

Outcomes and emerging impacts from the first 2 years of the APS Reform Agenda

**Evaluation Snapshot** 

Prepared by: APS Reform Branch, APSC

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## Delivering for Australia in the 21st century

## Ensuring capability and trust in the public service is critical

## Australia faces complex challenges and disruptions



• **Geo-political instability:** Rapid changes to the postwar international order and Australia's place in it



 Global economic challenges: Slowing economic growth, reduced economic dynamism, increased uncertainty and economic inequality



 Social and public policy issues: Increasingly complex, interconnected and unpredictable



 Demographic change: Ageing population; changed drivers of population growth; changing social composition



 Declining trust in government and public institutions, here and internationally



 Technological advancements and disruptions: Powerful social media platforms, generative AI, digital and data exploitation



 Social fragmentation and polarisation: Conflicts and divisions (domestic and global), growing inequality, social media amplification of division

## Australians expect government and the public service to

- Enable a good standard of living, followed by improving wellbeing and delivering services and social infrastructure
- Prioritise community wellbeing in government decision-making: 8 in 10 feel this way

#### And they want

- Ordinary citizens to have a greater say in setting policy priorities: 6 in 10 agree with this
- A public service with the in-house capability and skills to deliver social services: 83% say this is important

Navigating these challenges and meeting growing public expectation requires new skills, capabilities and ways of working



## The APS Reform Agenda: Headlines

# The APS Reform Agenda is the most comprehensive public sector reform of the past 40 years

- ➡ Enduring, whole-of-service transformation for a capable, trusted APS delivering for Australians
- Delivering tangible results across the service
- Steady, scalable change being embedded

#### **Delivery** Laying the foundations for enduring change

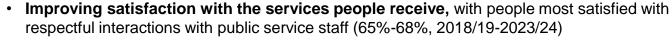


- 42 of 59 initiatives are complete or in delivery (71%)
- 29 of 59 (49%) initiatives require action from all agencies, driving systemic change
- Initiatives target the factors that drive change: improved knowledge and skills, strengthened senior leadership and organisational culture, underpinned by increased transparency and accountability

#### **Achievements \rightarrow Concrete, tangible results across the Pillars**

- Legislative locking in of key reforms: NACC; Stewardship; Capability Reviews, Publication of APS Census results
- Ø
- **Mechanisms for person-centred services implemented**: myGov easier to use; principles and tools for better partnering with community
- A model employer that reflects the community: improvements in monetary and nonmonetary conditions to attract the needed skills and expertise; reduction in the gender pay gap; increases in First Nations employment numbers
- **Progress on APS capability uplift:** systemic changes reduce inappropriate outsourcing and build long term, service-wide capability

#### Impacts > Early signs that APS Reform is benefiting the public





- High levels of commitment to integrity and stewardship across the service; OECD trust score up from 2021 to 2023
- Improved awareness and willingness to take action on integrity issues among employees
- Building up in-house public service capability provides public confidence that the APS can
  meet the challenges of the 21<sup>st</sup> century
- Reduced expenditure on private sector to undertake core work, ensuring critical public services are provided by public servants

# Reform at a Glance Key Findings



#### A RENEWED FOCUS ON INTEGRITY AND TRUST IN THE APS

#### Integrity culture boost



9 in 10 employees would report corruption

3190 NACC referrals in 1 year

## APS became a world leader via transparency and accountability reforms



Australia makes top 10 in global ranking on perception of corruption index – first time since 2016

## 

#### Increase in trust

Trust in Australian government: up from 38% in 2021 to 49% in 2024 **7**% higher than OECD average

#### BETTER SERVICES BY PUTTING PEOPLE AND BUSINESS AT THE CENTRE

#### Australia ahead in digital services

**75.3% -** Australia's overall score on *OECD Digital Government Index 2024* (OECD average 60.5%)

myGov #1 of 102 government websites worldwide in 2024 >11,000 secure data sharing arrangements reported by 19 agencies help customers 'tell us once'

## A world leader in how we guide public service culture and behaviours

7<sup>th</sup> **globally** in *Strategy and Leadership for stewardship and ability to guide behaviours* (Oxford University 2024)



Engaging with

people and

communities



Partnering with business and First Nations



innovation

Stewardship became an APS Value in 2024

#### A MODEL EMPLOYER TO ATTRACT THE BEST AND BRIGHTEST PEOPLE

71% of APS employees would recommend the APS as a good place to work in 2024 (up from 68% in 2023)



Reduced 2024 gender pay gap to 4.5%

in 2023, from 5.2% in 2022 –in WGEA recommended range for first time

#### Stronger First Nations representation 2024

increased First Nation employees in EL1 and EL2 roles (up from 1.8% in 2023 to 2.3% in 2024) and SES roles (up from 1.8% in 2023 to 3.2% in 2024); **1 in 5** trainees from First Nations communities



### More satisfied employees

Engagement, satisfaction, & wellbeing scores improved in 2024 APS Census compared to 2023

#### A CAPABLE, EFFICIENT AND EFFECTIVE PUBLIC SERVICE

\$624 million reduction

in spending on consultants in 2023/24



\$3.6 million in direct savings

delivered by Australian Government Consulting across 15 projects



#### 3 new Professions



Complex Project
Management



Evaluation

Procurement & Contract Management



## Delivery: On track and building foundations for sustained change







<sup>\*</sup>N = 58: One Initiative is classified as "on-hold" and is excluded from stage total

#### Reform Agenda commitments are being delivered

- Majority of APS Reform initiatives are complete or in delivery: 42 of 59 or 71%
- Almost all Stage 1 commitments are complete or in delivery (86%)
- An engaged APS workforce to embed Reform Initiatives:
  - 90% of APS employees endorsed acting with and championing integrity as top reform priority, followed by continuously improving capability and centring the public in service design (Hall and Partners, 2023)
  - Almost 60,000 staff responded to the 2024 Commonwealth Integrity Survey
  - 100% of in scope agencies reported on core work and targets for the Strategic Commissioning Framework

#### Embedding enduring, whole of service change

- Legislative foundations lock in key reforms, e.g.,
  - Integrity Stewardship as a value; NACC; PGPA Fraud anticorruption provisions;
  - Capability Capability Reviews; Long-term insights briefs;
- Driving whole-of-service transformation through compulsory initiatives: Half (49%) of Reform Agenda initiatives require all APS agencies to take action
- A delivery function to enable implementation, providing governance, reporting and engagement mechanisms to deliver across the service

<sup>\*\*</sup> Percentage based on all initatives (n=59)



## The APS embodies integrity in everything it does



Trust in government and public institutions is the protective glue for a cohesive, prosperous and democratic society and the foundation for effective and ethical service delivery to the community.

#### **Key achievements**

#### Strengthening accountability and integrity

- The National Anti-Corruption Commission (NACC) established in July 2023
- Inaugural NACC Integrity Survey administered, providing invaluable baseline data from 58,309 Australian public servants
- Public Service Act 1999 amended to strengthen limitations of Ministerial directions to Agency Heads and affirm apolitical role of APS; clarify APS Commissioner's power to inquire into and determine whether current and former Agency Heads have breached the APS Code of Conduct
- Public consultation for Stage 2 initiatives conducted, 82 submissions received

#### Championing stewardship – APS Values

- PS Act amendment passed (June 2024) making Stewardship a new APS value
- Embedded annual Ministerial statement on progress of APS reform
- Capability Reviews legislated and published

#### Increasing transparency:

- · Legislated requirement to publish APS Census results and action plans
- Greater transparency of Secretaries Board with communiques of each meeting published online from 2022
- Trust in Australian Public Services results published annually with agency level data

#### Embedding a pro-integrity culture

- Implementation of recommendations for creating safe and respectful Commonwealth workplaces
- Obligations to detect and deal with corrupt conduct strengthened under Commonwealth Fraud and Corruption Control Framework
- Revised PGPA Fraud Rule and Commonwealth Fraud and Corruption Control Policy came into effect in 2024
- SES Performance Framework
- SES Integrity Masterclass delivered (629 completions 2023/24)

#### Impacts

#### Integrity issues are being addressed efficiently

 3,190 anti-corruption referrals received in 2023-24; 95% voluntary referrals; average time for processing 89 days (NACC Annual Report)

#### Increased action taken on integrity issues:

- 17% increase in the number of employees subject to code of conduct investigation from 2023 (APS Agency Survey)
- 16% increase in the number of employees who were found to have breached the code of conduct from 2023 (APS Agency Survey)

#### Awareness (NACC Integrity survey)

- a sound understanding of corruption across the service: 84% of integrity survey respondents able to identify corrupt practice
- general readiness to report corruption, with 88% of APS respondents saying they would do so
- high levels of confidence among employees of their agency's ability to act with integrity and lead by example

#### An engaged public service committed to stewardship as a value

- 1464 public servants made submissions to stewardship value consultation (2023)
- 77% employees say that their workgroup embodies stewardship (APS Census 2024)
- Three quarters (77%) of employees say their agency encourages staff to act with integrity (APS Census 2024)

#### Benefit to the public

## Public trust in services maintained over last 3 years

- Trust in services is stable at 58% (TAPS, 2024)
- OECD data: trust in federal Australian government † from 38% in 2021 to 49% in 2024:
  - 7% ↑ than OECD average
  - 8% † from Australia's 2021 results

An APS of high trust and integrity means the services people receive, how they are treated, and how personal information is used are guided by clear standards of ethical integrity.

An APS that acts as a steward means decisions are made on behalf of Australia and for the long-term national interest.



## Putting people and business at the centre



Improving the ability of the APS to engage and partner across business, academia and the public produces value for the Australian community by leveraging a broader range of expertise to inform policy and services in an increasingly complex environment.

#### **Key achievements**

#### Putting people and business at the centre:

- User-centric principles embedded in service delivery
- The Vision of reliable and accessible services, when and how you need them
  aligns with <u>Data and Digital Government Strategy</u> to deliver simple, secure and
  connected public services for people and business through world class data and
  digital capabilities
- APS Experience Design Principles guide the creation and improvement of services, enhancing the experience for people and business
- Trust in Australian public services: Measuring and reporting publically on trust and satisfaction with public services annually

#### Improving service delivery and experiences:

- MyGov audit and roadmap make app easier to use and more secure
- The <u>myGov User Audit</u> improved user experience and performance to be the primary front door for digital services
- >11,000 secure data sharing arrangements reported by 19 agencies, highlighting the strength of partnerships to improve delivery

#### Partnering with communities and businesses:

- 2 Long term insights Briefs delivered. <u>The first Long-term Insights Briefing</u> measured community expectations supporting use of AI in the APS with integrity, empathy to improve services
- Charter of Partnerships and Engagement and supporting tools integrated into other initiatives (e.g. Data and Digital Strategy; Capability Review Framework)
- Genuine partnerships capability uplift with First Nations communities and appointment of Senior Executive First Nations Systems Lead driving change via national engagement
- In partnership with regional universities, established <a href="APS Academy Campuses">APS Academy Campuses</a> in regional areas

#### **Impacts**

#### Accessible digital services through myGov

- 26 million myGov accounts; over 6 million people using myGov app (end 2024)
- myGov app won government App of 2023 for accessibility (Australian Access Awards)
- In 2024 myGov ranked #1 worldwide of 102 government agency websites (DGI, 2024)

### Services are meeting people's needs: Trust in Australian public services survey 2024 shows that

- 68% of service users satisfied with the services they engaged
- 77% of those satisfied received the outcome they needed
- Service users most satisfied with how they were treated and accuracy of information provided; least satisfied with time taken to reach an outcome
- Satisfaction with day-to-day interaction with public institutions above OECD 2024 average

### Business and industry engagement to better understand operating contexts and inform policy design

- Engagement with Business Council of Australia to identify shared priorities and sectors
- Business Insights Sessions and Chief Data Officer's Round tables strengthened
  partnerships with industry in line with the Data and Digital Government Strategy,
  collaborating to reduce duplication and better serve the needs of people and
  business
- Charter of Partnerships used to guide stakeholder collaboration frameworks, to assess policies and practice

#### **Building capability for First Nations partnerships**

- Playbook and Action Plan to strengthen APS capabilities in partnering and remove non-legislative barriers to partnering
- A Cultural Capability Hub and First Nations talent programs value indigenous perspectives and support all APS capability to better understand the First Nations Communities we serve

#### Benefit to the public

A proactively engaged APS understands the priorities of Australian people and businesses and delivers better quality services.

Business insights inform policy and market engagement.

Strong collaboration, engagement and partnership capabilities are essential to address issues complex problems.

User and human centered design embedded in digital service delivery.

Data sharing makes it easier for businesses and services to develop informed, relevant programs and services.



## APS is a model employer



Australia requires a skilled and engaged APS that understands the needs of the public, and able to deliver excellent services and policies

#### **Key achievements**

#### Centralised bargaining made APS a more competitive employer

- 11.2% pay increase
- 59 common conditions, including improved flexible work arrangements and parental leave
- Pay disparities across agencies reduced from 25% to 13%

#### An engaged, motivated service working on behalf of Australians:

- A new APS-wide employee value proposition to support attraction and
- Improved satisfaction with remuneration and non-monetary conditions
  - 11 percentage point increase in remuneration fairness
  - 82% satisfied with non-monetary conditions
- † across most engagement and wellbeing measures
- † numbers of employees recommend APS as 'a good place to work' from from 68% in 2023 to 71% in 2024

#### **Ensuring APS reflects the community it serves:**

 First APS Culturally and Linguistically Diverse Employment Strategy and Action Plan to support CaLD representation at all levels across the service and across job families

#### **Boosting First Nations employment**

- A significant talent pipeline for Aboriginal and Torres Strait Islander employees is now in place
- New employment and leadership opportunities through the SES 100 to improve representation 1st round of SES100 initiative complete, 2<sup>nd</sup> round underway

#### **Impacts**

#### The APS is increasingly becoming a great place to work

- More employees are willing to recommend the APS as an employer (APS Census)
- Employee retention, satisfaction and support for health/wellbeing have all increased
- Improvements in conditions like workplace flexibility and parental leave arrangements opens the APS to more people
- Australia ranked equal first (with Germany) in global benchmarking of public administrations and civil services in 120 countries for diversity and inclusion (in alignment with legislative requirements under Section 41 of the Australian Public Service Act 1999: "to foster an APS workforce that reflects the diversity of the Australian population".

#### APS is improving on attracting the 'best and brightest':

• Seven APS graduate programs appeared on AFR's Top 100 Graduate Employers in 2024 (up from five in 2023) (AFR, Top 100 Graduate Employers 2024)

#### Setting an example for all Australian employers around workplace gender equality

• APS met Workplace Gender Equality Agency's recommendations for first time in 2024, with an average remuneration gender pay gap of 4.5% (down from 5.2% in 2023)

#### **Improved First Nations representation:**

- Established a strong pipeline with one in five of all APS trainees being from First
- ↑ proportion in EL1 and EL2 roles (↑ from 1.6% in 2023 to 1.7% in 2024)
- 85 SES identified as First Nations in 2024, up from 54 in 2003 (up from 1.7% of all SES in 2023 to 2.5% in 2024)

#### Benefit to the public

A skilled and engaged APS that reflects the diversity of contemporary Australia provides the public with people who understand their needs and can better deliver targeted services and policies.

Employing and retaining the 'best and brightest' in the APS supports our legislative responsibility to be an apolitical entity "that is efficient and effective in serving the Government, the Parliament and the Australian public".

The health and wellbeing of Australia is directly impacted by the quality and performance of the APS.

An skilled APS provides better service and better policy design/ delivery.



Capability

## The capability to do its job well



By building a skilled and capable workforce, the APS affirms itself as a national asset, able to deliver policies and services for the Australian public, now and into the future.

#### **Key achievements**

#### Quantifying use and cost of external labour - a critical knowledge gap

- The 2023 Audit of Employment collected data from 112 agencies on composition of the total public service workforce\*

  – first time this had been done.
- The Audit found the total APS workforce (public servant ASL and external FTE) 2021/22 was 198,182, of which:
  - 144,271 ASL or 73% were public servants
  - 53,900 FTE were external labour accounting for over one quarter (27%) of the workforce

#### Returning core work to the public service

- The Strategic Commissioning Framework provides a pathway for agencies to reduce reliance on contractors, consultants and labour hire for core work.
- All agencies within the scope of the Strategic Commissioning Framework reported on their core work and targets - a 100% participation rate
- Establishment of Australian Government Consulting to
  - deliver strategic consulting projects that would otherwise be outsourced
  - strengthen APS capability and leverage existing expertise across the APS
  - support agencies to achieve better value when engaging external consultant

#### Capability uplift for the future:

- Capability Reviews: Public Service Act amendments require that all departments of state and Services Australia, the ATO and the APSC participate in a capability review every five years 7 complete, 3 in train
- Capability Reinvestment Fund prioritises cross-agency and sector collaborations to address complex domestic and international challenges.
- Establishment of Australian Centre for Evaluation to reduce reliance on consultants and ensure APS can assess and improve effectiveness of policies and programs
- 3 new Professions: Evaluation, Complex Project Management and Procurement and Contract Management

#### Impacts

### APS capability is being strengthened by investing public monies back into the APS workforce

- Less use of consultants and contractors:
  - \$624M in FY2024 (Budget paper 4, 2024)
  - \$527M expected reduction in supplier expenditure as agencies bring work in-house in 2024-25 (SCF public update Nov 2024)
- Less outsourcing Conversion of 8800 outsourced roles into permanent public service positions
- In-house capability:
  - AGC delivered 15 core strategic consulting projects that strengthen APS capability; with \$3.6M in direct savings;
  - Centre for Evaluation developed impact evaluation partnerships with 4 large agencies (SoSR)
  - 3 new Professions build on 3 established Professions (HR, data, and digital)
  - APS Academy exceeded target benchmark for course value in building capability over 9 quarters (target is 4/5; average for Oct 22-Oct 23 is 4.3)

#### Building up capability for the future:

- Strategic Commissioning Framework provides long-term framework and targets to strengthen in-house capability
- Capability review program is guiding proactive, coordinated agency capability improvement. Identified areas for capability uplift help inform workforce planning, whole of service professional development, and agency business planning
- · Capability Reinvestment Fund:
  - Round 1 funded 10 initiatives across 14 government agencies; Round 2 funded 9 projects across 24 agencies, increasing interagency collaboration
  - Collaborating across the Indo-Pacific region to address climate change APS Indo-Pacific Executive Development program fostered stronger connections with the Indo-Pacific. Program commenced on 2 November 2023 with 103 participants from 27 agencies, providing a rich diversity of perspectives shared throughout the 7-month learning journey

Benefit to the public

Reduced reliance on external labour hire and reinvesting back into the Public Service, supports in-house capability uplift, so policies and services are undertaken in a transparent and effective manner for the Australian public.

As the work is done in-house, expertise and skills can be consistently leveraged to produce high-quality output.

Australians have confidence in the capability of the public service in delivering essential services.

\* Note: Audit data reflects the portfolio structures as at 30 June 2022 and drawn from agencies finance and reporting systems. Neither the Department of Finance nor APSC undertook quality assurance of the data provided. As such, caution should be taken when analysing the Audit data, comparing the Audit data with broader APS-related data.



## How reforms work together to achieve long-term change

## Delivering for people, businesses and the community

The progress and achievements in strengthening integrity, building capability and attracting the best and brightest are all in service of meeting the diverse and evolving needs of the Australian community.

# Interconnected reforms work together to embed whole of service transformation and ensure the APS:

- Delivers ethically on behalf of the public
- Is future ready
- Delivers for the long-term public benefit

#### Delivering for the long-term public interest Ensuring APS has in-house capability to deliver on core **Ethical delivery:** functions · APS is trusted to · Investing in long-term deliver on behalf of capability of public **APS** Australians institutions for the public embodies · APS reflects and benefit connects with the Reduced risks to integrity, integrity community it serves expertise and public trust posed by excessive outsourcing People and business are at the centre of policy and services Capability A model to do its employer job well Capable, future ready delivery · The right skills and expertise needed for the future The right tools and systems Collaboration and innovation to solve complex challenges

## Sources used

#### **Slide 2** (Delivering for Australia in the 21<sup>st</sup> century)

Williams, L., & Hammerle, (2024). Purpose of Government Pulse – Australian attitudes to democratic purposes, priorities and performance. *The Centre for Policy Development*. Accessed 7 March 2025 from Purpose of Government Pulse - Centre for Policy Development

#### Slide 4 (Key findings)

#### Trust:

- 3190 NACC referrals in 1 year (NACC 2023/24 Annual Report)
- 9 in 10 employees would report corruption (Commonwealth Integrity Survey 2024 Highlights Report, Overall results. Downloaded 7 March 2025 from Commonwealth Integrity Survey overall results 2024 | National Anti-Corruption Commission (NACC))
- Australia make top 10<sup>th</sup> in global ranking on perception of corruption index first time since 2016, (Transparency International, (2025). Corruption Perceptions Index 2024. ISBN: 978-3-96076-266-9. Downloaded 7 March 2025 from 2024 CORRUPTION PERCEPTIONS INDEX (CPI) Transparency International Australia)
- Trust in the Public Service, OECD results OECD Survey on Drivers of Trust in Public Institutions 2024 Results | OECD

#### **People at the Centre**

- myGov app won government App of 2023 for accessibility, serving 25 million accounts (Australian Access Awards)
- In 2024 myGov ranked #1 worldwide of 102 government agency websites (Adobe, (2024). Digital Government Index for Australia. Third edition. Accessed 7 March 2025 from Digital Government Index for Australia | Adobe Australia
- Commonwealth of Australia, (undated). Improving information sharing to address national challenges. Data and Digital Government Strategy. Accessed 7 March 2025 from <u>Using</u> data to improve the lives of Australians | Data and Digital

#### **Model Employer**

APS as a good place to work, APS Employee Census overall results 2024, accessed 6 March 2025 from: APS Employee Census 2024 | Australian Public Service Commission

#### Capability

**\$624 million reduction** In spending on consultants in 2023/24 (Commonwealth of Australian, 2024 <u>Budget Paper No. 4</u>) **\$3.6 million direct savings** delivered by Australian Government Consulting across 15 projects (SoSA)