



**APSREFORM**



Australian Public Service Reform

# Annual Progress Report 2023





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## Secretary's foreword

The Australian Public Service (APS) Reform agenda is about an APS known for its integrity, respected for its thoughtful care of public resources, trusted for its commitment to citizens.

The APS Reform agenda centres on values, capability and accountability as the core of a great public service. The first phase of reform focused on the cultural, structural and legislative foundations of a professional, ethical public service.

The work ahead looks to an APS which can sustain long-term capability while responding quickly to national priorities. I know this is achievable because I see it often – in individual public servants who exemplify APS Values through their work, and in public organisations which manage policy and implementation with skill and determination.

Australians can have great confidence in their public service. As stewards of the APS, we seek to do the right thing at the right time, guided by a deep commitment to Australia's democratic institutions. It is our job to make good choices which meet these high standards.

The *Spirit of Service* exhibition at the Museum of Australian Democracy celebrates the diversity of public service. In portraits and stories of individuals working in a wide range of APS organisations, the exhibition is the story of honourable people pursuing an honourable mission in the interest of the country. It is a compelling glimpse of the spirit of service that has shaped our reform agenda, and will spur our efforts into the future.

The following pages testify to that same spirit of service and stewardship, with integrity at its core, which will continue to drive the transformative and ongoing process of APS Reform.

**Professor Glyn Davis AC**

Secretary of the Department of the Prime Minister and Cabinet



# APS Commissioner's foreword

Public sector reform has been a recurring feature of public administration since the first departments of state were established at Federation in 1901. Successive governments and public sector leaders have changed and strengthened the Australian Public Service, in response to changing public expectations of government, technology, economic, social and security circumstances, and workplace needs.

Each successive wave of change has taken time and effort, with many people contributing to it. Typically, reform builds on the past, occurs in steps, and is most successful when it has a compelling rationale, is do-able, and has strong structures in place to guide implementation.

The Government has articulated its vision and priorities for the Australian public sector. Public sector reform has had many inputs, from the Thodey Review, to the experience during the pandemic, insights from other jurisdictions, and election commitments.

Through its APS Reform program, the Government is seeking to deepen trust in government and public administration. People trust public institutions when they do their job well and are open and fair in how they go about it. The Government's priorities of integrity, capability, a genuine focus on people and business, and a workplace that attracts, supports and retains staff, all help underpin trust in Australia's public institutions.

I am heartened by the enthusiasm I have seen for change across the service. Conversations with graduates and cadets, and Secretaries and Agency CEOs, show an eagerness to work collectively to improve our public service. There is a deep confidence by the Government in the public service's ability to take up the challenge. The community has placed trust in us to continue striving to learn and do the best job we can, whether it's in policy, program implementation, regulation, operations or service delivery. We won't let this confidence and trust go astray.

This progress report is an important milestone because it takes a frank approach to assessing the delivery and risks of the first phase of APS Reform. Led by Secretaries Board, teams from 12 agencies are delivering 44 APS Reform initiatives. They have provided input on the progress, impact and risks associated with each initiative. Their progress represents active and collaborative effort across the APS and positive partnerships working together to embed reform.

Ten initiatives are complete and have transitioned into what we call business-as-usual. Thirty-four initiatives remain underway, with the next phase of APS Reform in development. Real change takes time. Gradually, the APS is becoming stronger, better able to deliver what the Government, Parliament and Australian community expect and need from us as public servants.

The next phase of reform takes us further to creating an APS that is unwavering in its integrity and capability, and cares deeply about the communities we are here to serve.

I am proud to be a public servant and of the enthusiasm of the APS for ongoing transformation. Step by step, public servants are creating lasting change that will make a difference to government and the lives of Australians, now and into the future. I thank them for doing this.

**Dr Gordon de Brouwer**

Australian Public Service Commissioner



# Executive summary

This Progress Report outlines the APS's approach to undertaking multi-year transformation of the APS through the Government's APS Reform agenda. It provides an update for the Minister of Public Sector Reform, the Parliament, the public, APS staff and interested parties on progress to date. As the first Progress Report, the document provides an overview of the agenda and the implementation approach to embed enduring change. It outlines the current status and impact of reform activities, key risks to be managed, and how work to date positions further reform.

In October 2022, the Australian Government announced its APS Reform agenda to deliver enduring change to strengthen the APS for the benefit of all Australians. APS Reform draws on a broad set of source materials to guide a contemporary approach to reform, including the 2019 *Independent Review of the APS*, led by Mr David Thodey AO, and past reform activities.

The agenda is built on four priority pillars, underpinned by eight clear and practical outcomes to measure progress and impact over time. The scope and scale of change is ambitious; the agenda aims to reach every aspect of the 170,000 strong APS workforce, spread across 189 Commonwealth public sector entities. Transformation is necessarily a long-term and iterative process. The scale and breadth of impact of the Government's APS Reform agenda will therefore continue to grow over time.

Overseen and led by Secretaries Board, the first phase of the Government's reform program comprises 44 initiatives designed to help deliver eight reform outcomes. Responsibility for developing and implementing these initiatives is held by 12 departments and agencies, and there is an expectation that all parts of the APS will embed positive changes as time goes on.

The APS has developed a fit-for-purpose approach to implementation. This promotes an incremental, adaptive and continuous approach to reform and which builds on the activities of past and ongoing efforts to transform the APS. Delivery is structured over three phases, and activities are sequenced to ensure key foundations are put in place to enable the scaling and embedding of reforms across the APS. This will ensure the APS remains capable of responding to the ever-shifting requirements of Government and the community. It balances strategic and pragmatic imperatives, and supports careful management of delivery risks.

Progress and impact to date is promising and the APS has taken good steps to address critical challenges, as well as set the foundations for further reform efforts. While every initiative has a clear set of milestones and outcomes driving its activity, there are also ancillary benefits through implementing the program as a whole.

Overarching risk themes have emerged in the first year of reform. Maintaining a methodical approach to mitigating risk places the APS in a strong position to further target its focus on areas of greatest need for improvement.



## Progress Report sections

The first two sections provide an overarching understanding of the agenda and its impact on the public service and the Australian public. The next three sections comprise a detailed account of how the agenda has been built, supported and used to drive whole-of-service improvement.

- **Section One: Overview of APS Reform** discusses the origin of the Government's APS Reform agenda and its overall composition, including the commitment and investment Government has made to date. It outlines the implementation approach to support the agenda, such as the program logic of initiatives that feed into reform outcomes, which in turn ensure progress against each reform pillar. The sequencing of work across three phases is discussed, which will ensure the agenda remains flexible to the dynamic and evolving context of Government.
- **Section Two: Progress of APS Reform initiatives** discusses the implementation and impact of the first year of APS Reform, contextualised according to the overarching objectives for this first phase. Of the 44 Phase One initiatives, 10 are complete, 15 are in the delivery stage, 11 in the planning stage, and 8 in the design stage. Progress has been made against every reform outcome.
- **Section Three: Implementation architecture** discusses the key components in governance and decision-making, program delivery, reporting and engagement. This work reflects a step change in the way the APS formally co-ordinates and interacts to drive APS-wide change.
- **Section Four: Program risks** discusses the overarching risks that have emerged in the first year of reform, which may affect the ability of initiatives to deliver intended outcomes.
- **Section Five: Future focus areas** discusses the importance of securing the foundational outcomes and impacts of the first phase of reform and the need to remain vigilant in refining the approach to implementation. It provides a preview of the upcoming areas of focus for reform activity, including: bolstering integrity, building an outwardly-engaged APS, and continuing to build and strengthen capability.



# Section One: Overview of APS Reform





## The APS operates in a dynamic and evolving context

APS reform has been an ongoing effort for many years and momentum is accelerating. The Thodey Review was an important bedrock for reform in 2019. Since its release the operating environment of the APS and the public's expectation of government has shifted. The COVID-19 pandemic shone a light on the need for fast and effective government decisions. Community needs have emphasised the value of human-centred policies and services built on public engagement. The failures of the Robodebt Scheme highlighted the importance of integrity and frank advice from a professional and apolitical public service.

The APS is being called to deal with increasing policy complexity, rapidly fluctuating international and domestic dynamics, and delivery demands where public sector organisations need to keep pace with the private sector. The APS Reform agenda builds on reform efforts to date and positions the APS to be future-fit and capable of adapting to changing and rising expectations.

## APS Reform addresses current and future needs

In October 2022, Senator the Hon. Katy Gallagher, Minister for the Public Service, [outlined the Government's plan](#) to deliver comprehensive and enduring changes to strengthen the public service. The Minister outlined four priority areas, or pillars, for APS Reform:

1. An APS that embodies integrity in everything it does
2. An APS that puts people and business at the centre of policy and services
3. An APS that is a model employer, and
4. An APS that has the capability to do its job well.

APS Reform draws on a broad set of source materials including:

- The 2019 *Independent Review of the APS*, led by Mr David Thodey AO;
- Lessons learned from the COVID-19 pandemic;
- The National Partnership Agreement on Closing the Gap;
- Other jurisdictions' experience of public sector reform including recent reforms in New South Wales, Western Australia, and New Zealand;
- The Government's election commitments, such as commitments to establish a **National Anti-Corruption Commission**, and to achieve **Net Zero in the APS by 2030**; and
- Past APS reforms such as the 2010 *Ahead of the Game* review and the 2022 independent *APS Hierarchy and Classification Review*; and ongoing reforms being led by Secretaries Board such as the establishment of the **APS Academy**, **APS Professional Stream**, and **Secretaries' Charter of Leadership Behaviours**.

The agenda aims to strengthen and empower the public service and increase trust and confidence in Australia's public sector institutions. Initiatives will build the capability and capacity of the APS, support greater transparency and genuine partnership with the community, and position the APS to work in collaborative and dynamic ways. This will enable the service to better support the Government to deliver on its agenda now, and into the future. Collectively the initiatives within the





APS Reform agenda represent a significant and impactful package of reforms to the public service, and build on past efforts and success.

## Program of work

The APS Reform agenda, as assessed in this report, is structured around four priority pillars, eight program outcomes, and an initial portfolio of 44 initiatives. Exhibit 1 on page 10 provides a summary of the program of work and its structure. It shows how all reform initiatives are closely aligned to a reform pillar and their related reform outcomes. This ensures that collectively the initiatives are working to achieve the full scope of the Government's reform agenda, and that there is a clear alignment between high-level and working-level understandings of reform. This does not mean that reform initiatives contribute to only one pillar or outcome. In most cases they will help progress multiple outcomes, and furthermore their combined changes will work together to enable a greater degree of improvement than they could have accomplished alone.

While all reform initiatives will be implemented in practical ways across the APS, their design and initial delivery is being led by 12 departments and agencies. These agencies have long-held leadership of related policies, services or regulations. As a result central agencies are responsible for delivering the majority of initiatives, although the design, development and final implementation of the initiatives draw deeply on the insight and support of all agencies.

## Investment in APS Reform

As part of the 2022-23 Budget, the Government announced a three-year \$72.9 million commitment to the APS Reform agenda. This initial investment enabled the first step toward making cultural, structural and legislative changes to further strengthen the APS and ensure it is more aligned to the community it serves. This funding provides:

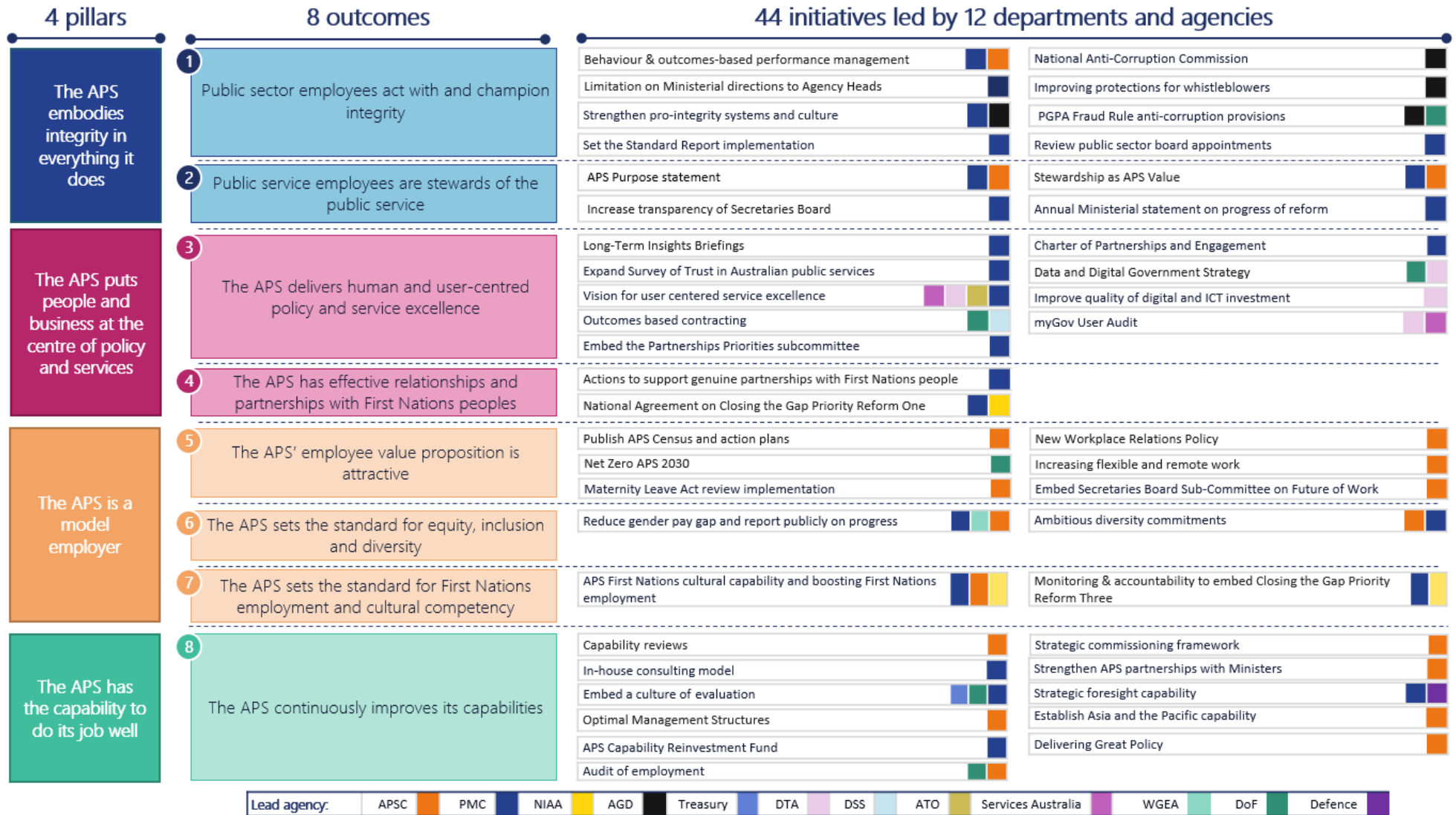
- \$40.8 million over three years to design, deliver and support initiatives that deliver immediate benefits for the public sector and the broader Australian public.
- \$25 million to establish an APS Capability Reinvestment Fund to fund projects to build organisational capability in the APS.
- \$7.1 million for initial work to help meet the Government's APS Net Zero 2030 target. Including to establish the APS Net Zero Unit within the Department of Finance, which assists agencies with capability, implementation and reporting.

The 2023-24 Budget builds on the support provided in the 2022-23 October Budget, with the first distributions from the APS Capability Reinvestment Fund. The Government has allocated \$18.5 million over two years from 2023-24 from the \$25 million APS Capability Reinvestment Fund. This includes \$8.4 million for 10 service-wide capability building projects, identified through a competitive process.

The Government also allocated \$14.3 million (including \$4.2 million from existing resources) to other projects aligned to the purpose of the APS Capability Reinvestment Fund, including \$10.9 million over two years to provide start-up funding for an in-house consulting function and \$3.4 million over two years to boost First Nations employment in the APS.



Exhibit 1: Reform program logic and summary of program





## Taking a phased approach to deliver APS transformation

The Government has set a high mark of ambition for the APS Reform agenda. This is reflected in the quantity of reform commitments, the breadth of expected impact across the public service, and the depth of change necessary to embed lasting improvements. Exhibit 2 outlines the multi-year approach adopted to deliver upon this ambition, with activities phased over three horizons.

*Exhibit 2: Summary of phased approach to reform over three time horizons*

	Phase 1: Set the Foundations October 2022 – October 2023	Phase 2: Reinforce and Embed November 2023 - June 2025	Phase 3: Continuous Improvement July 2025 onwards
Objectives	<ul style="list-style-type: none"> <li>• <b>Develop a clear program logic</b> to support continuous and adaptive reform, which plots a path towards a public service that meets community and Government expectations</li> <li>• <b>Design and stand up a delivery model and implementation architecture</b>, including core governance and reporting mechanisms</li> <li>• <b>Design and launch initiatives to achieve Phase One objectives</b>, focused on laying the enabling foundations for incremental and continuous change</li> <li>• <b>Define an APS-wide transformation strategy</b> to guide reform efforts across the Service and embed outcomes in the dynamic and decentralised context of the APS</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Consolidate achievements from Phase One</b> of reform and scale the scope and breadth of impact of long-term initiatives as they mature</li> <li>• <b>Build on the foundations</b> with additional and targeted reforms, with a focus on integrity, partnerships and capability</li> <li>• <b>Establish a networked approach to reform</b>, to support collaboration and surface and share lessons learned</li> <li>• <b>Reinforce strategic use of governance</b> to drive coordinated and effective implementation of reforms within agencies; and manage implementation risks and challenges</li> <li>• <b>Promote engagement with reform</b> across the APS through improved communication, and create opportunities to be involved</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Leverage and scale best practice transformation</b> and implementation efforts</li> <li>• <b>Maintain close feedback loops</b> that support agency development and implementation of reform initiatives, and drive accountability for intended impacts</li> <li>• <b>Reinforce change management efforts</b> to support enduring cultural and behavioural change</li> <li>• <b>Promote bottom-up transformation activity</b> across the service to support the ethos of reform and build on reform outcomes</li> <li>• <b>Evaluate effectiveness of the program logic</b> (pillars, outcomes, initiatives) and implementation approach to determine potential gaps and opportunities</li> </ul>

Since October 2022, the Department of the Prime Minister and Cabinet’s APS Reform Office and the Australian Public Service Commission have worked across the service to design and stand-up an implementation approach for reform that can support a multi-year effort. Upfront efforts centred on establishing:

- A principles-based implementation approach to guide planning and decision-making, and
- A program logic and with clear Phase One objectives for initiatives.

Some initiatives have been prioritised and sequenced to deliver early outputs, while others have been scheduled for implementation once key foundational pieces of work are in place. In some instances a single product or output may achieve the lion’s share of a reform goal, while in others, a methodical and sustained effort to drive culture or behaviour change will be necessary for genuine impact to be felt across the service, and by the Australian community. Simultaneously accomplishing the totality of these changes is not feasible.

The eight program outcomes of APS Reform provide an organising framework through which decisions can be made about the potential inclusion of new initiatives in the agenda over time.



## Principles-based implementation approach

Secretaries Board endorsed a fit-for-purpose implementation approach in December 2022 based on six principles that reflect lessons learned from past public sector reform efforts and transformation best practice. This includes advice outlined in the Thodey Review.

The principles, summarised in Exhibit 3, continue to be a source of guidance when the reform agenda adapts in the future.

*Exhibit 3: Summary of six implementation principles*

1	2	3	4	5	6
<b>Committed and accountable leaders</b>	<b>Clear purpose, outcomes, and priorities</b>	<b>Measure and report what matters</b>	<b>Coordinated and fit-for-purpose delivery plans</b>	<b>Capability empowerment</b>	<b>Consistent communications and engagement</b>
Establish an authorising environment with clear expectations and accountabilities for reform, focussed on long-term objectives.  Actively engage governance entities to oversee and drive reform.	Define clear and measurable overall target outcomes within a project logic that ensures reform projects achieve the Government's intended transformation outcomes.  Agree a process for prioritising and sequencing initiatives to maximise impact of outcomes.	Tailor approaches to reporting to ensure minimum necessary requirements, which enable proactive intervention, timely delivery and assure impact.	Ensure the APS Reform Office guides and maintains transformation efforts.  Ensure varying agency operating contexts (priorities, interests, capability, capacity) are factored into roles and expectations for reform across the APS.	Empower agency-level innovation and project delivery expertise.  Provide central, enterprise-wide steering and support to unlock barriers, uplift capability, and embed reform.	Deliver clear, continuous, two-way communication to build awareness, establish buy-in, and celebrate success.

## Phase One, objectives for initiatives

In Phase One of APS Reform, reform initiatives are focussed on delivering one or more of the following near-term objectives to set the foundations for incremental and cumulative change:

- **Laying the initial foundations that enable operational change to the APS.** Initiatives that define and enable enduring institutional changes to the APS by amending or introducing new legislation, setting new policies, or creating new bodies. Near-term outcomes are focussed on setting institutional levers for ongoing change efforts, at an operational level.
- **Refining APS behaviours to match expectations and increase oversight.** Initiatives that focus on defining what the APS should be, as well supporting increased oversight and accountability. Near-term outcomes are focussed on refining the behavioural expectations of public sector employees, and the way the APS operates to deliver stronger outcomes for the public.
- **Investing in core mechanisms to drive capability uplift and target immediate skills gaps.** Initiatives that drive immediate capability uplift to target gaps as well as long-term investment, to ensure forthcoming challenges are addressed.



- **Preparing for future reforms by scoping long-term work.** Initiatives that uncover meaningful insights into the state of the APS, its operating context – both current and anticipated - and determine how we might further strengthen the APS.

Achieving these activities is a gateway to reinvigorating APS transformation. It creates change that is both impactful in its own right, as well as setting up future phases of reform that create clear pathways to successfully achieve the overarching reform outcomes.



## Section Two: Progress of APS Reform initiatives

This section provides an overview of the implementation status of the 44 initiatives. It then goes on to describe the progress of initiatives according to the Phase One objectives. The section describes how initiatives are working collectively to build on reform efforts already underway across the service, to drive reform outcomes, as opposed to discrete initiatives working independently of one another. Detailed descriptions of the status of each initiative and their achievements to date are included in Attachment A.

Insights derive from the APS's Reform reporting model, used to track the implementation status of initiatives. To ensure successful implementation, the APS Reform Office centrally tracks and reports on all initiatives. In recognition of the importance of minimising reporting burdens, formal reporting is pursued quarterly with status updates pursued in between where necessary. Agencies are required to provide updates on their initiatives' delivery status, milestones, capability uplift, outcomes and risk.

### Implementation has progressed against objectives

Exhibit 4 on page 15 summarises the distribution of initiatives according to their current stage of delivery. These insights are self-reported by project teams as at 4 October 2023.

At present, 10 of the 44 initiatives are complete and have transitioned to business-as-usual in the service. Many relate to changes to overarching decision-making bodies or the establishment of new institutions within the APS. Completed initiatives include two election commitments: the establishment of a **National Anti-Corruption Commission** and completion of an **audit of employment**.

Delivery is underway for 15 of the 44 initiatives. These include integrity-related initiatives and reforms to make the APS a model employer, as well as continuing to build on the previous reform work such as the establishment of the APS Surge Reserve workforce and the APS Academy.

Initiatives that remain in the planning or design stages are those which either depend on, or would benefit from, more comprehensive consultation and data to best understand complexities, or to devise a solution that can incorporate stakeholder views. These include workforce planning-related initiatives and capability-related initiatives that aim to boost strategic skills.

Every initiative within the APS Reform agenda is working to progress at least one of the eight APS Reform outcomes. These outcomes describe the desired end-state of the APS Reform program, providing direction for the reform initiatives which each contribute to the transformation. Most initiatives, as a result of the interconnected nature of reform, will also help to progress secondary reform outcomes in addition to their primary one. This is designed so that APS Reform makes a greater impact than the sum of its individual initiatives.

The APS is embedding capability uplift through the collective implementation of reform initiatives. The development and implementation of a particular reform may require uplifting the skills of the team leading it, with that capability improvement then extending beyond APS reform implementation. Capability areas strengthened by reform initiatives include project management



and strategic policy advice, use of data in evidence-based policy, outcomes-based working, promotion of active engagement and partnership, and cultural capability.

Exhibit 4: Summary of initiatives by stage of project lifecycle as at 4 October





## Pillar One: The APS embodies integrity in everything it does

### Outcome 1: Public sector employees act with and champion integrity

Ensuring that public sector employees are supported by a pro-integrity system, and culture is key to APS Reform. Employees need to understand what integrity means, their responsibilities, and uphold integrity; championing this in the context of their daily work and behaviours. Improving understanding of the Commonwealth integrity architecture ensures a strategic and effective approach to preventing, detecting and sanctioning fraud and corruption, protecting whistle-blowers, and enabling pro-integrity behaviours. By doing this, trust and confidence in the APS and government is increased and ongoing reforms led by Secretaries' Board such as the Secretaries' Charter of Leadership Behaviours are reinforced

#### Structural change to lock-in integrity across the APS

The first phase of APS Reform initiatives included several that are making permanent structural changes to legislation, and whole-of-government frameworks, to strengthen the Commonwealth integrity architecture. This includes the introduction of the Public Service Amendment Bill, which as at September 2023, is before the Parliament. This also includes the passage of the *Public Interest Disclosure Amendment (Review) Act 2023*, the *National Anti-Corruption Commission Act 2022*, and *National Anti-Corruption Commission (Consequential and Transitional Provisions) Act 2022*, and work to reform the *Commonwealth Fraud Control Framework 2017*.

These changes will strengthen the importance and focus on integrity within the governing architecture of the APS. The recently established **National Anti-Corruption Commission (NACC)** is already demonstrating this. Commencing operations on 1 July 2023, the NACC works to enhance integrity in the public sector by deterring, detecting and preventing corrupt conduct involving Commonwealth public officials through education, monitoring, investigation, reporting and referral. Complementing this work is the initiative to **strengthen protections for whistle-blowers** which has already resulted in priority amendments to the *Public Interest Disclosure Act 2013* to strengthen whistle-blower protections and complement the work of the NACC.

Additionally, under the **Public Governance, Performance and Accountability (PGPA) Fraud Rule anti-corruption provisions** initiative the Government is strengthening Commonwealth entities' measures to prevent, detect, and respond to corruption, by extending the legal requirements of the Fraud Rule under the PGPA Act. Changes will require relevant agencies to act on corruption as well as fraud; an Exposure Draft of the Rule amendments has been released.

As part of the **Limitation on Ministerial directions to Agency Heads** initiative, the Government seeks to strengthen the apolitical nature of the APS under the *Public Service Act 1999*, through the Public Service Amendment Bill 2023 – as at September 2023, the Bill is before the Parliament. Subject to the passage of legislation, this amendment will strengthen the requirement that individual APS employment decisions must be made free from political interference.

#### Refining standards to support a culture and behaviour that embeds integrity





Beyond amendments to legislation, other initiatives are refining APS integrity standards to positively influence the behaviour and culture of individuals as well as workplaces across the APS.

The initiative strengthening **behaviour and outcomes-based performance management** establishes an overarching set of requirements for all APS agencies to incorporate into their performance frameworks. This will embed a culture of transparency and accountability for performance. An SES Performance Leadership Framework was launched in August 2023 and APS agencies are required to fully implement the Framework by 2025. A non-SES Performance Framework will be developed and published by the end of 2025. These frameworks will build consistency across the APS, and provide assistance to managers to meet the formal requirement that behaviours must be considered equally with outcomes. Increased emphasis on workplace behaviour will support psychological safety for our people, and the creation of a better culture across the APS.

The Government continues to implement remaining government-related recommendations in the **Set the Standard Report implementation**, aimed at ensuring Commonwealth parliamentary workplaces are safe and respectful.

#### [Scoping other ways to enhance integrity in the APS and on government boards](#)

Finally, several initiatives seek to ensure that public sector employees act with and champion integrity, including through reviewing processes and asking what else can be done. The APS Integrity Taskforce has delivered on an action plan recommending ways of improving integrity in the APS as part of the **strengthening pro-integrity systems and culture** initiative, and the **Review of public sector board appointments** initiative, led by Ms. Lynelle Briggs AO, responds to concerns about transparency in appointment processes for public sector board appointments. These initiatives will help inform future initiatives or reforms to strengthen integrity in the APS.

#### **Outcome 2: Public service employees are stewards of the public service**

Initiatives supporting Outcome 2 seek to strengthen the role and purpose of what it means to be a public servant, making sure everyone in the APS understands their role and responsibilities. The Thodey Review identified a need for the APS to develop a more cohesive and collaborative culture across the diverse functions and agencies that make up the public service. In line with this, recent events have shown the need for public servants to individually and collectively protect the institution of the APS. This includes looking ahead to identify and meet challenges with the interests of all Australians in mind.

The first phase of reforms under this outcome seeks to define and clarify the individual and collective roles and culture of the APS, now and into the future. Building on this founding definition, other initiatives seek to promote understanding to ensure public servant employees understand the importance of their enduring role, and to clarify for the Australian public the purpose and workings of the APS and the Government.

#### [Defining the shared purpose and values of the APS](#)

Better defining the role of the APS and public servants, and setting the standards of how APS employees should act in carrying out their duties is critical. Two key initiatives support this by



drawing from a range of sources to adequately provide direction on a common purpose and set of values for the diverse functions, agencies and individuals of the APS. Developing this shared understanding is key to enable culture and behaviour change.

The Government seeks to add **Stewardship as an APS Value** under the *Public Service Act 1999*, through the Public Service Amendment Bill 2023. As at October 2023, the Bill is before the Parliament. Currently under the *Public Service Act 1999*, only Secretaries, the APS Commissioner and Secretaries Board are required to act as stewards of their departments and the APS. The Bill aims to enshrine stewardship as an APS Value so that all public servants are required to act in a way that upholds the Value at all times. By doing this, public servants will be cognisant of how their individual behaviours contribute to the stewardship of the APS. The new Value has been defined as “*The APS builds its capability and institutional knowledge, and supports the public interest now and into the future, by understanding the long-term impacts of what it does,*” and was developed by extensive APS and public consultation.

An **APS Purpose Statement** will be developed to provide an operational mechanism for a unified vision that delivers on Section 3 of the *Public Service Act* for what the APS aspires to be. Between 31 May – 8 August 2023 a Deliberative Committee of APS staff designed options with opportunities for staff and members of the public to contribute. The statement seeks to create a unified and collaborative culture across the diverse functions comprising the APS. Work is already underway to develop the statement and has sought input from a deliberative committee consisting of 40 staff members representing 22 agencies and a diverse range of cultural and linguistic backgrounds, abilities, sexualities, genders, locations, ages, and classifications, as well as approximately 9,000 additional pieces of feedback.

#### Increasing oversight of APS activities

Two initiatives will increase awareness of the role of the APS and transparency of its work. First, the Minister for the Public Service will deliver an **annual Ministerial statement on the progress of reform**. This update will not only provide an opportunity to review the agenda for future reform but will also boost awareness, an understanding of APS Reform, and support change. The Minister is due to deliver the statement in November 2023.

Second, several steps have been taken to **increase transparency of Secretaries Board**. These efforts provide Australians greater clarity on the purpose and workings of the APS leadership. Secretaries Board meeting communiques and the Terms of Reference are now published online, with information about Secretaries Board sub-committees and their meeting communiques now published on relevant departmental websites. As a central pillar of governance across the service, these measures increase transparency of senior collective leadership effort across the APS.

## Pillar Two: The APS puts people and business at the centre of policy and services

### Outcome 3: The APS delivers human and user-centered policy and service excellence

Genuine partnership and engagement with Australia’s people, communities, non-government sectors, academia and industries is key to developing policies and services that reflect the needs



and aspirations of the people they affect. The APS must have clear principles for when and how it engages in partnership, to instil public trust and transparency in government institutions and processes. This will help embed integrity in public service culture and behaviour with communities. The APS must also be proactive in ensuring policies and services are accessible and meet user needs. By delivering human-centred services and harnessing digital and data systems, the APS can build community trust, confidence and satisfaction in public services.

To achieve this outcome, the initiatives in Phase One focus on four areas. The first is laying the institutional structures to ensure that meaningful engagement with the public is a core feature of the APS. The second is a set of initiatives that set the standard for what APS partnership and engagement should aspire towards. The third is uplifting capability to deliver policy and services that are human centred. Finally, a set of initiatives are developing greater understanding about the APS's operating context to improve trust in the APS, demonstrate its ability to address future challenges and outline how the APS's capability could be further strengthened.

#### [Laying the institutional architecture for engaging community](#)

To deliver human and user-centred policy and service excellence, the APS can embed institutional structures that champion and facilitate engagement with communities. The **Partnerships Priorities Sub-committee** promotes a coordinated effort in delivering user-centred policy and service excellence by embedding partnership culture and behaviour across the public service. This includes making engagement and co-design with communities, states and territories, businesses, NGOs and universities a natural and early impulse in how the APS works. The Sub-committee is driving work according to established international standards of engagement, which enables a clear benchmarking of practice. The influence of this work is being seen in the APS through programs such as the Capability Reviews.

#### [Uplifting the standards for APS partnership and engagement](#)

The development of a **Charter of Partnerships and Engagement** sets out principles for improving the way the APS puts people and business at the centre of policy, implementation and delivery. It aims to support agencies to build capability to genuinely partner and engage with Australia's people and communities, non-government sectors, academia and industries to develop more responsive policies and programs. The Charter will help realise the Government's commitment to genuine partnership and engagement in policy-making and service delivery with the public so that policies and programs are more likely to be sustainable and deliver against government and public expectations.

Designing a shared whole of APS **vision for user-centred service excellence** will help to clarify what the public service is working towards for APS employees and the public. It creates a clear standard to be measured against, with the ability to find where there are gaps in user satisfaction and trust, and where there are insights to be drawn from areas of strength. The creation of this vision is also an opportunity for staff to engage with the concept of user-centred service and to help embed that concept in everyday work.

The APS is establishing a whole-of-service approach to **outcomes-based contracting** with third parties to deliver services for Australians. This initiative seeks to support increasing APS officers' expertise in writing statements of requirements applicable for the circumstances in which external



consultants are appropriate; meaning it is only pursued in cases where the work is more efficiently or effectively outsourced than completed internally, or when independence is required. It will also ensure the entity maximises the benefit from the procurement of any such external arrangement.

#### [Investing in data and digital capability uplift](#)

As digital transformation continues at rapid pace across Australia and the world, it is critical that the Australian Government remains at the forefront of data and digital technologies to improve how it develops policies and delivers services. Therefore three initiatives under this outcome relate to developing digital and ICT capability and services that meet communities' needs and expectations.

The **Data and Digital Government Strategy** is a whole-of-government strategy setting the vision for how the Government will deliver simple, secure and connected public services for all people and businesses through world-class data and digital capabilities. The Strategy reflects the need for the Government to continue its own data and digital transformation to ensure it can meet the public's expectation and demand for digital services, data-informed policies and decision-making, as well as ensuring the APS is prepared for the digital age.

Efforts to **improve the quality of digital and ICT investment** aim to ensure APS stakeholders and partners receive high quality and timely advice on their digital investments, whole-of-government strategies, policies, and standards relating to digital and ICT investments. This initiative is progressing well through the role of the Digital Transformation Agency (DTA). As the Government's trusted advisor on digital and ICT matters, the DTA provides strategic and policy leadership, investment prioritisation, contestability, and assurance oversight across the Government's digital and ICT investment portfolio, engaging via the Government's Digital and ICT Investment Oversight Framework ([IOF](#)). The IOF supports engagement across the entire digital investment lifecycle – from early planning, approvals, project delivery and the realisation of benefits. The DTA undertakes regular data collections on investment health, analysis and reporting that serve to inform the Government's decisions relating to its digital and ICT investments. This work provides stakeholders and partners with high quality and timely advice on whole-of-government strategies, policies and standards for digital and ICT investments, which helps agencies deliver better digital outcomes.

The **myGov User Audit** is an independent review of the user experience, functions and performance of myGov in the context of being the primary front door to the Government's digital services. The user audit was released in January 2023 and provided findings and recommendations for the future of myGov. The user audit recommendations have provided Government with a path forward that requires a long-term commitment to invest in myGov as critical national infrastructure. The Digital Transformation Agency and Services Australia are working in partnership to develop a joint response to the myGov User Audit for Government's consideration in the 2023-24 Mid-Year Economic and Fiscal Outlook context. Work is progressing with collaboration and engagement across whole-of-government to develop a high-level position to each recommendation for Government.

#### [Understanding the operating context: trust in the APS and future challenges](#)



Two initiatives seek to develop more understanding about the APS's operating context – both current and anticipated – to determine how the APS could be further strengthened.

The **Survey of Trust and Transparency in Australian public services** provides a core dataset that can be used by policymakers to better design or improve policies, building on the revised approach to partnerships. It helps the APS better understand community sentiment around their use and experience of Australian Government services. Publishing an expanded annual report on the Survey and monthly results (via a dashboard) ensures that appreciating user experiences remains a core part of the development and delivery process, and in turn builds greater trust and satisfaction within the community.

The **Long-Term Insights Briefings** initiative will strengthen institutional capability in the APS for analysing significant, complex, longer-term, cross-cutting and strategic policy challenges that may affect Australia and the Australian community in the medium and long-term. The briefings are developed through a process of consultation with the Australian community on issues affecting them, as well as with experts from the public service, academia, industry and the not-for-profit sector. By engaging with the public and the APS more broadly, the briefings will assist in developing an understanding of the evidence, context, trends and implications of the issue over a long-term horizon and position the APS to better deliver for Australians.

#### **Outcome 4: The APS has effective relationships and partnerships with First Nations peoples**

Central to APS Reform is supporting the APS to build full and genuine partnerships with First Nations communities and organisations, including through delivering culturally safe services through respectful engagement and building genuine partnerships. The APS must build relationships based on mutual trust and respect with culturally safe engagements. It is through this first step of building relationships that shared decision-making with Government on policies and programs that impact First Australian peoples can be enabled.

The initial initiatives that are working towards this outcome are currently in design. It is anticipated that these initiatives will lay the groundwork, structure and relationships to develop genuine and meaningful partnerships with First Nations peoples and communities.

Under the **National Agreement on Closing the Gap, Priority Reform One** agencies will work individually and collectively to set up structures and an approach to ensure formal partnership arrangements support Closing the Gap. To support best practice across all portfolios in establishing and strengthening partnerships and shared decision-making with Aboriginal and Torres Strait Islander people, this has included the development of the Commonwealth Aboriginal and Torres Strait Islander Partnerships and Engagement Framework.

**Action to support genuine partnerships with First Nations people** is undertaking early scoping to consider the need for any systems or legislative change required to transform mainstream government organisations, to enable formal partnerships and shared decision making with Aboriginal and Torres Strait Islander people.



## Pillar Three: The APS is a model employer

### Outcome 5: The APS's employee value proposition is attractive

Ensuring the APS is a great place to work and offers a quality employee experience is key to attracting and retaining the best and brightest public servants. APS Reform efforts are focussing on creating an attractive employee value proposition for current and future employees, including improving working conditions and lifting pay. Under this first phase, there are several initiatives that make operational changes to improve the working conditions and overall value proposition of the APS. Accompanying these initiatives are actions designed to ensure long-term oversight and accountability for conditions, and the broader employee value proposition of the APS. These will ensure that standards are kept high and any emerging issues or risks can be addressed for longevity.

#### [Operational change to promote an attractive APS](#)

Four initiatives are centred around policy change that make the APS a more attractive place to work, while simultaneously laying the groundwork for future efforts to improve the APS's employee value proposition. For example, the ***New Workplace Relations Policy*** has focussed on fair and genuine negotiations between employers, employees, and unions through service-wide bargaining. An APS wide approach to workplace flexibility has been agreed, and Secretaries Board endorsed the 'Principles of flexible work in the APS' in March 2023. The new policy aims to deliver pay increases and better conditions, while also laying the groundwork to reduce fragmentation of pay and conditions across the service over time. Service-wide bargaining commenced in March 2023.

The Government continues to implement the **Maternity Leave Act review**. Ensuring that parental leave in the APS meets the needs of today's employees as they establish families and maintain careers in the Commonwealth is key to attracting and retaining talent in the APS. The Government has tabled parental leave conditions in APS-wide bargaining as an interim step ahead of considering new parental leave legislation to replace the *Maternity Leave (Commonwealth Employees) Act 1973*.

Access to flexible work has become an increasingly important driver of attraction and retention for employees in the APS and the broader Australian labour market. In acknowledgement of this, in April 2023 the APSC published a set of **principles of flexible work in the APS** as endorsed by the Secretaries Board. Greater access to flexible work will not only strengthen the APS's ability to deliver strong outcomes, improve workforce resilience and help employees balance their work and personal priorities, but it will help the APS recruit new staff from anywhere in Australia.

Through **APS Net Zero 2030** the Government is taking action to reduce its greenhouse gas emissions to net zero by 2030 (excluding security agencies). By doing this the Government is seeking to lead by example on workplace efforts to ensure emissions reductions, and is upholding its commitments in the United Nations Framework Convention on Climate Change under the Paris Agreement. As part of the interim policy and reporting framework entities are due to start reporting and taking early action in 2023.

#### [Increasing oversight of APS workplaces and employees experience](#)



Two initiatives are underway to ensure there is greater oversight of APS workplaces and employees experience. These initiatives will drive accountability, ensuring issues are addressed and the employee value proposition remains attractive over time.

The initiative to **publish APS Census and action plans** will, subject to the passage of the Public Service Amendment Bill 2023, which as at September 2023 is before Parliament, establish a requirement for agencies to publish their annual APS Census results and accompanying action plans. This requirement will assist in developing better performance by ensuring there is transparency in agency Census results and the implementation of action plans to address poor results. Results are due to be published by the end of November 2023.

The **Secretaries Board Sub-Committee on Future of Work** continues to operate as a catalyst in driving organisational and workforce reform priorities for the APS, to address pressures and emerging workforce demands. The Sub-committee meets regularly to provide advice to Secretaries Board on opportunities to strengthen APS workforce and organisational capability, including developing the best value proposition for the APS in the employment market.

### **Outcome 6: The APS sets the standard for equity, inclusion and diversity**

Being a model employer requires the APS to set the standard for diversity and inclusion. Initiatives under this outcome seek to set the standard for inclusion and diversity in the APS as well as developing greater clarity of gender pay inequality in the APS to help reduce the gender pay gap.

Through the **APS Culturally and Linguistically Diverse (CALD) Employment Strategy**, the Government aims to address concerns about discrimination and racism in the APS. The Strategy will provide tangible actions to promote individual cultural capability across the APS, improve key process points for recruitment, mobility and promotion, and develop an organisational culture that values diversity.

The Government is committed to **reducing the gender pay gap and reporting publicly on progress**. The *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023* requires the Workplace Gender Equality Agency to publicly release 2023 APS Gender Pay Gap data for every agency with 100 or more employees. Enhanced transparency aims to drive accountability that encourages agencies to take further actions to address the gender pay gap.

### **Outcome 7: The APS sets the standard for First Nations employment and cultural competency**

Building the cultural capability of the APS and increasing the number of First Nations staff, particularly at senior levels, is critical to improving outcomes for First Nations communities. Equally important is ensuring retention of First Nations employees. These initiatives are linked to the Government's commitments under the National Agreement on Closing the Gap, and aim to build cultural safety and eliminate racism in government institutions.

#### [Investing in the APS's cultural capability](#)

The **APS First Nations cultural capability and boosting First Nations employment initiative** is making changes to the key aspects of recruitment in the APS and the working environment to better employ and retain First Nations employees. A national affirmative measures round for First Nations SES Band 1 recruitment is expected to commence in 2023. Additionally the APSC's



Cultural Capability Hub commenced in August 2023. This is a central repository of practical guidance and suggested resources to support staff to uplift their Aboriginal and Torres Strait Islander cultural capability. This will be complemented by the APS Academy Footprints program, a cross-cultural learning and professional development framework that supports continuous and ongoing development of cross-cultural capability.

Through **Monitoring & Accountability to embed Closing the Gap Priority Reform Three** the Government is developing a framework to measure and drive cultural, systemic and structural transformation across APS agencies.

## Pillar Four: The APS has the capability to do its job well

### Outcome 8: The APS continuously improves its capabilities

To support Australians now and into the future, the APS needs a skilled, confident workforce, and robust and trusted institutions to deliver modern policy and service solutions. To achieve this outcome the APS needs to continuously assess its strengths and weaknesses, and take action to uplift capability over time. Importantly, reforms will reinforce and build upon recent reforms such as the establishment of the APS Academy, APS Professions Stream and APS Surge Reserve workforce.

Under the first phase of reforms initiatives are clustered into four groups. The first two groups lay the foundation for long-term capability uplift by investing in new bodies and frameworks. A third group of initiatives directly invest in known capability gaps while the final cluster of initiatives seek to understand the broader picture of capability in the APS and how it might be lifted overtime.

#### Structural change to build capability overtime

The **APS Capability Reinvestment Fund** is an investment in building the organisational capability of APS agencies. Through the Fund the APS is working in genuine partnership to invest in pressing capability needs, for example, embedding iterative evaluation methods in all policy and program roles, and improving gender impact analysis in policy.

The establishment of an **in-house consulting model** (now known as **Australian Government Consulting**) addresses the increased reliance on external consultants to deliver strategic products for the APS. This initiative aims to reduce reliance on external consultants, build capability through consulting practitioner skill transfer, leverage existing specialist capability within the APS and provide guidance on how to improve value for money (in the instances where procuring external services remains appropriate). The service is due to begin operation and Guidance on Engaging External Consultants will be available in 2023.

As part of **embedding a culture of evaluation** the Government established the Australian Centre of Evaluation. The Centre will work to strengthen the quantity, quality and impact of evaluations across the APS. Its purpose is to lead the APS to integrate high-quality evaluation into all aspects of program and policy development to support evidence-based policy decisions that deliver better outcomes for Australians. Doing so enables agencies to better identify whether programs or policies are meeting their intended outcomes.





### [Setting standards for strategic commissioning](#)

Complementing the in-house consulting model is the **Strategic Commissioning Framework**. This initiative will set a clear expectation that core APS work must be done by the APS, and will outline limited circumstances in which outsourcing could be appropriate. Agency heads will apply the framework to rebalance their workforce, prioritising direct employment while delivering on their priorities. A resources toolkit will support the framework, connecting agencies to practical implementation guidance including advice on outcomes-based contracting. This initiative will ensure the APS reduces its reliance on contractors and consultants and maximises the benefit of any external arrangements through good contract and supplier management. The framework is due for release in late 2023.

### [Implementing projects that uplift capability](#)

Five other initiatives seek to address known capability gaps in the APS workforce.

**Delivering Great Policy** is a program within the APS Academy designed to help develop high-level strategic policymaking skills as well as create connections across different policy networks. Its regular training schedule and networking opportunities are directly improving policy capability through awareness and understanding of the core Delivering Great Policy principles. This initiative is also an example of leveraging practitioner-led learning across the service.

Two pilot programs to **establish Asia and the Pacific capability** respond to the need, outlined in the Thodey Review, to cultivate a workforce with deep experience in and knowledge of Asia and the Pacific due to the ongoing shift in the global economic weight of Asia. The programs, *APS Indo-Pacific Executive Development Program* and *Pacific Cultural Capability Microcredential* aim to develop APS staff's understanding of the shared challenges facing our region and their levels of cultural competency toward Asia and the Pacific. The APS Academy has partnered with Asialink to co-design and deliver the APS Indo-Pacific Executive Development Program, which is currently open for learner registrations.

Thinking critically and strategically about the future is vital for developing good policy and successful responses to longer term challenges faced by governments. The initiative **futures and strategic foresight capability** is focussed on broadening the use of futures analysis to inform policy and decision-making across the APS. It aims to improve staff and agency understanding at the operational level of the principles of futures thinking and how to apply those to set strategy, stress-test and refocus policy on outcomes, support decision-making, and improve engagement with stakeholders.

A strong partnership between the APS and Ministers is critical to the development and delivery of policies and services to the Australian community. Without a strong partnership, it is difficult for APS staff to deliver Ministerial objectives. As a part of the initiative **strengthening the APS partnerships with Ministers**, APS staff's capability to partner with and build stronger relationships with Ministers and their staff, is being uplifted through information resources and a learning program. Minister's staff are also attending panel discussions to enhance their capability to build stronger relationships with the APS.

The **Optimal Management Structures** initiative is helping APS agencies modernise their structures and ways of working. This updated guidance advocates for flatter structures, wider spans of



control and decision-making at the lowest appropriate level. Successive reviews have found the APS needs to streamline management and adopt best practice ways of working to reduce hierarchy, improve decision-making, and make best use of APS expertise and resources. The guidance is due to be released in 2023 and will be an important guide to assist agencies operate at their best capacity.

#### [Understanding capability in the APS and the reliance on consultants](#)

Two initiatives have a focus on identifying opportunities to improve capability in the APS.

The **Capability Review program** will help embed a culture of continuous improvement in the APS and ensure agencies continue to deliver government priorities and outcomes for Australians. Capability reviews are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. They aim to facilitate discussions around an organisation's desired future state, highlight strengths and organisational capability gaps, and identify opportunities to act on them. Once a review has been completed, agencies then develop and implement action plans to address any capability gaps identified in the review. Four capability reviews have already been completed. The Government has sought to legislate capability reviews as a requirement under the Public Service Amendment Bill 2023 – as at September 2023, the Bill is before the Parliament.

The **Audit of Employment** initiative collected information across the APS on the use of external labour including contractors and consultants. The report of the Audit was published in May 2023 and provides government with an understanding of the scale and nature of the contingent workforce.



# Section Three: Implementation architecture

Phase One of APS Reform included the essential task of establishing a fit-for-purpose implementation architecture for APS Reform. The six Implementation Principles agreed by the Secretaries Board, as outlined earlier in Exhibit 3 (refer page 12), played a critical role to help deliver this architecture. It enabled a quick translation of high-level reform objectives endorsed by the Government in October 2022 into a tangible delivery model with strategic levers to enable and embed enduring change.

The implementation architecture and delivery model for APS Reform has been stood up and further refinement is planned for the next six months. The arrangements include eight agreed program outcomes and metrics, a clear governance structure including roles and accountabilities for delivery, prioritisation and risk frameworks, and a formal reporting and engagement model. Core elements of the implementation architecture are summarised in Exhibit 5, with further detail provided in the following sub-sections. With this architecture in place, the Service’s experience in implementing current reforms will directly assist the implementation of future ones.

*Exhibit 5: APS Reform Implementation Architecture structured according to the six implementation principles endorsed by Secretaries Board in December 2022*

	1	2	3	4	5	6
	<b>Committed and accountable leaders</b>	<b>Clear purpose, outcomes, and priorities</b>	<b>Measure and report what matters</b>	<b>Coordinated and fit-for-purpose delivery plans</b>	<b>Capability empowerment</b>	<b>Consistent communications and engagement</b>
<b>Implementation architecture core elements</b>	<ul style="list-style-type: none"> <li>✓ Roles, responsibilities and accountabilities woven into APS <b>governance architecture</b></li> <li>✓ <b>Cohort of 100+ initiative leads</b> established across 12 agencies with accountabilities to deliver initiatives</li> <li>✓ Dedicated <b>APS Reform Program Board</b> established</li> </ul>	<ul style="list-style-type: none"> <li>✓ Initiative <b>Prioritisation and Sequencing Framework</b> established</li> <li>✓ <b>8 measurable program outcomes</b> agreed within a program logic and ensuring all initiatives are contributing to common objectives</li> <li>✓ <b>APS Reform Handbook</b> created to provide a clear narrative for reform and achieve shared sense of purpose</li> </ul>	<ul style="list-style-type: none"> <li>✓ Fit-for-purpose APS Reform <b>Reporting Model</b> established</li> <li>✓ <b>Tiered Engagement Model</b> established to augment reporting and help de-risk delivery</li> <li>✓ <b>Delivery Risk Framework</b> created to enable dynamic risk assessments and timely support / intervention</li> <li>✓ <b>Whole-of-program metrics defined</b> to monitor progress of the 8 program outcomes</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Strategy to hardwire accountabilities</b> to embed reform outcomes defined, with APS-wide implementation plan to follow in Phase 2</li> <li>✓ Initiative leads empowered to set and manage project delivery plans; <b>PMO team providing central oversight</b> to align plans to program objectives via hands-on quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Approach to <b>hardwiring capability outcomes</b> via reform initiatives defined and codified in Reporting Model</li> <li>✓ <b>APS-wide strategy to uplift capability</b> being defined via Future of Work Sub-committee</li> <li>✓ <b>Networked approach</b> to sharing transformation best practice and capability defined via COO Committee, with further work to come in Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>✓ Cohort of 100+ initiative leads actively engaged to gather intelligence on reform progress, and provide a <b>feedback loop</b> on opportunities for improvement</li> <li>✓ Systematically <b>communicating progress</b> within and beyond the APS</li> </ul>

## Implementation is supported by a set of core elements

The APS Reform Office implementation architecture comprises components focussed on governance and decision-making structures, program delivery, reporting and engagement processes.

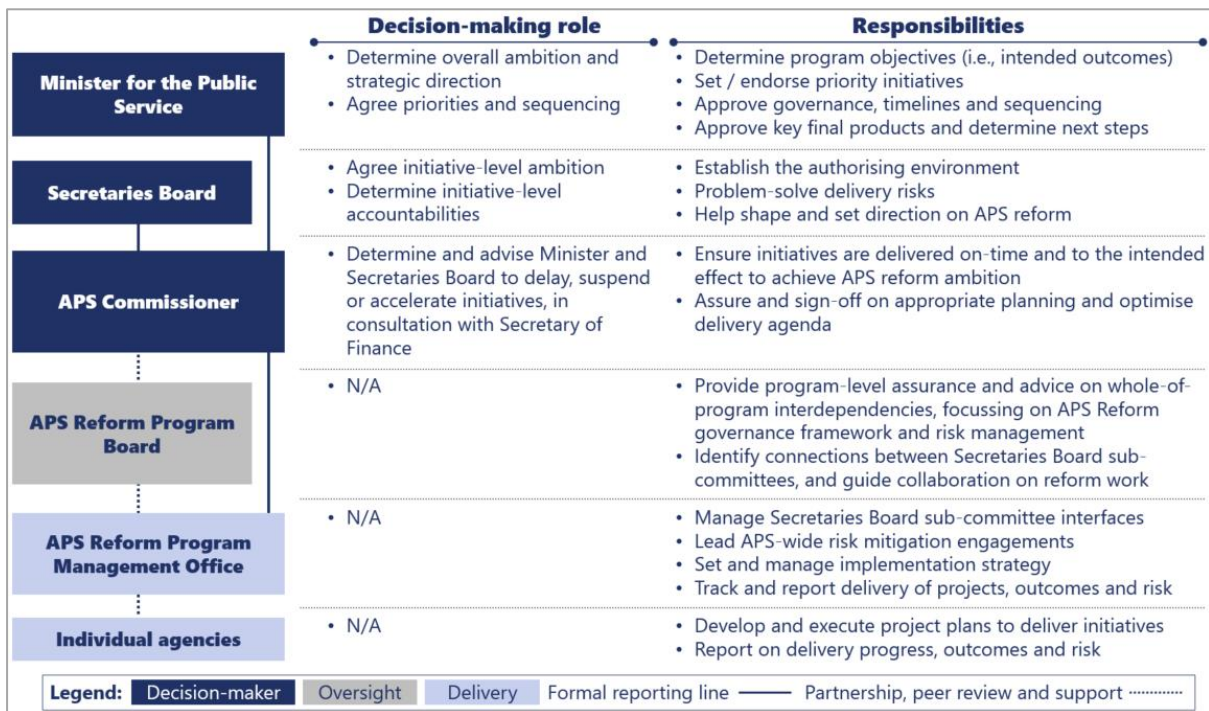


## Governance and decision-making structures

Reforms are being pursued through a distributed delivery model with devolved accountability for outcomes. Clearly defined APS Reform roles, responsibilities, and accountabilities have been woven into existing APS governance structures, including Secretaries Board and its Sub-Committees. This is summarised in Exhibit 6 below. A newly established APS Reform Program Board has been stood-up, comprising Deputy Secretaries from 10 departments to oversee the implementation of the APS Reform agenda, and provide advice to areas that are involved in reform activity. Its role is as a supporting mechanism for the Secretaries Board, which holds overall accountability for the delivery of the APS Reform program. The APS Reform Program Board will provide recommendations particularly regarding governance, risk and reporting. Further, an ongoing Program Management Office function is enabling effective and efficient central planning, guidance, support, and oversight of reforms.

The model of devolved accountability simultaneously empowers and holds agencies to account for the implementation of reform outcomes. Combined, these structures work to support, enhance and optimise the accountabilities of each agency responsible for delivering reforms.

Exhibit 6: Summary of APS Reform governance arrangements



## Program delivery model

Reform is service-wide. The 44 Phase One initiatives are being led by 12 departments and agencies with coordination driven by a strong Program Management Office to ensure joined up delivery across the APS. Accountability structures are designed to enable agency-driven cultural change across the APS. Measures of success, including changes in behaviour, will be tracked in the long-term.



The program delivery model includes the establishment of the 8 whole-of-program outcomes. In April 2023, the Minister for the Public Service agreed the outcomes following endorsement by Secretaries Board, which now serve as the primary objectives for reform. In effect, these outcomes describe the end-state of the APS Reform program and provide direction for reform initiatives that each contribute to the required transformation. They also support decision-making about the potential inclusion of new initiatives. All initiatives are intended to be completed or transitioned to business as usual in time, creating opportunities to build on their successes with new projects and ambitions.

The underpinning indicators of success and metrics for the eight program outcomes will be put to the Secretaries Board for consideration and agreement. This work will enable empirical monitoring and reporting of program outcomes over time, inform where progress is or is not being made, and where attention ought to be focussed across the program to achieve reform outcomes (for example via reinforced efforts or new initiatives).

### Reporting and engagement process

A fit-for-purpose APS Reform Reporting Model has been established to consistently track and report on challenges, risks, opportunities and successes of reform initiatives. This model builds on other successful reporting models in operation across Government, and is backed by regularly scheduled senior attention via the governance structures. A comprehensive risk framework is also in place to proactively surface risks (for example via the reporting model) and to enable timely support or intervention.

The APS Reform Program Management Office has established a Tiered Engagement Model, to enhance formal reporting cycles and actively monitor APS Reform delivery risks. The Tiered Engagement Model is guided by proven program prioritisation and risk frameworks to ensure a consistent approach to identifying and mitigating risk, by increasing the level of engagement for areas in highest need.



## Section Four: Program risks

### The Reform program is managing several overarching risk themes

The APS Reform Office, in partnership with project teams across the service, works to identify and mitigate potential program delivery risks. Based on bottom-up reporting by project teams, this Section outlines the common overarching risks that have emerged in the first year of reform. Measures are in place to mitigate these risks and the APS Reform Office will work with agencies on an ongoing basis to ensure their efficacy. At a program-level, the prioritising, staging and sequencing of reform efforts is intended to minimise the cumulative effect of any of these risks.

#### Capacity of the APS to absorb reform

Despite a strong appetite for APS Reform, changing or competing priorities within agencies may challenge the capacity of the APS to absorb reforms. This risk is amplified if there is a perception that staff cannot see how the initiative applies to their role, or if there is a significant additional workload related to engagement, communication and implementation of an initiative. There is also a risk that some employees may experience 'change fatigue' in light of the rapidly evolving operating environment.

There are five mitigation strategies for agencies to improve their capacity to implement reforms. First, sharing and testing early findings and outcomes from initiatives with senior decision-makers, to receive feedback and direction for how the initiative should progress. Second, working collaboratively with other agencies and stakeholders across government, to design and implement initiatives so that they better reflect agency needs. Third, conducting workforce planning to address the expected increase in workload as some initiatives undertake full-scale implementation. Fourth, leveraging good governance practice through assessing implementation readiness in the early stages of development. Fifth, as times goes on, ensuring our delivery and communications demonstrate the benefit of an evolving and ongoing reform agenda.

#### Scale and complexity of work

As is common in large scale change programs, the scope and complexity of change is coming to the fore as project teams' progress through their various stages of work. Mishandling the substantial scale and complexity of an initiative could result in the design and implementation of policies that lack the details and considerations necessary to meet intended outcomes.

There are five mitigation strategies to address the challenges of substantial scale and complexity. First, close engagement with initiative leads. Second, transparent monitoring and reporting that aligns with expectations. Third, establishing avenues for early intervention. Fourth, support if an initiative is off-track. Fifth, testing the scope and depth of the initiative with as broad an audience as applicable, to reduce the likelihood that the initiative fails to deliver lasting change.



## Shared approach to implement initiatives

For initiatives to progress and achieve their full potential, all key parties must have a shared approach to developing and implementing it, including the scale, scope and timing of the reform activity. Some project teams report ongoing effort is required to establish shared approaches to change in their context. Unless addressed, discrepancies relating to a consistency and timeliness of implementation could impact the initiative's ability to deliver on objectives.

There are three mitigation strategies in place to ensure a shared approach to implementing initiatives. First, providing open, clear and unambiguous advice to APS and Government decision-making bodies on the status and goals of the initiative. Second, providing timely and detailed briefing of challenges preventing progress on the initiative, including any emerging risks of scope creep or difficulty in developing a common solution to a problem experienced differently by agencies. Third, managing expectations about the potential to deliver the initiative on time and according to the shared ambition of the initiative.

## Passage of legislation

Passage of legislation is a key enabler for enduring reforms for a number of initiatives. Passage of legislation with delay or significant unanticipated amendments may impact the successful and timely delivery of reform outcomes. In particular, the passage of the Public Service Amendment Bill 2023 is necessary for several initiatives. As at September 2023, the Bill is before the Parliament.

## Strength and maturity of APS partnership and engagement models

Many initiatives require a robust approach to partnering with the community or other sectors to design or implement reforms. Immature partnership models may be reflected in the Australian community becoming disenfranchised with the process, disagreeing with the fundamental principles of the reform approach, lacking the capacity to engage, or pursuing opposing interests.

There are three mitigation strategies to facilitate more mature partnerships with the community and other sectors. First, engaging early and regularly to identify and pre-empt areas of anticipated disagreement, and ultimately build support for the initiative. Second, drawing on expert-feedback and surveying citizens to better understand the communities' needs. Third, working across agencies to leverage access to community organisations and support partnership.



## Section Five: Future focus areas

An intensive first phase of reform initiated service-wide action and built a strong foundation across all 4 reform pillars. The flow-on benefits of the current series of initiatives are already informing the future direction of APS Reform. For instance, the initial set of capability reviews have provided early insights to help direct continuous improvement throughout the service. They indicate that further effort is required to support agencies acting as stewards of their environments as well as ensuring the capability exists to build and maintain connections with key partners within and outside of the service. They also underscore the need to invest in core modern competencies, including in workforce planning and in supporting integrated, accessible and shareable use of data.

The need for reform is stronger than ever. In the wake of the Royal Commission into the Robodebt Scheme, it is clear that more work is required to ensure that the public service has the capability, capacity and confidence to give clear and unfettered advice to government and to do the job that Parliament and the Australian people need and expect it to do. Importantly, there is a need to ensure that all public servants – from APS level employees to agency heads – understand their role in APS Reform, how it will affect them, and how it will assist them in doing their job.

### The APS Reform implementation approach will be refined

While a significant portion of the APS Reform implementation architecture has been established since December 2022, further opportunities for improvement remain. Drawing on the original set of underlying implementation principles outlined in page 12, the APS Reform Office and the APSC are working to develop new and refine existing components to further support delivery of APS Reform.

The first focus area involves supporting increased staff engagement and collaboration across the APS. This includes engagement activities to convert staff awareness into action, through increased communications on opportunities to implement reforms in daily operating contexts. Further, it includes supporting models of collaboration between reform teams, and across agencies, so that relevant insights and best practice are shared in a timely manner to guide implementation efforts.

The second focus area for improving implementation is to strengthen agency-level accountabilities for implementation. This could include formal mechanisms, such as mandatory reporting on reform contributions as part of regular corporate documents, or through senior performance agreements. It could include adopting more customisable approaches to how agencies embed reforms, according to their own unique operating contexts and cultures. Empowering agencies to set and manage their own project delivery plans is important to ensure reforms are embedded across the service. This approach would be bolstered by central oversight mechanisms that ensure alignment to program objectives. In doing this, APS Reform will be more relevant, localised and easily accessible for all APS employees.





## With the foundations now laid, impact reporting will commence

Securing enduring change to the operation of the APS will be the critical measure of success for the entire reform program. This report has not provided an assessment on progress against the overarching reform outcomes as most initiatives are in the early stages of their development and implementation. For outcomes and impact to be accurately measured, initiatives must be either in their implementation stage or at a point of sufficient maturity to allow for long-term trends to emerge.

Measurement of outcomes will draw on a variety of inputs. These include monitoring of headline indicators of success and metrics, implementation progress reporting by departments and agencies, and formal whole of program reviews and evaluations. Combined with the monitoring and reporting of individual initiative outcomes, these inputs will provide a picture of how the implementation of reforms is having an impact on the broader service.

As the reform agenda progresses into its next phase of embedding and expanding reform efforts, we anticipate the future annual reports of progress will provide an assessment of progress against reform outcomes.

## The next series of initiatives will drive further improvements

Over the next 18 months, the APS will build on the strong foundations created in Phase One of APS Reform through a focussed set of initiatives. A second phase of APS Reform will target three priority areas where there is the greatest need for ongoing reform to:

1. Bolstering integrity through legislative amendments and non-legislative initiatives
2. Building an outwardly-engaged APS, and
3. Strengthening capability.

### Bolstering integrity through legislative amendments and non-legislative initiatives

Across the service, there is a strong impetus and opportunity to significantly elevate the importance of integrity in all the APS does – both at the systemic and individual levels.

The Royal Commission into the Robodebt Scheme recommended significant reform to the way public policies are designed and implemented. A joint taskforce led by the Department of the Prime Minister and Cabinet, the Attorney-General's Department and the Australian Public Service Commission is considering and leading the development of advice to Government on responding to the Commissioner's recommendations.

In parallel, APS leaders have reflected on the integrity of the APS through the Secretaries Board and appointed an APS Integrity Taskforce. In its interim report, the Integrity Taskforce flagged improvements to integrity are needed across the themes of culture, systems and accountability. The Integrity Taskforce's final report in September 2023 includes an action plan for Secretaries Board to strengthen pro-integrity systems and culture in the APS.



In response to this, the first priority area in Phase Two of APS Reform will be to bolster the integrity of the APS through initiatives that cover three primary themes:

- Merit-based appointments, performance framework and greater integrity functions for the position of Secretaries, Agency Heads and the APS Commissioner
- Extension of APS Values to PGPA entities to promote greater alignment across the APS and improve public trust, and
- Building greater accountability and transparency.

### Building an outwardly-engaged APS

For the Government to ensure that its policy, programs and services are designed around the people they are meant to serve, meaningful engagement with non-government sectors and the public is essential.

It is important to build an outwardly-engaged people-focussed public service, with the skills and strengths to successfully engage across government, communities, academia and business. This will allow the public service to draw on ideas, expertise and resources to develop more effective policy. Quality engagement seeks to shape and nurture relationships that are open, respectful and mutually beneficial. This includes developing stronger relationships, genuine collaboration, co-design and joint decision-making.

The second priority area in Phase Two of APS Reform will build an outwardly-engaged APS by focussing on two core initiatives:

- Implementation of guidance to underpin quality engagement and service design
- Building quality external engagement.

### Strengthening capability

The Government is committed to further building capability across the APS, by continuing to focus on workforce requirements and capability needs as they emerge and evolve.

Labour force insight data indicates the top two emerging critical skills areas for the APS are cyber and digital capability, and the emerging green economy.<sup>1</sup> These skill sets are prioritised in Phase Two of APS Reform, to ensure the APS is focused on building capability in areas of critical need; acknowledging the market is not developing capability fast enough to meet emerging needs.

The third priority area in Phase Two of APS Reform will strengthen capability where focussed whole of service consideration is required through initiatives that cover three primary themes:

- Strategic consideration of critical specialist capability such as ICT and green economy skills, to further reduce the reliance on contractors and consultants, and support delivery of government priorities

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<sup>1</sup> APSC, 'Labour force insights and budget implications', Centre of Excellence in Workforce Planning, July 2023



- Emerging areas of development priority considered through initiatives, such as the development of leadership at all levels and a second round of the Capability Reinvestment Fund, and
- Initiatives that promote the APS as a model employer through recruitment, retention and mobility of talent.

## APS Reform remains a service and community-led agenda

The APS Reform agenda can only be at its most impactful if it benefits from insights across government and the community. As always, we welcome public contributions to parts of the reform agenda under active development.

Further information on how to have your say or to simply keep up to date on APS Reform engagement can be found at: [Have your say | APS Reform](#).