



# **State of the Service Roadshow – Keynote address**

## **Peter Woolcott AO**

Thank you [Clare] for your introduction.

Good morning everyone, it is good to be with you.

I would also like to acknowledge the traditional custodians of the land we meet on today, and pay my respects to elders past, present and emerging. I extend that respect to our Aboriginal and Torres Strait Islander colleagues joining us today.

Today it is my pleasure to launch the State of the Service Roadshow series.

This is an opportunity to reflect on 2021 and to discuss where we are heading for the rest of this year and beyond.

It has been a tough year for many Australians and I'm certain everyone listening has been impacted in one way or another.

The challenges thrown at the APS have been significant. And in my view you have performed admirably.

The APS has an astonishing breadth of responsibilities. There are more than 153,000 people in the APS, working across 97 agencies and 14 portfolios, in more than 567 locations across Australia and the globe.

Through persuasive policy advice to Government, through regulation and through service delivery you touch the lives of every Australian.

And you have continued to deliver day in and day out. The latest State of the Service Report (and I know many of you sleep with it besides your bed) paints a picture of a service that is fully engaged and committed to the task facing us.

I suspect it is not going to get easier. The demands on good governance - on statecraft – and our capacity to work as a cohesive public service will continue to grow. As will the public's expectations of Government.

The world around us is changing at pace, our attention has been dominated by crises over the last two years, at home and abroad.

For the APS, this has meant making rapid changes, under increasing pressure, as the needs of citizens and governments shift dramatically.

The pandemic continues to illustrate the increasing complexity for our work: a public health crisis with implications for our economy, our regulatory system, national security, and how we deliver services, integrate technology and data, and mobilise our workforce.

This pandemic will pass - but the challenges around geo-political and societal volatility, technological change and economic disruption will not.

If we are to continue to serve effectively the Government and the Australian people we will need a public service that is driven by data and the sophisticated utilisation of technology.

We will need an APS that is collaborative and works as one enterprise in dealing with increasingly complex and interconnected issues.

We will need diversity – of ability, culture, gender and age – an APS that reflects the community that is modern Australia; and we will need an inclusive culture – to leverage the breadth of perspectives and expertise that resides in each and every team across our organisation.

And most fundamentally we need an APS that adheres to its values: committed to service; ethical; respectful; accountable and impartial.

*So where are we heading?*

Public service reform is a never ending journey.

Much of it is about cultural change and that takes time and co-ordinated leadership. But it is also about how we acquire, retain and develop our capability – to make sure that our employee value proposition is not fraying and that we stay competitive for talent.

When David Thodey presented his report to Government it proposed wide scale changes to ensure the APS was fit for the future. In essence, these focussed on the need for a more joined-up, people facing, data enabled, capable and trusted public service able to deliver effectively in a radically new operating context.

The Review was building on strong foundations. If you go back and look at Terry Moran’s Blueprint for Reform in 2010, it is striking how the Thodey Review has built on this work.

The Government agreed with the majority of the Independent Panel’s forty recommendations and asked the Secretaries Board to take these forward.

Our most senior leadership group, the Secretaries Board has, in fact, seized that opportunity.

It has used the pandemic to accelerate implementation of practical reforms that make a difference.

The public service 10 years from now will look very different from the public service of today.

*So what does this mean for your work?*

**Clearly it requires a very major focus on our people and our capability.**

It is now one year since we launched the first APS Workforce Strategy.

The Strategy is the foundation for driving the alignment of APS initiatives and investment to attract the best, develop the capability of APS employees, and mobilise people to our highest priority work.

Implementation of the Strategy is supported by the APSC’s Centre of Excellence for APS Workforce Planning Capability.

This small team is having a high impact in its support across APS agencies, fostering workforce transformation across the enterprise as whole, whilst meeting the unique circumstances of agencies.

System-level thinking is crucial.

However, I strongly believe that ensuring the enduring capability of our *people* is in many ways at the heart of APS reform.

Last year we established the APS Academy. It is a hub of learning for employees at all stages of their career, with a focus on the core craft capabilities that are critical for world-class public service.

Under each of these capabilities is an array of learning and development opportunities available to every APS employee, irrespective of location and stage of your career.

By way of example, these range from foundational training in topics such as integrity, or delivering great policy; professional development in topics such as human-centred design or engaging stakeholders; through to the delivery of SES masterclasses that recognise the unique operating environment of the APS.

An APS Academy Faculty, made up of respected current and recent APS senior practitioners, guide the design and delivery of programs on offer.

It is part of a deliberate, new approach to L&D that leverages strengths and areas of expertise across the APS, and seeks to embed a culture of continuous learning.

One example is an EL2 professional development program under development. We're seeking to offer a flexible pathway for participants to choose learning components that emphasise particular areas of capability development aligned to APS-wide needs – for example managing hybrid teams, or developing leadership capabilities.

We're looking to start rolling out the program later this year, so you'll be hearing more about it over coming months.

An APS Learning Board, made up of APS and external experts, has also been established to look at new ways to build capability right across our 153,000 strong workforce - to best support our people to develop the skills and expertise **they need** to deliver for the Australian people and communities we serve.

One of its early priorities has been to reduce duplication and inefficiencies in L&D purchasing practises across the APS.

A new Learning Marketplace is being explored, aimed at increasing competition and innovation in the market, and also ensuring we get the biggest capability uplift for dollars spent.

And to ensure we can make the best use of our expertise and resources in a fast-moving and interconnected world, we have also undertaken a review of **APS Hierarchy and Classification**.

The review looks at ways to make sure we better value and utilise the expertise and contribution from people at all levels, roles, functions and locations across Australia.

It addresses how modern and flexible ways of working can support more effective decision-making, remove bureaucratic barriers, and promote greater mobility and responsiveness.

The pandemic underscored this need: with the APS demonstrating through COVID how empowered teams, reduced hierarchy and a one APS mindset supported timely, data-driven decisions by Government; as well as enabling the mobilisation of employees and effort to the priority needs of our community.

Structural change occurs rarely in the APS – in fact in the 120+ year history of the APS, the classification system we have today is a result of two major reforms: a shake-up in the late 80s, and then a move to the current APS and Executive Level structures in 1998.

Nearly a quarter of a century on, and in a vastly different operating environment, it is not just timely, but essential to ask whether our existing culture and structure inhibits our capacity for innovation, agility, and delivery in today's world – and for our leaders to demonstrate the willingness for bold change.

**Let me now turn to Digital and ICT transformation.**

A Digital Review has provided a baseline for APS digital and ICT capabilities, and we have a sharp focus now on a whole of APS approach to digital funding.

Supported by the DTA, the APS is working together to ensure we are investing in the right things at the right time, and moving in a strategic and co-ordinated way.

One aspect of this is the sharing and re-using of digital capabilities to help optimise our investments across government.

If one agency invests in a new technology, design pattern or skill, we want the rest of the APS to be able to easily leverage this.

The Digital Government Strategy sees government using advanced technology to meet the needs and expectations of the public – offering stable, secure and reliable services.

This digital service vision is already being tested every day, supporting record numbers of people seeking COVID-related support and more recently, flood-related support.

And while there is plenty of room for improvement, we are meeting this demand in ways that we could not have imagined 5 or 10 years ago.

Technology alone, however, will only take us so far.

The new Australian Data Strategy supports stronger decision-making, through making better use of our data.

And it is critical that we continue to grow the necessary skills to make the best use of these transformative technologies and valuable data.

These actions work hand-in-hand with the APS Academy, and we have invested in growing data and digital capability directly through the APS Professions.

The Digital and Data Professions have grown over the last 12 months, with more than 3,000 of you signing up and accessing training, career development opportunities and communities of practice.

If you haven't signed up yet, I encourage you to do so through the APSC website.

We have also had record numbers of applicants and participants coming through our data and digital entry level programs.

Ultimately, however, improved APS capability is about delivering tangible benefits for the community we serve.

We need to be careful about fads and remain utterly grounded in our approach to what needs to change and what remains of enduring value.

We have a job to do now – and that requires managing the increasing complexity and inter-connectedness of issues, and the expectations of Government and the people;

And we have to look ahead at a shifting horizon – our reform ambitions need to keep moving with the changing landscape, and also with the changing nature of work and the workplace – often dubbed 'the Future of Work'.

**First**, we are living through a fundamental transformation in the nature of the work we do and the skills we need for a high-performing APS.

Digital technology pervades work environments everywhere. To be a leading digital economy and take advantage of changes in machine learning, advances in artificial intelligence and digitalisation, the APS needs to scale its digital infrastructure and skill its workforce.

71% of agencies have said they have critical skills shortages, with data, digital and ICT the most frequently reported.

Let me illustrate the issue with this particular skill set - Australia is estimated to need approximately 156,000 more digital technology workers by 2025, against a backdrop of a global digital skills shortage.

In reality we are in a fiercely competitive labour market for talent and we need to get better at keeping up with rapidly changing skill requirements of our workforce.

We are making strides to build strong capability pipelines for data and digital careers in the APS, with initiatives like Career Pathfinder. At the same time we need to develop data and digital literacy across our whole workforce.

**Second**, we need to reimagine where we work, learning from the “at scale” working from home experience, and accessing new talent pools across the country to bring in the skills we need.

We need to retain expertise and develop capabilities with our existing workforce, but that alone cannot provide all the solutions.

We also need to bring in expertise to reinforce our capability. Our capacity to attract those we need may require a substantial shift in our perceptions of where work can be done.

Hybrid work, splitting time between both the office and home, is not a new concept, and will almost certainly be a feature of a contemporary APS.

Whilst many of you are doing this already, across the APS leaders will need to be well equipped at leading and managing dispersed teams.

The use of flexible working arrangements in the APS, including working from home, pre-dates the COVID-19 pandemic and will be a mainstay for the APS to be seen as an employer of choice.

However, we must continue to strike the right balance between flexible work arrangements and delivering on behalf of government and Australians.

For example, many of us are employed in front-line roles or secure IT environments where the notion of flexible work may look very different.

Skill shortages in the broader Australian labour market and strong competition for specialist talent and expertise increasingly requires flexible and innovative ways in which to attract and retain our staff.

For example, most of the digital and data roles are advertised within Canberra but we know more than 90% of the talent with digital and data skills are located outside of the ACT.

Decisions about flexibility and where we work can remove the geographic boundaries of recruitment.

This also presents an opportunity for the APS, by bringing us closer to the communities we serve, helping to improve service design and delivery. Crucially, however, in a competitive war on talent, it enables us to tap into labour markets right across Australia.

**Third**, the COVID experience has shown that flexibility is possible in the APS and new ways of working can empower staff and deliver positive outcomes.

One of the successes of this period has been the ability of the APS to work together, with new opportunities for different parts of government to come together.

Public servants have also been deployed across the APS at a pace and scale never seen before.

One example is the APS Surge Reserve. More than 4,500 people were deployed over the past 2 years from across the APS to surge to priority work.

As we speak, approximately 500 people are deployed to Services Australia from 23 APS agencies – assisting process disaster payments to Australians as a result of the devastating floods in NSW and Queensland in early March.

This collaboration and enterprise-wide approach means skills, knowledge and capacities can be drawn across organisational boundaries to better meet the urgent needs of Australians.

The need for collaboration across traditional agency lines will continue. We will need to ensure that our culture and structure are well suited to this way of operating.

Today, 50 per cent of employees in the APS are ‘digital natives’ from Gen Y and Gen Z who expect their roles to reflect technological advances and new ways of working.

Building on a strong platform of continuous reform, and to prepare for the future of work, a new Future of Work Secretaries Board Sub-Committee and cross-agency taskforce has been established, to develop practical and evidence-based actions to ensure we attract, develop and retain the capabilities and talent we need.

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I want to finish up by talking about the relationship between the public service and Ministers and their Offices.

It is timely to do so given that soon, a Federal Election will take place.

Irrespective of outcome, it will signal a renewed agenda from the government of the day.

Our caretaker conventions guide our approach once an election is called and we enter the caretaker period. Each of us should already be thinking about how the Caretaker Conventions will apply to our work.



How the APS manages transitions in an election context is one of the ways we act with impartiality and demonstrate our wider stewardship.

One of the great strengths of Australian democracy is the way we manage transition between Governments, or ensure continuity and renewal for a returned government.

This of course, is underpinned by the preparation of Incoming Government Briefs – the ‘red’ and ‘blue’ books – provided to the party voted into power by the people.

The smooth management of transition is fundamental for the safety and prosperity of Australians.

But more than that, a strong partnership between the APS, Ministers and their staff is at the core of the Westminster system – and it operates at its best when characterised by mutual trust, respect and confidence.

Not every member of the APS will have direct contact with Ministers and their staff, but it is important every member of the APS is aware of our respective roles.

Working with a Ministerial Liaison Reference Panel, a set of guides have been published to support the APS establish strong partnerships. They cover working with Ministers, the role of Departmental Liaison Officers, the operating environment of a ministerial office; and ministerial transitions.

With the APS Academy, the panel has also assisted to develop and deliver a new Strengthening Partnerships SES Learning Program. We are now building on that work to develop a complementary program for parliamentarians and their staff, to ensure they get the best from the APS.

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So let me conclude.

I do not need to remind you that there are both natural and global forces at work that will throw up complex challenges for us as a service to manage. And the clarity around the forms they will actually take is mixed.

It was the philosopher Kierkegaard who said “Events can only be understood backwards but must be lived forwards.”

They will require fine-tuned statecraft and the APS working at its best. If we are to serve effectively the Australian people and the Government we will need to work in partnership and as one APS – to harness the diverse perspectives and knowledge our organisation can bring.

It is not by chance that the Australian Public Service is one of the best in the world. It is because of the sense of service that you all embody and the values that guide our work, including political impartiality, merit based appointments, hard-headed advice and stewardship of the system by our senior leaders.

Thank you for the work you do, and I wish you well in 2022.