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*"A creative city can't just be an add-on to an unimaginative bureaucracy. It has to flow from an imaginative bureaucracy." (Landry and Caust, 2017)*

# CREATIVE CONFIDENCE

# ESSENTIAL REFORM INFRASTRUCTURE

A submission to the Productivity Commission's Five Pillars of Productivity Inquiry:

Creating a more dynamic and resilient economy.

# Table of Contents

# Introduction

**Australia faces persistent productivity challenges that are undermining individual prosperity, community resilience, and national economic growth. These productivity issues have far-reaching negative impacts, from stagnating real wages to reduced living standards and diminished capacity to address complex societal challenges. In response, the government has developed an ambitious productivity growth agenda centred around five pillars and which aim to reverse these concerning trends and position Australia for sustained economic success.**

The Productivity Commission has been tasked with developing meaningful and measurable productivity-enhancing reforms under each of these pillars to support these growth ambitions. The Commission's mandate is to identify the highest-priority reform areas that have the potential to materially boost Australia's productivity growth going forward.

This submission responds to the Productivity Commission's Interim Report on the pillar of **creating a more dynamic and resilient economy (Productivity Commission, 2025a)**. It proposes that the highest priority action to impact the desired outcomes of dynamism, resilience, and productivity is the recognition of creative confidence as essential reform infrastructure. It asserts that creative confidence is the capability that must be built within the public service if it is to fulfil its desired role as regulatory stewards. Moreover, it is the cultural characteristic that must be fostered across agencies, supporting and overseeing institutions and across the nation more broadly if the goal of dynamism and resilience is to be achieved.

Creativity—defined as the production of novel and valuable ideas—is the fundamental driver of all meaningful change and progress.

- Creativity powers productivity through enhanced problem-solving and delivery of innovative products, services, systems and structures.
- Creativity engenders dynamism through the creation of new business opportunities and sources of competitive advantage.
- Creativity fosters resilience by developing cognitive flexibility and the ability to adapt to challenges as they arise.
- Creativity is the forerunner of reform, generating breakthrough solutions to wicked problems and providing the persistence to see them through to completion.

Conversely, without creativity, individuals and organisations fall into the traps of tunnel vision and risk aversion, which are acknowledged in the interim report to be significant challenges and barriers to achieving the regulatory objectives.

# Introduction (cont'd)

Ultimately, policy makers and public servants involved in the regulatory process are creators. They are called upon to bring their best creative selves to the table to deliver new or altered laws, regulations and reforms that provide value for their constituents and communities. However, their ability to effectively enact their creative role first requires individual confidence in their creative abilities.

Creative confidence—comprising a creative growth mindset[1] and creative self-efficacy—determines whether and how people will express their creative potential when opportunities arise. For individuals, this capability is imperative for identifying the potential for improvement and taking proactive action to effectively address problems. For leaders, this capability is critical because without it, they establish cultures that can hinder the creative capability of their people and the organisation as a whole (Huang et al., 2016). In regulatory roles, this impact is even more critical, with a lack of creative capability potentially seeping into legislative systems and becoming ingrained in the overseeing institutions and ultimately in the communities they serve.

Specifically, this submission provides a response to **information request 2.5 - What levers does the government have to help promulgate and embed a culture of regulatory stewardship within the APS?** It is asserted that the government can **acknowledge creative confidence as essential reform infrastructure**. Additionally, it can request the Productivity Commission to undertake **further inquiry as to its current state within the public sector** and to develop targeted recommendations for how it can be better fostered within government agencies. The government can also **guide agencies to embed creative confidence within all public sector culture change programs**. Direction can also be provided for agencies to match investments in AI training with proven creative confidence-building practices to prevent the homogeneity and learned helplessness that is a risk proven by research, and which has the potential to deteriorate creative confidence even further in the future.

This submission also directly addresses **information request 2.4 - What are the constraints that impede regulators and policymakers from better balancing risk and growth objectives? What guidance can governments give to help?** It is shown through evidence that a lack of creative confidence is a barrier to effectively balancing risk and reward (the achievement of growth objectives). Therefore, it is again recommended that **the government guide the agencies to undertake dedicated investments in building creative confidence and to embed it within all public sector culture change programs.** To supplement this, it is recommended that if not already established, **a portfolio approach to regulatory reform be adopted**, and that the competing priorities of **risk and reward be balanced with resilience** to provide a more complete and contextually appropriate balance.

[1] The growth mindset referred to in this submission is the belief that abilities can be developed through effort. It is to be distinguished from the growth mindset referred to in the Productivity Commission's report Growth mindset: how to boost Australia's productivity (2025), which is defined as "elevating economic growth and its benefits in policy decisions".

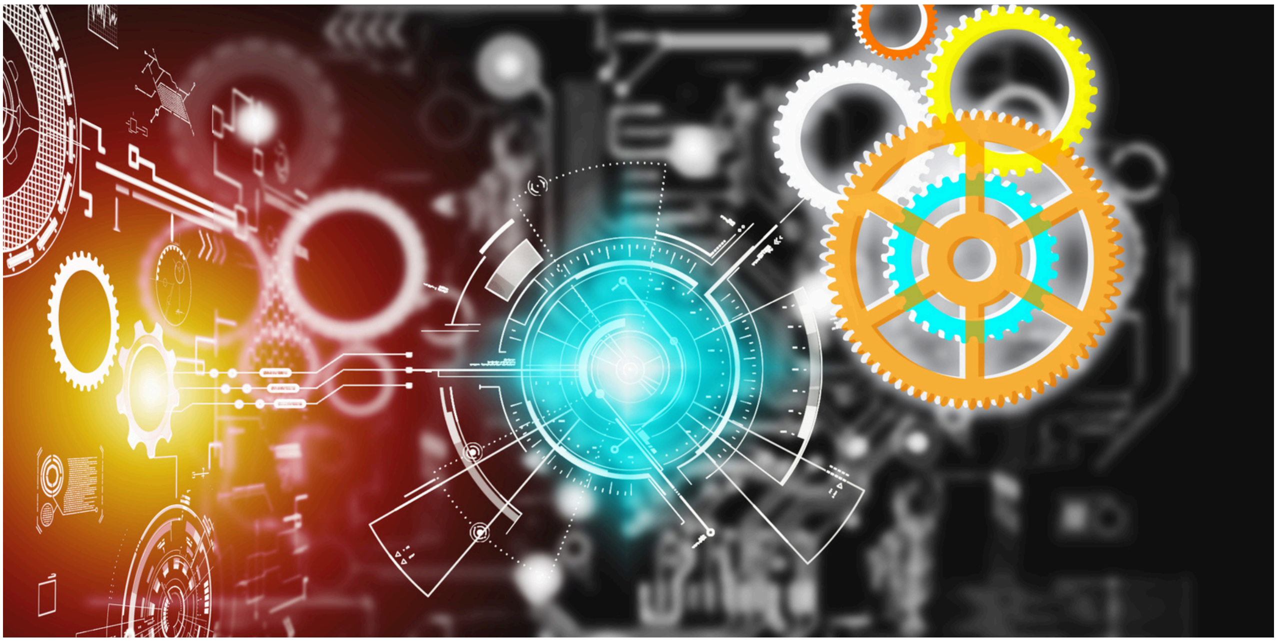
# Introduction (cont'd)

However, as shown in this submission, creativity is a multi-layered phenomenon, with creative confidence influenced by both the organisational climate and broader social characteristics. Therefore, it is argued that while building creative confidence in the public service is essential, it is not the entirety of the solution. To effectively support the public servant's creative confidence needs to be built across all areas and layers of the economy. Effectively, Australia needs a concerted cultural program to position it as a creative country. To this end, additional recommendations are made to **embed creative confidence in the Measuring What Matters wellbeing framework** to ensure this critical input to innovation and productivity is given the attention it deserves, and that a **coordinated national culture change program** is progressed that harnesses the power and expertise in our Cultural and Creative Sectors.

The recommendations made in this submission seek to recognise creative confidence for what it truly is - essential reform infrastructure. Additionally, they aim to address current cultural deficits through targeted interventions across the public sector and more broadly across the nation. The recommendations are provided with the recognition that, through the work being done by the Productivity Commission, Australia can establish itself as a global exemplar – demonstrating how nations can systematically build the creative confidence needed for productivity growth, business dynamism, and economic resilience in an increasingly complex world.

This submission supports and complements the one lodged for the interim report on creating a more dynamic and resilient economy, titled 'Creative Confidence: Essential Economic Infrastructure' (Belinda Tobin, 2025).

# What Is Creativity?



Each person reading this document brings a unique set of ideas about what creativity is, with these beliefs shaped by the opinions of our parents, teachers, peers and our own recent experiences. As a result, there can be significant confusion surrounding the word 'creativity,' with it frequently being conflated with arts and crafts. While creativity certainly includes all forms of artistic expression, it is far more fundamental than this narrow conception.

Anything (be it an idea, product, process, service or system) is creative when it is both original in its context and judged useful or impactful for its intended purpose.

The widely accepted definition, documented by researcher Teresa Amabile, defines creativity as "the production of novel and useful ideas" (Amabile, 1996). This understanding has been adopted by academics and practitioners, leading to the recognition that creativity is the ability to deliver something new and valuable.

# What Is Creativity? (cont'd)

Creativity = Novelty + Value.

Both novelty and value are contextual concepts, assessed individually by each person involved. For example, a technological system may be groundbreaking to a small organisation. However, it can be considered business-as-usual to a large corporation that has made investments in digital transformation. Similarly, what may be deemed a valuable innovation by one stakeholder due to its impact on efficiency can be perceived as simply disruptive by another who sees negative effects on customer service.

Moreover, there are many different levels of novelty and value. The following table outlines a commonly adopted model developed by Kaufman and Beghetto (2009), which illustrates a spectrum of creativity ranging from personal insights to paradigm-shifting breakthroughs.

*Table 1 – Levels of creativity*

| C Level | New To | Description | Examples |
|---|---|---|---|
| **Mini-c Creativity** | An individual | A new and personally meaningful insight. | A frontline worker discovering a more efficient way to process applications, even if that method is already known elsewhere. |
| **Little-c Creativity** | The immediate environment | Incremental changes to existing, routine processes. | Amending a training protocol that improves team performance or improvements to communication processes that increase stakeholder engagement. |
| **Medium-c Creativity*** | The immediate environment | New but conventional processes in line with the current way of thinking. | Development of custom reporting dashboards that centralise and streamline decision-making. |
| **Pro-c Creativity** | Professional domains | Radically new processes and products that divert from the current way of thinking. | Policy innovations that are adopted across jurisdictions or the application of private sector models to public sector contexts. |
| **Big-C Creativity** | Entire fields or cultures | Innovations that change entire domains or societies, be it domestically or globally. | Transformational technologies that reshape public service delivery or trade relationships that reinvigorate entire nations. |

** The Medium-c Creativity level is an addition to the typology made by Glenn Houtgraaf (2022a) to support his analysis of creativity within the public sector. Further information is provided below.*

While the Pro-C or 'new-to-the-world' innovations garner significant attention and investment, as reported by the Productivity Commission (2023), they only emerge from the 1-2% of Australian businesses operating at the technological frontier. Likewise, it has been found that in the public sector, only 20% of reforms fit this revolutionary characteristic. Most of the creativity coming out of both the private and public sectors comprises the mini-c and medium-c creativity and is focused on reacting and adapting to external forces or making internally driven incremental improvements.

# What Is Creativity? (cont'd)

Nevertheless, these lower levels of creativity are essential because this is where all innovation begins. Something cannot be new to the team, agency, community or the world until it is first new to the inventor. Personal insights always precede expansive change, and in this way, creativity always first comes from an individual.

Given the definition of creativity as simply comprising novelty and value, and the recognition that it occurs at different scales, it is easy to see how it is found in all aspects of our lives. Yes, it appears in the arts, but creativity is core to effective education, building personal and professional relationships, solving problems and for individual and organisational resilience.

Most relevant to the Productivity Commission's current lines of inquiry, creativity is also the driver of productivity improvements and is at the heart of achieving dynamism, resilience and reform.

# Creativity Powers Productivity

It is recognised that there is an imperative to improve productivity across the nation, and that two key mechanisms to achieve this are through encouraging innovation diffusion, especially in the non-market sector and fostering an adaptable workforce (Productivity Commission, 2023).

These outcomes are essential; however, it must be realised that they all require creativity as a precursor to achieve meaningful change.

Creativity:

- Powers productivity
- Drives dynamism
- Empowers resilience
- Is the forerunner of reform
- Is paramount for solving wicked problems
- Positively influences individual wellbeing

# Creativity Powers Productivity

In response to the continual decline in productivity, the government has developed an ambitious five-pillar agenda with a focus on empowering people, investing in skills, reforming key systems, and embracing new technologies. Ultimately, though, it has been acknowledged by Alex Robson, the Deputy Chair of the Productivity Commission (Productivity Commission, 2025b), that there are two fundamental requirements for growth:

1. New ideas
2. The application of the new ideas.

Therefore, the solution to productivity is creativity – the development and implementation of new and valuable ideas.

At the individual level, studies clearly show that creativity has a direct and positive effect on job performance by improving such qualities as independence, confidence, openness to risk and resilience (Duarte et al., 2021). Moreover, creativity is at the core of people's ability to solve problems, build positive relationships, harness the power of innovation, and, most importantly, is core to their physical and mental wellbeing, all factors which improve their quality of life every day and contribute to their overall work capacity.

Organisations that invest in creative cultures consistently outperform their less creative counterparts across multiple productivity metrics. Comprehensive research by Basadur (1993) demonstrates that organisational creativity delivers measurable economic outcomes, including increased efficiency, higher quality output, lower costs, faster project completion times, and improved resilience in the face of unexpected challenges.

Organisations with creative cultures also experience significant people outcomes that support productivity: higher job satisfaction, increased motivation and commitment, better teamwork, reduced turnover and absenteeism, and enhanced strategic thinking capabilities throughout the organisation. The evidence shows that these benefits compound over time, with creative organisations developing superior resource allocation capabilities and more effective decision-making processes that not only deliver but sustain productivity advantages.

Similarly, nations that concentrate on building the creative capacity of their people reap the rewards of enhanced productivity. OECD research provides compelling evidence that strong cultural and creative sectors (CCS) function as direct drivers of productivity through four main spillover mechanisms: supply chain linkages that embed creative inputs throughout the economy, geographic proximity effects that generate innovation clusters, skills movement that transfers creative capabilities across sectors, and collaboration networks that facilitate knowledge exchange and co-innovation (OECD, 2021c).

Interestingly, research also confirms that highly educated people working in creative occupations are the most relevant component in explaining total factor productivity (Marrocu & Paci, 2012). Therefore, if governments are committed to achieving productivity gains, making substantial investments in CCS is an evidence-based initiative that would generate economy-wide spillover effects.

## Creativity Drives Dynamism

Creativity serves as a fundamental driver of economic dynamism by enabling businesses to identify new opportunities and generate novel solutions to changing customer needs and market conditions. Research demonstrates that founder creativity is positively correlated with business growth, as creative leaders actively seek out new business opportunities, make more valuable discoveries that drive the creation of new value, and maintain competitive advantage through innovative thinking (Li et al., 2022).

At the organisational level, creativity fosters business model innovation by helping founders break down cognitive barriers and overcome organisational inertia, leading to new ways of value creation and propositions that meet diverse customer needs (Li et al., 2022). The dynamic effects of creativity extend beyond individual firms, as creative individuals serve as catalysts for broader economic transformation by establishing new enterprises that demonstrate high potential for innovation and employment generation. Such organisations are also able to compete effectively in dynamic environments, strengthening the overall economy through their competitiveness, resilience and ability to solve complex problems.

## Creativity Empowers Resilience

Resilience is the ability to withstand, recover from, and emerge stronger following disruptions or challenges. It involves developing robust capacities that enable continued function and growth despite adverse conditions. For example, during the COVID-19 pandemic, health services demonstrated remarkable resilience by rapidly expanding telehealth, reorganising physical spaces, developing new protocols, and embracing new roles—ensuring continued care and safety for patients despite unprecedented challenges. When we talk about a resilient workforce, we are seeking one that can withstand technological disruptions, environmental shocks, and industry transformations while maintaining performance and wellbeing.

Being resilient is fundamentally about having the capability to respond creatively to challenges, with these creative responses delivering value by transforming adverse conditions into opportunities for growth and improvement. We have seen how the characteristics of newness and value combine to define creativity. So, in this way, resilience is also a creative act.
At the individual level, creative capability constitutes a fundamental cognitive resource that enables effective coping with stress, uncertainty, and change. It allows people to consider multiple perspectives, challenge established assumptions and generate alternative approaches to problems—precisely the psychological flexibility skills necessary for bouncing back from setbacks and thriving under pressure.

From an organisational perspective, creativity is a strategic imperative for institutional resilience. Organisations that systematically nurture creative capabilities demonstrate superior capacity to anticipate challenges, withstand disruptions, and emerge from crises stronger than before. This is because creativity enables rapid sense-making during ambiguous situations, supporting flexible decision-making processes, and fostering the experimental mindsets necessary for resilient recovery (Amabile & Kramer, 2011).

## Creativity Empowers Resilience (cont'd)

As organisational culture scholar Edgar Schein observed, resilient organisations actively cultivate environments where curiosity, experimentation, and open-mindedness are cultural norms rather than exceptional behaviours (Schein & Schein, 2017).

These creative cultures have tangible impacts on resilience. Research by Boston Consulting Group found that companies ranking in the top quartile for innovation capability were 2.6 times more likely to experience above-average growth rates and demonstrated superior resilience during economic downturns (Ringel et al., 2019). These organisations do not merely survive disruption—they proactively transform challenges into opportunities by encouraging employees to suggest process improvements, pilot experimental approaches, and collaborate across traditional departmental boundaries.

At the community level, creativity functions as both a catalyst for social cohesion and a mechanism for collective problem-solving. It has been found that communities with active creative sectors and strong creative engagement develop strong social capital, superior capacity to withstand challenges, maintain social cohesion during disruptions, and experience resilience recovery (OECD, 2021).

The Creative, Community, Wellbeing and Resilience Hub in New South Wales provides compelling evidence of creativity's role in community resilience. Established by the Blackheath Area Neighbourhood Centre in response to the devastating 2019-2020 bushfires, subsequent natural disasters, and the COVID-19 pandemic, the Hub delivered 217 workshops and events attended by more than 2,500 people over 18 months. The program integrated creative activities (art therapy, animation, writing, Indigenous crafts), practical skills (community gardening, bushfire preparedness), and wellbeing sessions (psychoeducation, support groups) (NSW Government, 2023).

Evaluation research found that participants reported increased confidence in coping with emergencies, stronger social connections, greater sense of community belonging, and measurably improved wellbeing. Most significantly, the creative components of the program appeared to enhance the effectiveness of practical resilience training by increasing engagement, improving retention of emergency preparedness information, and building the social networks necessary for effective collective response (NSW Government, 2023).

## Creativity Is The Forerunner of Reform

The word reform denotes the systematic improvement or amendment of policies, practices, institutions and industries that are no longer satisfactory or aligned with a government's agenda. It seeks to methodically weed out structures and systems that are outdated and recalibrate the settings so that they deliver the required outcomes.

We see public sector reform initiatives that promise greater efficiency, industrial relations reforms to improve the employer/employee relationship, regulatory reform programs aimed at lessening red tape and improving regulator performance, tax reform aimed at changing the way public funds are sourced and entire economic reform programs which seek to shift the dial on productivity and prosperity.

The promises made by reform programs are always very positive, although usually bathed in a great deal of caution, and this is understandable. A Harvard study reveals that around 25% of public policy reforms fail to achieve their advertised outputs. However, double this number, 50% of programs did not actually fix the problem they intended to solve (Andrews, 2018).
The OECD acknowledges this crisis bluntly: "Traditional approaches to public sector reform have not delivered the expected results, reflecting poor design and weak stakeholder participation," prompting government leaders worldwide to ask, "How do we reform differently?" (OECD, 2017a).

In asking this question, public sector leaders are calling for creative solutions to the way they deliver meaningful change for their citizens and communities. Not only are they looking for new and valuable ways to enact their governance responsibilities and structure their societal systems, but they are also seeking inspiration on how they undertake the fundamental work of reform more generally. They are asking not only what we change, but also how we become better at making the changes, and this requires creative thinking and creative action.

Reform demands substantial creativity because it requires the intellectual agility to identify what is genuinely broken within existing systems, the imaginative capacity to envision superior alternatives, and ingenuity to navigate the political complexities of implementation. The level of creativity required for successful reform is greatly underestimated—it demands divergent thinking to handle policy problems in new ways, the courage to question how things are done and generate new and hopefully better ways of working, and the sophisticated understanding of stakeholder dynamics necessary to build coalitions for change.

Without this creative foundation, reform stalls and becomes mere administrative shuffling—new policies that replicate old problems, updated procedures that preserve existing inefficiencies, and modernised rhetoric that masks unchanged practices. Creativity must precede the new policy frameworks, not emerge from it; the vision of improved governance must exist before the legislative drafting begins, because without that creative spark of reimagining what public service could be, reform delivers change but not the desired outcomes.

## Creativity Is Paramount For Solving Wicked Problems

In addition to the positive impact of creativity on productivity, dynamism and resilience, it must also be noted that it is a critical component in solving what are known as "wicked" problems - ones that arise from a complex, interconnected and ever-changing environment.

The United Nations Development Program undertook a comprehensive analysis of design thinking applications in government, which are interventions aimed at stimulating creativity. They found that such creative approaches deliver measurable benefits to public decision-making, including comprehensive problem perspectives, reduced duplication of efforts and policy inconsistencies, enhanced synergies, and better-addressed trade-offs, as well as a reduced risk of unintended consequences and a higher chance of delivering complete and lasting solutions (UNDP, 2019).

Therefore, if the government is committed to addressing the most pressing social issues affecting our communities, then investments in building creative confidence are crucial.

“The most creative people are motivated by the grandest of problems.” ~ Unknown

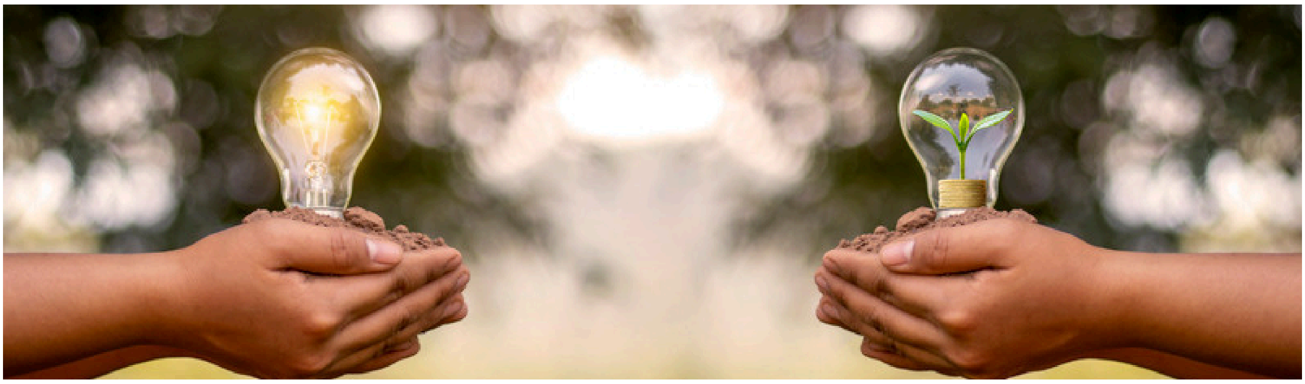
## Creativity Positively Influences Wellbeing

Most importantly, creativity is essential to human wellbeing. Creating something new, be it a piece of art, a vibrant garden, forming a positive social relationship or an improved work process, calls on our entire being and has significant positive effects on our mental and physical health.

Everything from improved cardiovascular and cognitive health (Motlagh et al., 2023; Zhao et al., 2018) to reduced stress (Kaimal et al., 2016) and disease prevention (Løkken et al., 2021) can be linked to creativity.

Creativity also has a positive effect on mental health by increasing positive emotions, reducing stress and anxiety, and enhancing overall psychological well-being. Research shows that engaging in creative activities promotes feelings of happiness, fosters purpose and self-expression, and can even help people better cope with emotional challenges and trauma.

Moreover, we all know wellbeing is a key driver of productivity. In this way, for the good of the people and for economic growth, creativity is a no-brainer. It is the fundamental capacity that drives all other desired outcomes.



# Creativity Balances Risk and Reward

As shown in Table 1, higher levels of creativity have greater degrees of novelty, while also offering opportunities for more significant impact (value).

However, with each successive step on the creativity ladder, there is a subsequent growth in risk. This is because it involves moving further away from the known and shifting into more radically new states.

There are pros and cons for each point on the newness spectrum that must be evaluated in the context of risk appetite and strategic goals. A snapshot of these is provided in the following table.

*Table 2 - The pros and cons of novelty*

| | Low Novelty | High Novelty |
|---|---|---|
| Pros | • Delivers quick wins and immediate improvements<br>• Precursors to higher-novelty approaches<br>• Build confidence, competence and reputation for more ambitious innovations<br>• Suited to risk-averse cultures<br>• Defined time boundary which is an advantage with limited government terms | • Delivers transformational change<br>• High payoff potential<br>• Ability for future-proofing outcomes<br>• May be seen as best use of available change resources<br>• Suited for risk-accepting cultures |
| Cons | • Limited transformational impact<br>• May be seen as simply maintaining the status quo and breed scepticism around creative capacity<br>• May receive criticism for poor use of change resources<br>• Prevents building capability and confidence in implementing newer approaches creating stagnation | • More likely to result in division around perceptions of value<br>• More susceptible to public criticism and scrutiny<br>• High risk - uncertain return on investment<br>• Requires intense change management resources<br>• Difficult to gain bi-partisan approval and to maintain momentum over successive governments. |

# Creativity Balances Risk and Reward (cont'd)

As this table outlines, low-novelty initiatives, those being new to the individual or organisation, are great for delivering fast results, addressing immediate needs for improvement and preparing teams for bigger leaps in the future. Teamed with a commitment to continual improvement, they have been shown to deliver significant cumulative improvements in service delivery and citizen satisfaction over time.

Recent research has confirmed that most creativity in the public sector (approximately 80%) is comprised of Little-c and Medium-c change (Houtgraaf, 2022), indicating that it also has low to medium levels of risk. A longitudinal digital diary study analysed creative ideas and practices of 141 public servants working in Dutch public executive agencies. The research revealed the following breakdown of creativity being applied by the respondents:

- 43% of ideas were classified as little-c magnitude - involving incremental adjustments and additions to existing products and processes.
- 37% were medium-c magnitude - representing new but conventional approaches that align with current thinking patterns.
- 20% were Pro-c magnitude - involving radically new processes and products that diverge from conventional approaches.

The findings confirm that the creativity observed in the public sector is fundamentally pragmatic and incremental in nature, with novelty characterised by small-scale adjustments or additions to existing systems. Additionally, in approximately 70% of cases, creative ideas were generated reactively in response to specific situations, problems, or stakeholder interactions, rather than being proactively anticipated as future opportunities.

Using the OECD categorisation of innovation, we can describe most of the creativity seen in the public sector as either enhancement-oriented or adaptive (OECD, 2021a).

*Table 3 - Innovation categories (OECD)*

| Category | Novelty Levels | Description |
|---|---|---|
| **Enhancement-oriented** | Mini-c to Medium-c Creativity | Build on existing structures and governance arrangements while achieving improvement in efficiency or effectiveness. |
| **Adaptive** | Medium-c Creativity | Testing and trying "new approaches in order to deliver a rapid response to emerging challenges or experimental approaches to known problems. |
| **Mission-oriented** | Medium-c to Pro-c Creativity | Changes to deliver on longer-term visions and goals or systematic responses to wicked problems. |
| **Anticipatory** | Big-C Creativity | Explores emergent issues that will shape future priorities and involves experimental policies and pilot programs. |

# Creativity Balances Risk and Reward (cont'd)

It can be argued that this is both reasonable and appropriate. Our government agencies are recognised for playing a crucial role in delivering stable and reliable services while also adapting to the evolving needs of citizens. It is this type of creativity that provides the balance between stability and sustainability. Additionally, it has been recognised that over time these incremental adjustments do add up to engender significant shifts in structures and systems.

Nevertheless, planning and preparation are necessary for more distant horizons, and without it, governments risk irrelevance and sliding backwards in terms of service quality and achievement of overarching outcomes. Action must be taken to anticipate change, and bigger leaps must be made if public agencies are to achieve longer-term visions.

Groundbreaking, high-novelty reforms can offer future-oriented rewards and place agencies and their communities ahead of the curve, but do come with higher risks, more scrutiny, greater complexities in implementation and uncertainty about outcomes. Given the greater likelihood of division around perceptions of value, there may be difficulty in gaining bipartisan support and sustaining the change initiatives over successive governments.

As is stated in the interim report, to date, policymakers and businesses have chosen to adopt less risk and therefore achieve less reward. In the case of government, this is impacting their ability to remain relevant, resulting in assertions that:

"Australia's governance is going backwards." (Daley, 2021)

This claim receives support from the most recent Responsive Government Survey (Global Government Forum, 2023), showing public servants are becoming less confident in their department or organisation's ability to respond to the changing needs of citizens. The continued decline in productivity is also a symptom of organisational and national cultures that choose to minimise both risk and reward and choose comfort over courage. How this balance may be rectified will be addressed later in the submission.

# Creativity Requires Confidence


Creative solutions always involve some movement into the unknown, and trying anything new always contains risk. This risk is borne by all those in the policy and regulation process.

- The citizens must bear the risk that the new way of working may make them worse off, and that the rewards gained from the changed behaviours may not be worth it.
- The public servants must bear the professional risk of presenting proposals that may be criticised by those averse to change, as well as the social risk of being rejected by those colleagues and citizens preferring the status quo.

# Creativity Requires Confidence (cont'd)

Given the entwined relationship between creativity and risk, it is understandable that a sense of confidence is required to enact any creative capability. While we may have the capability to think creativity or to change our actions to align with new situations, we must first feel both compelled and supported in this endeavour.

While creativity begins with an individual, it operates within a system, emerging (or not) from a rich mix of personal skill and beliefs, leadership behaviour, and broader societal boundaries around what is possible or acceptable. Creativity is either helped or hindered by multiple, interconnected layers of a national culture, as shown in the following diagram.

*Figure 1 - The multiple layers of the creativity system*


At the very heart of this system lies an individual's domain knowledge—the deep, personal, substantive expertise that provides the raw materials from which new ideas emerge. This domain core is essential because, as research consistently shows, people generate their most original ideas in areas where they hold deep expertise in any given domain. On top of technical skills, you can build capabilities around creativity, adding on such strategies as brainstorming techniques, creative problem-solving methods, design thinking and systematic innovation approaches.

However, the extent a person will utilise their creative capabilities to develop new or improved outputs is bound by a person's creative confidence. While there can be a considerable investment made to boost individual skills, the effectiveness will always be limited by how people see themselves and their own creative potential. Creative confidence (also called creative self-belief) shapes how, when, and if creativity is expressed and is comprised of two distinct but interconnected components (Beghetto & Karwowski, 2017).

# Creativity Requires Confidence (cont'd)

**1. Growth creative mindset**
A growth creative mindset refers to the extent to which a person believes that creativity is a skill that can be developed. Research by Karwowski (2014) using the Creative Mindset Scale found that individuals with growth-oriented beliefs about creativity showed a greater willingness to engage in creative tasks and demonstrated more persistence when initial attempts were unsuccessful. Additionally, the OECD makes it clear that:

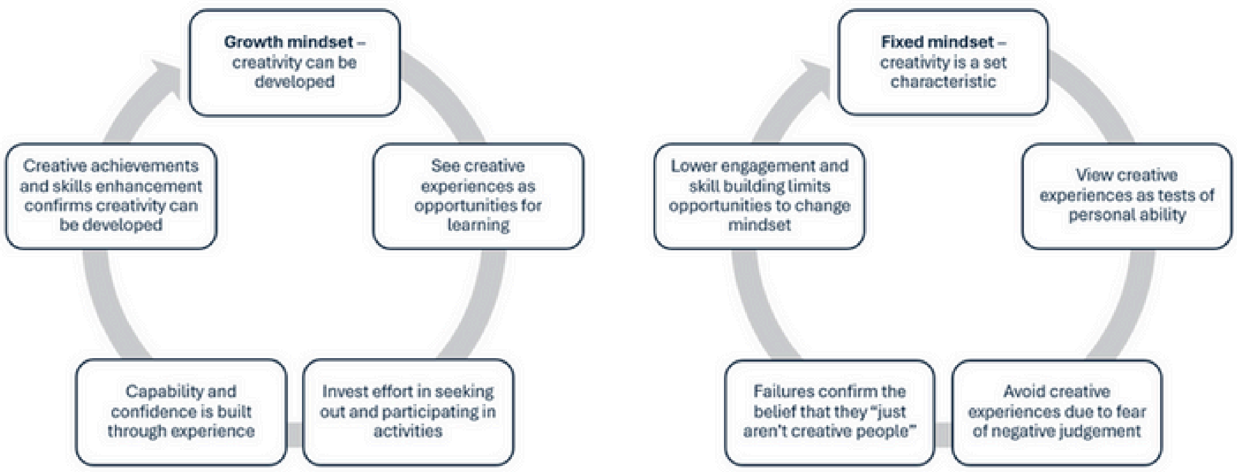
"Holding a growth mindset about creativity, along with higher levels of imagination and adventurousness, openness to intellect, curiosity, perspective taking and persistence, are all positively associated with better creative thinking performance." (OECD, 2024).

**2. Creative self-efficacy**
Creative self-efficacy refers to the belief that a person can successfully engage in creative activities and overcome related challenges (Beghetto & Karwowski, 2017). Individuals with high creative self-efficacy are more likely to initiate creative projects, set challenging creative goals, persist through difficulties, and recover from setbacks (Pretz & Nelson, 2017).

Creative self-efficacy has also been found to be a significant predictor of creative performance in organisational settings, as indicated by idea generation, the development of novel solutions, and the implementation of new and valuable approaches to tasks (Gong et al., 2009; Jaiswal & Dhar, 2017).

While growth mindset and creative self-efficacy are distinct constructs, they operate in a sequential, interdependent relationship, working to either enhance or erode creative confidence, as illustrated in the following diagrams.

*Figure 2 - The reinforcing cycles of growth and fixed mindsets*



# Creativity Requires Confidence (cont'd)

Creative confidence then essentially answers the question: "Will this person engage creatively when the opportunity arises?" These findings hold important implications for creativity training interventions, making it clear that while investing in specific creative skills is beneficial, without equal support to build growth mindsets and creative self-efficacy through practical experience, these skills may deliver little tangible benefit.

As shown in Figure 1, creative confidence is influenced by an individual's own personality and preferences but also by the climate of the team they have around them (including family, friends, coworkers and classmates), the broader community cultures in which they live and work, and the social context of their country. In Australia, a lack of risk appetite is identified as a substantial barrier to innovation at the national level (Australian Parliament, 2015). It is public narratives that prioritise risk aversion, accountability, and cost efficiency that can create fear around innovation, particularly when failure in the public domain attracts significant scrutiny.

Therefore, enhancing creative capability requires not only a multi-layered but also an integrated approach.

We have heard that creativity is the driver of productivity, dynamism and resilience, as well as individual and community wellbeing. Our prosperity relies on people being creative by instigating and implementing new and useful ideas. More specifically, the achievement of the ambitious productivity growth and regulatory reform agenda of the Australian Government rests upon the creative confidence of our public servants.

Here lies the crucial issue and opportunity for Australia's public service – how can we improve creative confidence?

# Creative Confidence Is Imperative With AI

As artificial intelligence tools become increasingly integrated into educational and workplace environments across all sectors, there is compelling evidence for their potential to enhance individual creative output. Research demonstrates that AI-assisted creative work can produce measurable improvements, with generative AI increasing novelty by 5.4% and usefulness by 3.7% in creative writing tasks. When users can choose from multiple AI suggestions, these improvements reach 8.1% in novelty and 9.0% in usefulness, representing genuine creative enhancement rather than mere efficiency gains (Doshi & Hauser, 2024).

The democratising effect proves most pronounced for those initially struggling with creativity, with individuals scoring low on divergent thinking tests showing creativity gains of 10.7% and usefulness improvements of 11.5% when AI-assisted. AI tools can promote divergent thinking by forcing associations among remote concepts and enabling users to explore novel combinations they might never have considered independently (Doshi & Hauser, 2024).

However, the widespread adoption of AI technologies without conscious attention to the development of creative confidence poses significant risks that could undermine these benefits. Research reveals that frequent AI tool usage correlates negatively with critical thinking abilities, with a comprehensive study of 666 participants finding that cognitive offloading—delegating cognitive tasks to AI rather than engaging in deep analytical reasoning—was inversely related to critical thinking performance (Gerlich, 2025). Most concerning, younger participants aged 17-25 showed the highest dependence on AI tools and correspondingly lower critical thinking scores, with these deficits persisting even when attempting cognitive work without AI assistance.

The risk of AI dependence creates a paradox at the heart of AI adoption. While the technology can enhance individual creativity, it simultaneously risks creating learned helplessness that erodes the very creative confidence needed to harness AI's power effectively. When individuals reflexively reach for machine assistance rather than struggling productively with ambiguity and challenge, they surrender opportunities to strengthen their own imaginative skills. AI reliance can lead to lower creative self-efficacy, building a generation trained to assume their own resourcefulness is irrelevant (Doshi & Hauser, 2024; Gerlich, 2025).

Additionally, while AI enhances individual creativity, it paradoxically reduces collective novelty through algorithmic homogenisation. As more people turn to AI for creative input, the pool of ideas grows increasingly similar rather than diverse, creating what researchers term "model collapse", where machines training on their own outputs progressively narrow the possibility space for truly original thinking (Landis, 2024).

Therefore, it is recommended that investments in AI adoption and training across both the educational and public sectors be matched with investments in building creative confidence. Any comprehensive AI adoption strategy—whether in schools responding to the Productivity Commission's recommendations on educational technology or workplaces seeking productivity gains—must prioritise building creative confidence alongside technological capability. Without conscious investment in creative growth mindsets and self-efficacy, AI risks creating a workforce characterised by dependency rather than adaptability, conformity rather than innovation, and algorithmic compliance rather than the creative courage needed to address complex challenges and drive genuine productivity growth.

# Creative Confidence – The Core Capability for Regulatory Stewardship


Draft recommendation 2.3 in the interim report discusses the need for public servants to become accountable for “delivering growth, competition and innovation through regulatory systems” and that central agencies should “provide capability building to help them become regulatory stewards".

To support this role, shifts in the "culture and architecture around decision making" are required.

The Productivity Commission has acknowledged that to shift the existing incentives to risk aversion, a significant counterweight is needed. Creative confidence is the capability that has the potential to bring the risk and reward decisions into better balance and build a culture that supports innovation and reform at every level.

## Creative Confidence Reduces Risk Aversion

Traditional public sector risk aversion stems from accountability pressures, political scrutiny, and bureaucratic structures that punish failure more than they reward innovation. Creative confidence provides public servants with the psychological resources to navigate these constraints by building confidence in their ability to generate viable solutions, developing resilience to criticism and setbacks, and fostering the belief that creative capabilities can be improved through practice. Research demonstrates that creative self-efficacy—the belief in one's ability to engage in creative activities and overcome challenges—directly influences willingness to take the adaptive risks essential for innovation in public service contexts (Beghetto et al., 2021).

A creative growth mindset also transforms how public servants perceive failure and setbacks. Instead of viewing mistakes as threats to career security, those with growth mindsets see failures as learning opportunities and stepping stones to improvement. This psychological shift reduces the fear that underlies much risk-averse behaviour. Research by Tyagi et al. (2017) demonstrates that creativity is specifically associated with social risk-taking—the willingness to challenge norms, present unconventional ideas, and advocate for change despite potential criticism. In the public sector context, this translates to confidence in proposing innovative policy solutions, challenging established processes, or driving reform initiatives.

The leadership pipeline effects are particularly significant. Leaders' creative confidence directly influences their teams' willingness to innovate, with public sector leaders who possess high creative confidence creating environments where staff feel supported to take calculated risks, propose improvements, and experiment with new approaches. This breaks the cycle where risk-averse leaders perpetuate risk-averse cultures throughout their organisations. Creative confidence enables what researchers call "adaptive" or "sensible" risk-taking—calculated risks where potential benefits outweigh costs—which is precisely what public servants need to balance innovation with responsible stewardship of public resources.

## Creative Confidence Is Critical At All Levels

The interim report presents a series of system fundamentals to support reform, with the people and culture element stating that public servants are to become "effective regulatory stewards who are empowered to effect change." However, the reality is that public servants cannot effect change if they are not first comfortable with change themselves. Moreover, change inherently denotes creating something new, requiring public servants to be confident in their role as creators. Creative confidence is, therefore, the core capability that will enable them to take on the proposed role of regulatory stewards and effect meaningful change.

## Creative Confidence Is Critical At All Levels (cont'd)

Yet it is not sufficient to expect only frontline policy and regulation makers to develop creative confidence. As shown in Figure 1, creativity operates within contexts, and team and organisational environments play a crucial role in determining whether an individual's creative potential will be enacted. Even the most motivated public servant can have their creative capacity undermined by hierarchies that fear change and lack confidence in their own creative abilities. Asking public servants to be creative and motivated to effect change, without extending the same expectations to those above them who will approve or reject their recommendations, is at best counterproductive and at worst systematically destructive. It will breed hopelessness and cynicism that will impact the feasibility of future initiatives and negatively affect the individual officer's sense of safety and wellbeing.

The interim report correctly identifies that fostering a sense of stewardship will aid in achieving autonomy, mastery, and purpose, which in turn influence intrinsic motivation and lead to action towards meaningful change. However, this must be viewed within the broader organisational context in which each individual operates. Individual motivation does not exist in isolation—it is either supported or suppressed by the creative confidence of those throughout the regulatory chain, including policy and regulatory developers, ministers and cabinet, central agencies, parliamentary committees, and other scrutineers, such as the Office of Impact Analysis (OIA).

Therefore, achieving the Productivity Commission's goal of "transformative cultural change among both the policymakers who create and manage regulations and the regulators who implement them" requires an integrated, holistic, and comprehensive approach to building creative confidence at all levels. Public servants at every level must see themselves as creators and develop the confidence to advance their capabilities. This is not merely desirable—it is essential for systemic change.

# Creative Confidence in Public Sector Culture Change

As Landry and Caust (2017) observed, "A creative city cannot just be an add-on to an unimaginative bureaucracy. It has to flow from an imaginative bureaucracy." Likewise, a dynamic and resilient economy cannot be an add-on to a bureaucratic system that is uncreative and unconfident. It must flow from a creative and confident bureaucracy. The government and the public sector it guides cannot expect to effect change without first changing themselves—a principle the Productivity Commission recognises when calling for the public service to lead by example.
This submission, therefore, recommends a comprehensive cultural change program for the public sector focused on creative confidence, incorporating four essential components:

**Assessment of the current state of creative confidence within the public sector.** Using methodologies adapted from existing OECD PISA tools that measure creative growth mindsets and creative self-efficacy, a comprehensive baseline assessment should be conducted across all levels of the public service. This assessment would examine creative confidence among frontline policy officers, middle management, senior executives, and leadership teams to identify current strengths, deficits, and variations between agencies, departments, and jurisdictions. Establishing this baseline is essential for designing targeted interventions and measuring the effectiveness of future programs.

**Research into suitable creative confidence interventions for public sector contexts.** Drawing on effective programs already proven successful in the Cultural and Creative Sectors and educational contexts, systematic research should be conducted to identify, adapt, and test creative confidence interventions specifically designed for public sector environments. This research should focus on developing programs that build both creative growth mindsets and creative self-efficacy while addressing the unique challenges, constraints, and accountability requirements of public service. Particular attention should be given to interventions suitable for public sector leaders, given their disproportionate influence over organisational cultures and their teams' creative expression.

**Embedding creative confidence programs into public sector culture change programs at all levels and across all agencies**. Creative confidence development should become a mandatory component of all current and planned cultural change initiatives throughout the public sector, from policy development units to regulatory agencies to central coordinating bodies. This embedding should ensure that creative confidence building is not treated as an optional add-on but as foundational infrastructure necessary for effective change. Programs should be designed to create mutually reinforcing environments where creative confidence is developed simultaneously across hierarchical levels, ensuring that staff developing creative capabilities are supported by leaders who possess and value these same capabilities.

Creative confidence is not a panacea—public institutions are too complex for simple solutions. However, it is an essential foundation for any program of cultural change and a key enabler of effective transformation. Without it, calls for public sector innovation and reform remain aspirational rather than achievable.

# Australia – A Creative Country

The transformation of Australia's public sector to embrace creative confidence cannot occur in isolation from the broader social and cultural context in which public servants operate. Public servants exist within communities, and their capacity to effect meaningful change is fundamentally constrained by the social permission and cultural support they receive from the citizens they serve. Just as individual creative confidence is shaped by organisational environments, public sector creative confidence is shaped by national culture and community expectations.

Australia's recognised risk aversion significantly impacts our ability to innovate, adopt existing innovations, and adapt them to local contexts. This cultural characteristic creates a self-reinforcing cycle where risk-averse communities elect risk-averse leaders who appoint risk-averse public servants, perpetuating a system that systemically discourages the creative confidence necessary for meaningful reform and adaptation. The same creative confidence development we require from public service institutions and governments must therefore extend across all communities and sectors of Australian society.

Breaking this cycle requires a coordinated national program of creative confidence development, underpinned by an inspirational vision that positions Australia as a creative country. This vision represents more than aspiration—it provides a framework for systematic investment in the foundational capability that drives productivity, innovation, resilience, and dynamism across all sectors of the economy and society. To achieve this vision, the following actions are recommended.

**Formal recognition for creative confidence.** The Productivity Commission should formally recognise creative confidence as a foundational skill that must be fostered and as essential reform infrastructure—a critical input to productivity and resilience outcomes. This recognition would position creative confidence alongside physical infrastructure, digital infrastructure, and human capital as a core element of Australia's economic foundation. Given the compelling evidence linking creative confidence to productivity, innovation, and adaptability, this warrants consideration as a topic for a future Productivity Commission inquiry to develop comprehensive policy frameworks and measurement approaches that can guide systematic national investment.

**National measurement.** The current Measuring What Matters wellbeing framework includes measures around productivity and innovation, which research demonstrates are outputs of creative confidence. Including a lead indicator, such as creative confidence or a creative growth mindset, would ensure this framework captures the vital inputs that drive broader economic objectives. This national recognition and measurement would set the scene for broader national discussion about the importance of creative confidence to both individual wellbeing and economic prosperity, while providing baseline data to track progress over time and inform evidence-based policy development.

## Australia – A Creative Country (cont'd)

**Leveraging Australia's Cultural and Creative Sectors.** A specific and significant component of positioning Australia as The Creative Country involves recognising and harnessing the power contained within Australia's Cultural and Creative Sectors (CCS). OECD research demonstrates that strong CCS functions as a direct driver of productivity through supply chain linkages, geographic proximity effects, the transfer of creative capabilities across sectors, and collaboration networks that facilitate knowledge exchange and co-innovation (OECD, 2021). Australia's CCS represents a natural laboratory where creative confidence is actively developed and sustained, offering valuable insights for addressing broader workforce creative confidence deficits.

Systematic research should be undertaken to identify how creative confidence is fostered within creative industries and to adapt these practices through existing spillover mechanisms to build creative confidence in non-creative sectors, including manufacturing, healthcare, finance, and public administration. This approach recognises that Australia already possesses significant expertise in developing creative confidence—it simply needs to be systematically studied, scaled, and transferred across the broader economy.

**A coordinated national cultural change initiative.** Central to all these efforts should be a coordinated national culture change initiative promoting Australia as a nation where creative confidence is recognised, valued, and systematically developed as essential economic infrastructure. Supporting initiatives could include Creative Confidence Centres of Excellence that facilitate knowledge transfer between sectors, national frameworks and assessment tools that enable consistent measurement and development, cross-sector collaboration programs that create opportunities for creative confidence spillovers, and public awareness campaigns that celebrate creative confidence as a core Australian value. It is acknowledged that such change programs can take decades to fully take effect; yet, for Australia's long-term prosperity, a shift in our social psyche is essential.

These initiatives would establish Australia as a global leader in developing creative confidence as economic infrastructure, creating a distinctive national competitive advantage while demonstrating how nations can systematically build the foundational capability for sustained productivity growth, innovation capacity, and resilience across all economic sectors. Most importantly, they would create the cultural context necessary for public sector creative confidence to flourish, ensuring that Australia's governance institutions have the social permission and community support needed to drive the transformative change the nation requires.

# Finding A Better Balance Between Risk and Reward


We have seen in the previous section how focusing on creative confidence can have many significant and positive ramifications on risk aversion.

It acts as a catalyst for achieving a better balance between being constrained by risk and the achievement of regulatory objectives.

Once reform of any nature is viewed as a creative act, as itself a form of innovation, it opens doors to utilising other creative tools to advance these programs.

# The Portfolio Approach

One such tool is the OECD portfolio approach to innovation (OECD, 2021a), which helps organisations understand the levels of creativity (and thus risk) being applied and provides a visual view of where opportunities exist for a better spread of novelty and impact.

Portfolio management is a strategic approach that involves selecting, prioritising, and overseeing a collection of projects, programs, or initiatives to:

- Optimise the achievement of organisational goals
- Balance risk, resources, and potential benefits.

By spreading change projects across both the various levels of novelty and organisational layers, a distributed approach to progress can be developed, ensuring continual improvements are teamed with transformational change to achieve the desired organisational and community outcomes.

Not only is the portfolio approach effective for future planning, but it is an effective way to show the current approach to creativity across the organisation and understand the cumulative level of change occurring across all divisions and functions. Mapping out the holistic innovation portfolio also helps make informed decisions about resource allocation, identify potential synergies and gaps and check alignment with the organisational risk appetite.

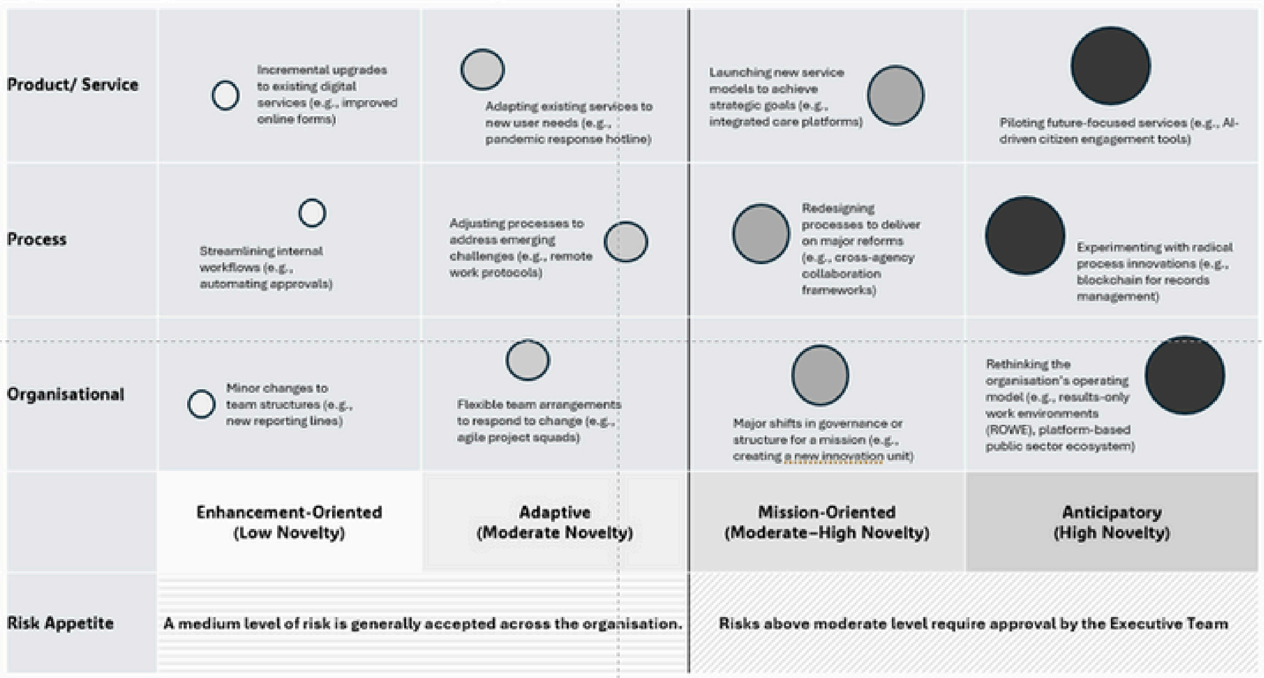
On the following page is just one example of a portfolio map that shows different areas of organisational focus, and the type of projects found at each level of novelty. Internal programs are identified along with those being delivered to customers and clients, providing an expansive view of the extent of change being experienced within the organisation, and that being expected by external parties.

The portfolio approach is a powerful tool for seeing how creative projects, whether innovations or reforms, can be spread across various baskets, allowing for the conscious and effective management of risks and rewards. By proactively deciding where resources will be invested across all types of change, an agency can find both short-term wins and long-term legacy.

Examining regulatory reform through the lens of a portfolio of creative projects enables a more informed level of intelligence, both in planning and executing initiatives. It also calls on leaders to clarify the level of newness required to deliver on the desired outcomes and how some quick wins at lower levels may offset this. This approach also allows ministers, cabinet and oversight bodies to specify the risk appetite for each segment and the protocols about approvals above the agreed targets.

The portfolio approach also provides the opportunity for clarity, with the visual representation enabling the following questions and insights into the current and preferred level of risk and reward.

*Figure 3 - Example of an Innovation Portfolio Map*




- What is the goal of this initiative (to enhance, adapt, achieve our mission or anticipate future change)?
- What level of novelty is required to achieve this outcome?
- What is the risk tolerance of our stakeholders and communities around this issue?
- Do we need to match novelty to the current risk tolerance or shift the risk tolerance over time?
- In which areas have our focus on enhancement-only meant we have fallen behind technological or social change?
- Where can we increase input from a diverse range of experts and perspectives to help us understand new solutions outside our direct experience?
- Can we develop a reform portfolio to show the current spread of novelty and risk/reward balance?
- How can we leverage the current lower levels of creativity to build confidence in more impactful initiatives?

This submission therefore recommends that, if not already employed, regulatory reform initiatives adopt a portfolio approach to ensure an appropriate balance between higher-risk, higher-reward transformational initiatives and lower-risk incremental improvements that collectively advance regulatory objectives. Such a portfolio approach would enable agencies to consciously distribute regulatory reform efforts across different levels of novelty and risk, ensuring that ambitious transformational changes are balanced with pragmatic enhancements that deliver immediate value while building organisational confidence for more significant innovations.

By systematically mapping regulatory reforms across this portfolio framework, agencies can demonstrate responsible stewardship while maintaining the creative confidence necessary to pursue breakthrough solutions to complex regulatory challenges, ultimately achieving both short-term improvements and long-term legacy outcomes that serve the public interest.

## Balancing Risk and Reward With Resilience

One of the key objectives of this productivity pillar is resilience, which is needed not only in businesses and communities but also within the public service itself. As discussed, every creative project and every reform will involve some risk. Even with all the best mitigation and management tools in the world, not every factor can be adequately addressed, and there will inevitably be a failing of some kind. That is why, in addition to the risk and reward considerations, an equal focus must be placed on resilience.

Public servants involved in regulatory reform can better balance risk and reward by incorporating resilience as a third, stabilising element in what Roberts (2023) terms a "Risk, Reward, and Resilience Framework"—creating a reform triangle where these three elements dynamically balance each other rather than operating as a simple risk-reward trade-off.

*Figure 4 - The Risk, Reward, and Resilience Framework (Roberts, 2023)*


This framework recognises that resilience—comprising absorptive, adaptive, and transformative capacities—enables systems to withstand shocks while maintaining core functions, thereby allowing for greater risk-taking in pursuit of meaningful rewards (Roberts, 2023).

Applied to regulatory reform, this triangular approach would enable public servants to pursue transformational policy innovations (high risk, high reward) when supported by strong institutional resilience, while simultaneously implementing incremental improvements (lower risk, moderate reward) that build system capacity over time. The framework provides a systematic method for assessing when ambitious regulatory experiments are justified by the system's absorptive capacity and adaptive capabilities, moving beyond traditional risk-averse approaches to embrace what Roberts (2023) calls "contextually appropriate" balance where "the risk may still be worth taking if resilience is high."

## Balancing Risk and Reward With Resilience (cont'd)

This submission therefore recommends, if not already a part of regulatory reform practice, the formal adoption of the Risk, Reward, and Resilience Framework into development and decision-making processes across government agencies. This integration would require regulatory impact assessments to explicitly evaluate not only potential risks and rewards but also the resilience capacity of affected systems, stakeholders, and communities.

Decision-making frameworks should be updated to include resilience assessments that examine absorptive capacity (the ability to withstand regulatory shocks), adaptive capacity (the ability to adjust to new regulatory requirements), and transformative capacity (the ability to fundamentally restructure in response to regulatory change).

By systematically incorporating resilience considerations, public servants can make more informed decisions about when ambitious regulatory reforms are appropriate and how to sequence implementation to build system capacity over time, ultimately enabling a more balanced and strategic approach to regulatory innovation that serves both immediate needs and long-term public interest.

# Conclusion

While there may be some confusion around the word ‘creativity’, this submission has shown that regulatory development specifically and reform more broadly are creative acts. They seek to bring about new practices and behaviours to achieve a valuable objective. In this way, the public servants responsible for regulation and reform are creators, and so to fulfil their job as regulatory stewards, they must be confident in their creative role.

Creative confidence—the combination of creative growth mindsets and creative self-efficacy—therefore represents essential reform infrastructure that must underpin Australia's efforts to create a more dynamic and resilient economy.

The evidence presented shows that creative confidence drives productivity through enhanced problem-solving capabilities, engenders dynamism through the creation of new business opportunities and competitive advantages, builds resilience through cognitive flexibility and adaptive responses to challenges, and serves as the forerunner of meaningful reform by generating breakthrough solutions to complex problems. Given the crucial role it plays in the effective fulfilment of the regulatory steward role, it must become a central part of public sector cultural change programs.

Creative confidence also has direct and positive impacts on the ability of policymakers and regulators to balance risk and reward, and so is a vital lever by which governments can influence a greater focus on the achievement of objectives. Other proven techniques to assist this balance including utilising a portfolio approach to regulatory reform projects and including considerations of resilience to better inform contextual assessments.

This submission also shows that creativity is a multi-layered phenomenon that requires supportive environments to flourish. In addition to the concentrated effort required to build it within the public sector culture, it also needs to become a core national characteristic. Therefore, this submission also presents an opportunity for Australia to be positioned as a creative country.

There is the potential to leverage the power and expertise of our vibrant CCS to undertake a concentrated national cultural change program to address the risk aversion that may be impeding innovation and to establish strong foundations for future growth. It is recognised that such cultural shifts can take decades to bear fruit; however, they are imperative if Australia is to achieve the desired innovation and productivity growth objectives and the wellbeing of future generations.

# Recommendations

There are nine recommendations aimed at establishing creative confidence as reform infrastructure and building a distinctive national competitive advantage.

**INTERIM REPORT: Information request 2.5 - What levers does the government have to help promulgate and embed a culture of regulatory stewardship within the APS?**

## 01

**Formal recognition of creative confidence as essential reform infrastructure.**

## 02

**Further inquiry by the Productivity Commission to determine the current state of creative confidence within the regulatory agencies, specifically, and in the public sector more broadly.**

## 03

**Embed creative confidence programs into all public sector culture change initiatives to ensure this foundational capability is fostered at every level and across all agencies.**

## 04

**Match all AI investments with creative confidence-building initiatives to prevent learned helplessness, homogeneity and the further degradation of creative confidence.**

## Recommendations (cont'd)

INTERIM REPORT: Information request 2.4 - What are the constraints that impede regulators and policymakers from better balancing risk and growth objectives? What guidance can governments give to help?

### 05

**Introduce targeted creative confidence interventions to support the public servant role as regulatory stewards and to assist leadership at all levels to establish creatively confident cultures.**

### 06

**Adopt a portfolio approach to regulatory reform to ensure an appropriate balance between transformational and incremental initiatives.**

### 07

**Integrate the Risk, Reward, and Resilience Framework into regulatory development and decision-making processes to ensure comprehensive and contextual assessments.**

ADDITIONAL RECOMMENDATIONS: to support a holistic approach to building creative confidence across Australia.

### 08

**Include creative confidence in the Measuring What Matters wellbeing framework to ensure this vital lead indicator for innovation and productivity is acknowledged and monitored for improvement.**

### 09

**Undertake a comprehensive national cultural change program to position Australia as a creative country and to bring about necessary societal shifts to support dynamism, resilience and productivity.**

## Recommendations (cont'd)

These recommendations collectively address the current cultural deficits that constrain public servants from acting as effective regulatory stewards and Australia's ability to achieve the dynamism and resilience desired. By positioning creative confidence as essential reform infrastructure and implementing systematic approaches to its development within the public sector, Australia can establish itself as a global exemplar of how governments can build the foundational capabilities necessary for sustained productivity growth in an increasingly complex world.

The path forward requires coordinated action across education, public sector development, and national culture change. However, the opportunity is significant: to transform Australia from a risk-averse nation constrained by fixed mindsets into a dynamic, creative country—a nation where creative confidence and resilience flourish as the foundation for innovation, productivity, and prosperity.

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# About The Author

Belinda Tobin holds a BCom from the University of Wollongong and an MBA from the University of Queensland. She spent her early career consulting on governance and strategy to multi-national corporations and implementing change projects in governments across Australia. Over the last 20 years, she has shaped the governance, strategy, and performance systems in various Queensland state government agencies, providing her with deep insights into the practical challenges of driving productivity, innovation, and adaptability in large-scale organisations.

Through her personal creative pursuits, Belinda has realised the power of creativity as a fundamental driver of meaningful change. To this end, she has spent the last few years researching and writing about creativity's nature and preconditions, integrating her extensive public sector expertise with lived experience and academic investigation. She has published **Understanding Creativity**, which provides a comprehensive view of creativity from multiple perspectives. In 2025, she published **Create Your Classroom**, which illustrates the importance of creativity not only for the educational sector in general but also as a personal imperative for all educators.



Her forthcoming book, **Creativity: The Energy Powering All Public Sector Change**, will demonstrate how creative confidence is the core driver behind all innovation, transformation, reshaping, and reform, and how it is the public sector leader's own creativity that precedes every change. Through her proprietary model, The Creative Energy Equation, she shows how public sector leaders and agencies can harness the power of creativity for flourishing in both their personal and professional lives.


Through her consultancy, Belinda helps organisations of all kinds understand the power of creative confidence and supports individuals to foster it for themselves. Her unique combination of governance and strategy expertise, public and private sector experience, and deep creative research positions her to understand both the practical barriers to productivity growth and the creative confidence solutions needed to overcome them.

Belinda passionately believes that creative confidence is not only a key source of personal and community wellbeing but is essential economic infrastructure that drives national and global prosperity. This submission supports her belief by showing how Australia can become a creative country and offers evidence-based recommendations for positioning our country as a global leader in creative confidence development.

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