. Community groups (such as churches, sporting clubs or social groups) have been suspended and, of course, social contact drastically limited. These are the supports people tend turn to when experiencing hardship, stress, anxiety or depression – all which are widespread during the crisis. The loneliness, stress and anxiety of social distancing is impacting many.

The link between disasters or economic recessions and social challenges is widely recognised. Family violence, child abuse, abuse of alcohol and drugs, chronic disease such as diabetes and heart disease, mental ill health and suicide, family breakdown, poverty and other social challenges are all known to rise during and after times of crisis. These effects are likely to be exacerbated by the inability to access services or supports during the crisis. Forecasts are anticipating:

- 25-50% increase in the number of suicides in Australia each year⁵
- 30-100% increase in the incidence of family violence⁶
- long term (as yet, unknown) increases in substance abuse and problematic gambling.

The Australian Commonwealth and State Governments are committing to major spending programs to lead the recovery. This recovery investment creates new opportunities for public value organisations to expand and improve health and wellbeing services to help shape a better future.

How we can respond now

1. Adapt quickly to keep Victoria moving

The key thing everyone can do to reduce of the economic and social damage of the COVID-19 crisis is to reduce it, as quickly and safely as possible. Victorian public purpose organisations that adapt quickly to the new environment and recommence investment and value creation will make a major contribution to a speedy recovery.

Health and social services, in particular, that can re-orientate services and support towards remote or low-contact interventions will help minimise the long term community damage from the crisis.

2. Invest in the 'missing middle'⁷

The missing middle refers to mid-level complexity/ acuity services, that support people with emerging issues before they reach a point of crisis. They represent a common gap in services for people whose needs are too complex for general/universal services but not complex enough for tertiary systems.

Oftentimes the missing middle arises in services systems in a state of crisis. Overwhelming demand can cause services to focus on episodic interventions, triaging and managing risk at the expense of intervening early to achieve long term outcomes. This is a self-defeating strategy. It leaves people without the care or support they need and, inevitably, generates more intensive needs as problems escalate.

Filling the gaps in these services is key to intervening earlier and reducing long term demand. But it

requires new model of care. And, potentially, new providers of care that can bring specialist interventions to the community or universal services that people in need already rely on.

3. Get the most out of recovery investment

Sharp growth in government spending is being planned by all Australian Governments. This investment is critical to stimulating economic recovery, noting that business investment and (especially) international trade is unlikely to rebound as quickly. However, a mandate for economic stimulus should not stop governments and public value organisations from getting the greatest return from these investments.

For many sectors, large public investment will reshape their economic and service delivery activity for many years to come. Investment decisions and funding models that are made today will entrench good or poor policy or planning outcomes in the future. They should, therefore, reflect a coherent plan for the future of services and infrastructure based on the needs of local communities and enable flexibility and responsiveness to changing circumstances.

Investment prioritisation is essential to building productive capacity and establishing the basis for economic and social recovery. This means balancing an investment program's potential for public value with its alignment with your strategic goals and your capacity to deliver during a time of crisis.

⁵ Modelling by the Brain and Mind Centre (2020)

⁶ Parkinson & Zara (2013), The hidden disaster: domestic violence in the aftermath of natural disaster, Australian Journal of Emergency Management

⁷ For further discussion of 'the Missing Middle' see <https://www.themandarin.com.au/124281-the-missing-middle-in-social-services/>

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Laura is an experienced public value specialist with extensive skills in policy development and implementation, evaluations and reviews. Laura is passionate about practical, evidence-based reform. She works with clients to understand what is and isn't working, and identifies how to improve implementation and increase the positive impact for people and communities. She uses her in-depth understanding of public value organisations to quickly identify their desired outcomes, before developing practical, tailored solutions that engage stakeholders at every level.



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Ben is a strategic planning and business performance expert, and the founder and Managing Partner of Cube Group. Ben works in partnership with clients to develop bold strategic plans, strengthen leadership performance and design operating models that achieve real, enduring change. Ben is a sought-after facilitator of high-energy, high-impact strategy sessions with Boards and Executive teams, and has deep expertise in the design and implementation of complex stakeholder and community engagement processes.



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Rob leads Cube's healthcare sector. His diverse experience includes strategic roles in strategic planning, service planning, project management, business analysis, financial modelling, tender evaluation, budget formulation and financial management. Rob has extensive experience in the health sector and is well known and has strong relationships with health services within Victoria and NSW. Rob is helping healthcare providers, across all parts of the system, to plan and design services that deliver the best value for their community in a rapidly changing healthcare environment.



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