

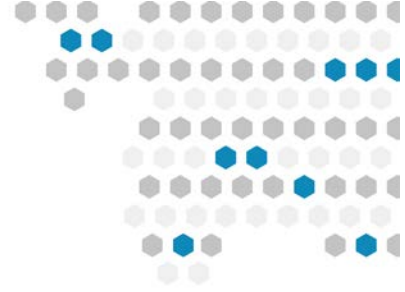


Australian Government
Australian Public Service Commission

Capability Review

Australian Public
Service Commission





© Commonwealth of Australia 2023

ISBN 978-0-6453376-8-6

With the exception of the Commonwealth Coat of Arms and where otherwise noted, this work is licensed under a Creative Commons Attribution 4.0 International Licence (CC BY 4.0). To view a copy of this licence, visit <https://creativecommons.org/licenses/by/4.0/>.

Attribution

This publication should be attributed as follows:

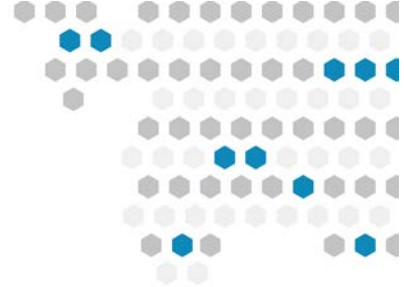
© Commonwealth of Australia

Australian Public Service Commission

Capability Review of the Australian Public Service Commission

Enquiries

For enquiries concerning reproduction and rights in Commission products and services, please contact: media@apsc.gov.au.



Foreword from the Secretary

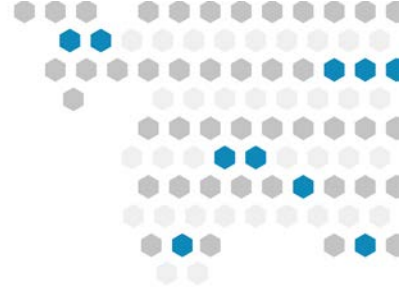
It is fitting the first of the pilot program of Capability Reviews of Australian Public Service (APS) agencies is a review of the Australian Public Service Commission itself. The Australian Government has committed to an ambitious APS Reform agenda. It is crucial that the Commission is capable and equipped to support the APS to deliver the government's agenda.

This review was conducted independently by Adjunct Professor Carmel McGregor PSM and Ms Justine Greig PSM, Deputy Secretary in the Department of Defence, with administrative support from the Department of the Prime Minister and Cabinet.

I commend these senior reviewers for their thorough and constructive approach. The review identifies the Commission's strengths as well as areas for focus, providing a foundation for its continuous improvement into the future.

I also wish to thank former Commissioner Peter Woolcott AO and the staff of the Commission for their cooperation with the review and commitment to excellence. As a critical institution at the centre of the public sector, the Commission helps all public servants to improve the lives of Australians.

Professor Glyn Davis AC
Secretary of the Department of the Prime Minister and Cabinet



Foreword from the Senior Reviewers

This Review assesses the capability of the Australian Public Service Commission (the Commission). It shows strengths and areas to improve so the Commission can meet expectations of stakeholder and government in the future. Stakeholders, clients and the Commission have informed this Review.

During his term (August 2018 to April 2023) as Australian Public Service (APS) Commissioner, Mr Peter Woolcott AO, built key relationships needed for the Commission to fulfil its statutory responsibilities and deliver capability initiatives which had lagged. This has been appreciated across the APS and jurisdictions.

The Commission has led on recommendations from the *Independent Review of the Australian Public Service* and supported the Secretaries Board Future of Work Sub-committee to deliver on forward-looking attraction, retention, and capability initiatives for the APS.

This Review heard that the Commission's workplace relations functions, workforce planning expertise and the APS Academy are credible and relied upon. Noting strong expectations across government, the APS Academy must continue to make its operational model and service offer clear, demonstrate tangible impact in key capability areas, and develop a sustainable funding model.

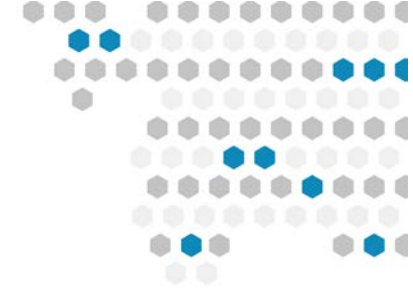
Understanding and use of the Commission's other responsibilities are more limited, particularly outside Canberra.

Stakeholders want the Commission to consistently assert its leadership and exercise more authority and influence. They noted the Commission's driving role in the early days of the pandemic and the importance of returning to this forward-looking approach. Many stakeholders want to see the Commission use the impressive data and longitudinal evidence it holds to identify strengths and opportunities for improvement, and to push improvements by holding agencies to account for their performance. Stakeholders would welcome this more assertive approach. They also want the Commission to lead integrity improvement, a key plank of government reform.

Through the consultations it was heartening to hear that there is strong support for an enhanced and more authoritative role for the Commission – one with the 'heft' and ability to set service-wide guidance and policy, and the leadership to drive a high-performing APS workforce. It is time to embrace this opportunity, as there has not always been such strong support for the Commission and its Commissioner.

To deliver on this more authoritative role, the Commission needs to deal with internal capability issues raised in this Review. Workforce issues require urgent attention to ensure the Commission recruits and retains the right staff with the right skills to deliver on its mandate. Careful forward workforce planning is needed to solve current issues of rapid turnover and consequent loss of corporate knowledge and expertise, and imbalances in staffing profiles and skills mix.

To deliver on high priorities including the APS Academy, the Commission relies on a networked model, drawing on other agencies or forums to collaboratively produce what is required. This approach is beneficial, particularly to gain ownership of reforms across the system. As a result, the Commission must continue to focus on skilling itself, and the wider APS, to work in partnerships.



A strong partnerships approach requires unified engagement by the Commission to understand and gain insights into the disparate needs of the APS. This can be pursued through the APS Secretaries Board and the Future of Work and Chief Operating Officers (COO) Committees, as well as the Public Sector Commissioners Conference.

In addition, greater expertise in strategic and operational human resources (HR) is needed, including to advance a stronger diversity and inclusion agenda in line with government priorities. This needs to be combined with expertise and experience in the core areas of public service craft, to ensure the Commission has credibility in fulfilling its broader leadership role to improve craft capability across the service.

This Review acknowledges the Commission is stretched with many priorities and its funding model continues to be problematic. A review conducted in 2019 by David Tune AO made similar observations.¹

In 2023–24 the ongoing appropriation is estimated at around 50% of total funding. This highlights the reliance on cost recovery and ‘ad hoc’ temporary funding.

Further work on a sustainable funding model, particularly for the APS Academy, is required. This Review found it hard to assess how priorities are set across the Commission and, until this is clarified and transparent, it will be difficult to determine a different funding model.

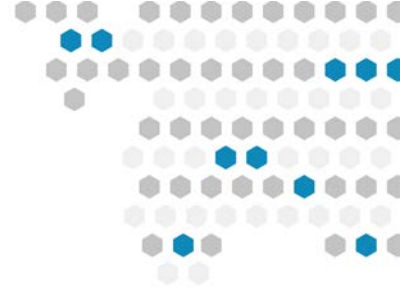
Staff are keen to be part of the solution and leadership needs to be built deeper into the Commission across all manager levels to optimise performance and unlock potential to drive solutions for the broader APS.

The reviewers thank everyone who contributed through the consultation phase. All gave their time and thoughts generously and have helped identify the issues for the Commission to focus on to deliver its important remit.

Carmel McGregor PSM

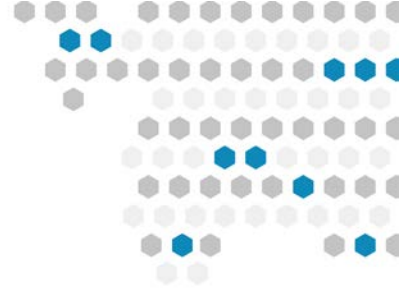
Justine Greig PSM

¹ *The Australian Public Service Commission: Capability review and strategy for the future* (https://www.apsc.gov.au/sites/default/files/2021-03/australian_public_service_commission_-_capability_review_and_future_strategy.pdf).



Contents

Foreword from the Secretary	2
Foreword from the Senior Reviewers.....	3
Context	6
About the review	6
About the agency.....	7
Overview.....	9
Excellence horizon	9
Agency strengths	10
Areas for focus.....	11
Detailed assessment of agency capability	13
Rating scale.....	13
Summary of assessment.....	14
Details of assessment	16
Leadership and culture	16
Collaboration	26
Delivery.....	33
People	43
Resourcing and risk.....	49
The agency’s response.....	58
Abbreviations and acronyms.....	59
Appendix A: Capability Review framework – domains and elements.....	60



Context

About the review

As part of its enduring plan for APS reform, the Australian Government has committed to a pilot Capability Review program, which was a recommendation in the *Independent Review of the Australian Public Service* (the Thodey review). The aim of the program is to:

- embed a culture of continuous improvement across the APS
- ensure that APS agencies can 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 organisational capability gaps and identify opportunities to address them.

The program is an investment in long-term capability and an opportunity to focus on strengths and development areas in the context of the anticipated future operating environment.

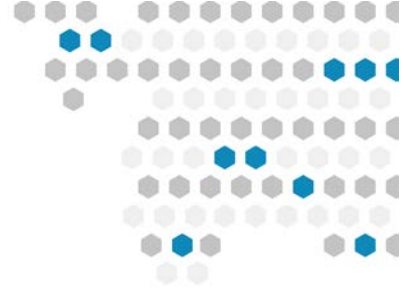
Reviews are conducted in partnership with agencies, complement existing initiatives within agencies, and provide an independent evidence base for further targeted change.

The focus is on an 'excellence horizon', which establishes the capabilities the agency needs now and in 4 years, and an analysis of organisational capability in leadership and culture, collaboration, delivery, people, and resourcing and risk – highlighting management strengths and weaknesses.

Reviews are conducted via interviews and workshops with the organisation's senior staff and external stakeholders, including relevant ministers, private sector companies, state delivery organisations, peak bodies, clients and central agencies. Desktop research is also conducted.

The review of the Commission was designed to be relatively short and take a high-level view of its strategic operations. Between 17 January 2023 and 17 March 2023, evidence was compiled from desktop research, 71 interviews and 6 workshops (virtual and in-person) with Commission staff.

While the Commission administers the Capability Review program, the Department of the Prime Minister and Cabinet provided administrative support to the Senior Reviewers for the review of the Commission.



About the agency

The Commission is a non-corporate Commonwealth agency within the Prime Minister and Cabinet portfolio.

The first Public Service Commissioner was appointed in 1902, with wide-ranging powers to oversee the (then) Commonwealth Public Service operations. The Commission was established in its present form in 1987, when the previous Public Service Board was dissolved as part of public sector streamlining. Departments took on operational aspects of APS personnel matters, while the Commission retained policy aspects of people management and recruitment.

The Commission is responsible for the stewardship of the APS, advancing change, professionalism and integrity across the sector and, by extension, community trust in the APS. The Commission's broad statutory functions are detailed in Part 5 of the *Public Service Act 1999* and focus on:

- strengthening the professionalism of the APS and driving continuous improvement in workforce management so the APS is ready for future demands
- promoting high standards of accountability, effectiveness, performance, integrity and conduct in the APS
- fostering and contributing to leadership, high quality learning and development, and career management in the APS
- fostering an APS workforce that reflects the diversity of the Australian population
- providing advice and assistance to agencies on public service matters and partnering with secretaries in stewardship of the APS.

The Commission's purpose² is to position the APS workforce for the future to ensure it meets the demands and expectations of the Australian Government and people. The Commission works to be a valued, credible and trusted partner to the APS – promoting high standards of accountability, effectiveness and performance of the APS now and into the future.

The agency head is the Australian Public Service Commissioner (the Commissioner). In addition to the role as agency head, the Commissioner is a statutory officer appointed under the *Public Service Act 1999*, with statutory powers as set out in section 41 of the Act. In practice, the occupant needs to rely heavily on influence, rather than statutory powers, to secure outcomes.

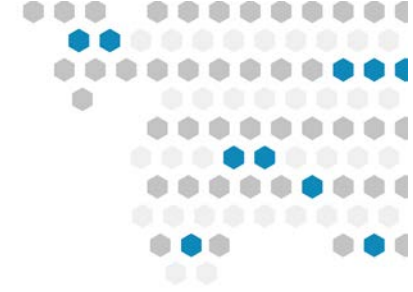
The Commissioner is also the Parliamentary Service Commissioner. The Parliamentary Service Commissioner is a statutory officer appointed under the *Parliamentary Service Act 1999* by the Presiding Officers of the Parliament.

The Commission provides resources (staff and corporate support) to the Merit Protection Commissioner and Parliamentary Service Merit Protection Commissioner to perform their regulatory functions, as well as providing policy and secretariat support to the Remuneration Tribunal and the Defence Force Remuneration Tribunal.

During 2022–23, the Commission grew from a small agency to a medium-sized agency. In December 2022 the Commission had a headcount of 370 staff (306 full-time equivalent or FTE), with most staff based in Canberra.

The Commission undertook new initiatives in response to the Thodey review and the push to strengthen the centre of government to further a more collective one-APS. These initiatives include commissioning the

² Australian Public Service Commission Corporate Plan 2022–2026.



independent APS Hierarchy and Classification Review, developing the APS Workforce Strategy and Learning and Development Strategy, and establishing the APS Academy and professions model, and surge reserve.

The Commission's departmental operating budget in 2022–23 was \$81.1 million. This is forecast to reduce across the forward estimates to \$67.4 million in 2026–27, due to a reduction in departmental appropriations from temporary Budget measures terminating over the forward estimates. External revenue from other sources is forecast to increase over the forward estimates to \$20–21 million a year. Since 2020–21, the Commission's departmental funding has increased by 76% and its Average Staffing Level has increased by 100 due to new activity and functions.

The Commission has recently restructured, and now has 2 Deputy Commissioners – Head of Workforce Policy, Integrity and Operations, and Head of APS Academy and Capability. This removed the Band 2 layer of hierarchy in line with the Hierarchy and Classification Review. The Deputy Commissioners are supported by 11 Senior Executive Service (SES) officers and 3 executive directors at executive level 2 (EL2). In addition, a Workplace Relations Bargaining Taskforce was established in October 2022. The 12-month taskforce is headed by a third Deputy Commissioner, who is responsible for developing the approach to service-wide bargaining.

The Commission has many touchpoints across the APS, including the Commissioner's statutory role in appointing senior officials, and position as Deputy Chair of the Secretaries Board, and trusted adviser to agency heads. The Commission's focus expands beyond the domestic public sector, with staff supporting public sector counterparts within the Pacific and Southeast Asia region.

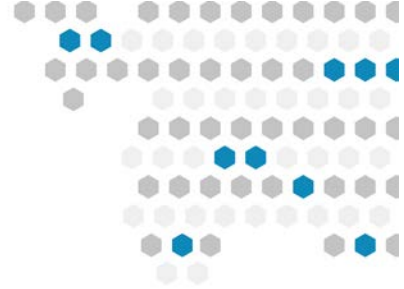
Commission staff are responsible for a wide range of functions and services, which include supporting the Commissioner's inquiry and review powers. The Commissioner oversees the process and assessment of applications for almost all SES Band 3 appointments, agency head roles as per the government's Merit and Transparency policy, and the appointment of secretaries in accordance with the *Public Service Act 1999*. The Commissioner is the Deputy Chair of the Secretaries Talent Council and actively engaged in the leadership development of SES Band 3 officers and agency heads, as well as succession planning.

Employee engagement is high in the Commission, at 73% in 2022 according to the Commission's APS Employee Census results. The census also showed positive increases regarding immediate leadership (81%), communication (74%), and wellbeing (70%) compared with 2021. Most staff feel the Commission supports and actively promotes an inclusive flexible workplace culture (83%), and that they receive the respect they deserve from their colleagues at work (89%).

Since its inception, the Commission has evolved in line with changes to the public service, driven by ministers' expectations, new technologies and ways of working, and other advances in public administration. The government's current APS Reform Agenda involves ambitious changes for the APS within 4 priority areas:

- an APS that embodies integrity in everything it does
- an APS that puts people and business at the centre of its policy and service delivery design
- an APS that is a model employer
- an APS that has the capability to do its job.

To be an integral partner in this agenda, the Commission needs to be positioned to drive and deliver many elements.



Overview

Excellence horizon

Changes forecast over the next 4 years will influence how the APS delivers services to all Australians and the workforce skills it needs – and therefore the Commission’s future state. Many changes are identified in the *APS Workforce Strategy 2025*, including:

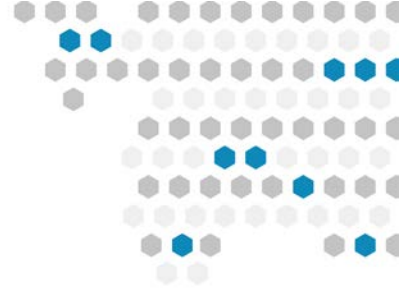
- Community demographics, different expectations of responsive and digital government services and changing trust in public institutions.
- Digital transformation and the unprecedented growth in the availability and value of data driving policy and service delivery responses. The demand for rapid development, implementation and evaluation of solutions tailored to business and community needs.
- Increasing demand for emerging and specialist skills and talent in an increasingly dynamic labour market.
- Changing workforce profiles, altering work structures and employee expectations of work and workplaces.
- Geopolitical and macroeconomic uncertainty, requiring collaborative, adaptive and rapid responses by government, industry and citizens.

To ensure it has the capability to meet these challenges, the APS needs to implement workforce initiatives in the following 4 areas:

- Attract, build and retain skills, expertise and talent – recruit and develop the capabilities and skills needed to be a diverse, high-performing workforce that facilitates career pathways across an outcomes-focused enterprise.
- Embrace data, technology and flexible and responsive workforce models – lead data and digital transformation and deploy skills, expertise and talent at scale to where it is needed to deliver the outcomes that the Government and Australians expect.
- Strengthen integrity and purposeful leadership – ensure that leadership continues to shape behaviour, purpose and delivery of outcomes, and that the APS is highly regarded for its integrity and citizen centric focus, including embedding the charter of leadership behaviour, improving performance management and greater focus on EL2 staff.
- Build leadership to deal with the ambiguity and complexity of the government’s handling and responding to geopolitical and macroeconomic challenges.

As these complex areas of action require joined-up approaches, the Commission will partner with other agencies to coordinate the delivery of related outputs across the APS. Over the next 4 years, the Commission will work closely with the Secretaries Board Future of Work Sub-committee to build the APS employee value proposition, so the APS is a place where people choose to work, and to shape the policies and programs that deliver positive outcomes for Australians.

The APS needs to: improve retention of First Nations, culturally and linguistically diverse (CALD) communities, and people with disability; address systemic racism and implement true cultural competency; drive integrity reforms; and ensure that leadership behaviours matter as much as achieving outcomes. Organisations will also see a new generation of workers join their workforces with very different experiences and aspirations.



This forward agenda presents challenges for the APS and the Commission, given the breadth of issues and size of the Commission. To deliver on the agenda, the Commission needs the right mix of funding, people and skills, driven by evidence-based policy, to provide high-quality leadership, advice and support to the sector on performance and improvement. The priority should be to attract, grow and retain talent, and build a workforce that reflects the diversity of the people the APS serves.

The Commission is a specialist agency requiring a combination of central policy key capabilities and deep expertise in highly technical and niche policy roles. The Commission has identified the following priority capabilities to position its workforce to meet future challenges, and respond to new and emerging priorities:

- Strategic – people and leadership; critical thinking and problem solving; working with government.
- Specialist – digital and data literacy; technical expertise; policy development.
- Foundation – relationship management; project management; research and analysis; decision making and judgement.

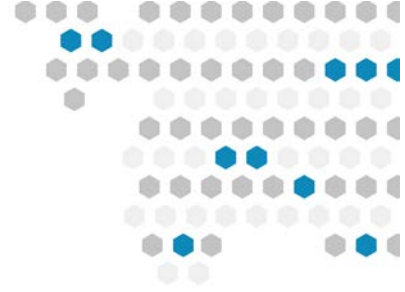
The Commission will need to make better use of technology and data, connecting performance management processes with talent progression programs and implementing strategic business/capability planning.

The Commission must also increase its capability as a thought leader, influencer and authoritative voice and steward of APS. In doing so, the Commission will be positioned to take a leading role in helping the APS address these identified workforce issues.

Agency strengths

The Commission's strengths are discussed in this report. Of note are the following:

- The annual State of the Service Report presented to Parliament is an impressive report giving historical perspective on the strengths and weaknesses of the APS. It identifies year-to-year trends in workforce participation and capability across the APS. The Commission has prepared the report for the last 25 years. It is informed by the results of the APS Employee Census and also draws on the APS Employment Database, the APS Agency Survey, and other data collections and research to evaluate the APS during the past year. The Census itself is also a valuable resource for agencies to address their specific issues and challenges.
- The Centre of Excellence for Workforce Planning within the Commission has been a very welcome development in recent years to help APS agencies develop their own workforce plans. It involves a community of practice of around 700 practitioners from across the APS.
- Workplace Bargaining advice and support is seen by stakeholders as a major asset for the APS. The cross APS Bargaining Team is engaging well and forging a much needed single focus on service-wide bargaining arrangements.
- Advice on complex and sensitive workforce matters is highly regarded by secretaries. In particular, Commissioner Woolcott's support and responsiveness was noted as highly valued and reassuring.
- The APS Academy is viewed as a good initiative to build capability on a whole-of-APS basis through a networked partnership model. Its Learning Board and Faculty plus Secretary support of key learning initiatives is considered a good platform to support future capability development across the system.
- During the COVID-19 pandemic the Commission played a pivotal role in providing guidance and managing the surge workforce. Its proactive and authoritative approach was valued and stakeholders look forward to the



Commission adopting a similar approach on wider APS workforce matters, including further leveraging the Chief Operating Officer (COO) Committee.

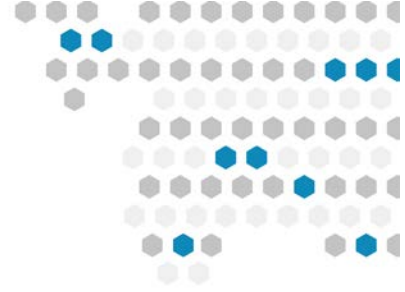
- Stakeholders also commended the Commission’s guidance on key matters, including the *Social Media guidance*, the *APS Workforce Strategy 2025*, and the *Secretaries Charter of Leadership Behaviours*.
- The Talent Council and associated program to identify and foster senior leaders has the support of the Secretaries Board. Its work to strengthen succession planning is a vital initiative to build leaders for the future and build the stewardship necessary.

Areas for focus

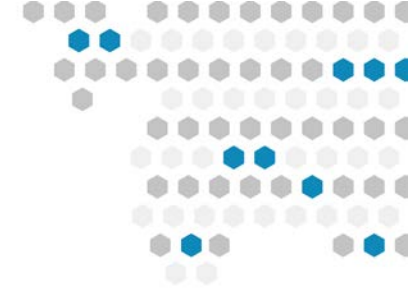
The Commission also has areas to improve, which are discussed in the report. In considering the future challenges for the APS, and for the Commission to fulfil a more central role in government, these are the most important focus areas:

- Providing clear, authoritative guidance to agencies, with a stronger position stance. This was identified by many agency heads. Advice cannot be vague and optional. The Commission needs to be firmer, and drive implementation of advice as well as evaluating where it has been actioned.
- Aligning the Commission’s priorities with legislative responsibilities, the government’s agenda and the future-focused needs of the APS. The Commission needs to realign resources with priorities. The projected decline in funding means the Commission will not be able to deliver everything it currently does.
- Improving its understanding of the needs of agencies and building whole-of-service capability where the APS needs it.
- Undertaking more focused and deliberate engagement. This will help build the Commission’s influence and two-way information sharing and discussion on policies, directions and capability development.
- Ensuring staff have the right tools, systems and processes to adapt to constantly changing priorities and be flexible in delivering work. Also critical is greater expertise in preparing advice for ministers. Stakeholders also want the Commission to work more quickly to develop actions from reports and identify future challenges in the public service.
- Leading as a model employer for the APS. In the current market, the Commission difficulty attracting and retaining the right talent for reasons including pay scales (in the ‘middle of the pack’), out-of-date internal policies and SES turnover in the last 2 years, which has contributed to the instability. The Commission must implement an internal workforce plan.
- Leading on integrity for the APS. The Commission effectively implemented a suite of pro-integrity measures for the APS during 2021–22. However, there is more to do and the Commission needs to focus resources to assert itself as a leader on integrity, along with the Attorney-General’s Department and the Department of the Prime Minister and Cabinet.
- Enhancing efforts in diversity and inclusion. Recent restructuring within teams has led to a confusion about responsibility and accountability. This needs to be clarified for Commission employees and stakeholders. The Commission would benefit from considering whether it has an optimal operating model.
- Strengthening HR expertise so the Commission is the trusted adviser for departments on all workforce matters. Positioning the head of profession in the Australian Taxation Office, as part of the APS HR Professional Stream, does not change the Commission’s ongoing role in providing whole-of-APS workforce advice.

By focusing on these aspects and capitalising on the many strengths, the Commission will be well placed in the next 5 years to be the leading-edge organisation the government and the APS need it to be. The *APS Workforce*







Strategy 2025 and the workforce planning team are lifting the capabilities in agencies. The APS Academy and Talent Council are having a positive impact. The Workplace Relations team’s approach and engagement across government is strong. Leveraging these strengths, with continued strong leadership at the highest levels, and more broadly engaging across government with a clearly prioritised agenda, will deliver significant results.

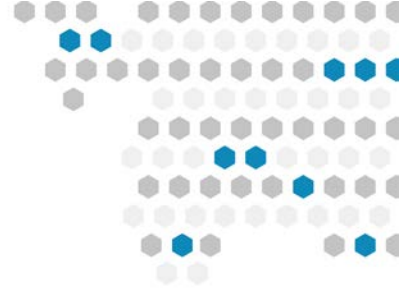


Detailed assessment of agency capability

This section provides an assessment of agency capability based on the following high-level maturity rating scale and element-specific rating descriptions outlined in the Capability Review framework at Appendix A.

Rating scale

Maturity rating	High-level maturity rating description
<p>Emerging</p> 	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Critical weakness in current capability • Critical weakness in its ability to deliver the capability in the short or medium term • No or minimal awareness of capability gaps • No or minimal action underway to address the capability gaps • No or minimal evidence of learning or a focus on continuous improvement
<p>Developing</p> 	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Weakness or gaps in current capability • Concerns in its ability to deliver future capability • Some current and future capability gaps not clearly identified and forecasting of future capability challenges needs to be improved • Identified weaknesses not systematically addressed • Greater focus on learning and continuous improvement is needed
<p>Embedded</p> 	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Good current capability • Majority of future capability gaps identified • Activities to improve in areas of current and future capability gaps, and is well placed to continue improving • Majority of business areas have some focus on learning and continuous improvement
<p>Leading</p> 	<p>Agency mostly demonstrates:</p> <ul style="list-style-type: none"> • Excellent current capability • Strategic and systematic approach to forecasting future capability challenges and responding accordingly • Plans and undertakes development to meet future and changing needs and conditions • Actively participates in learning and focuses on continuous improvement



Summary of assessment

The Senior Reviewers' assessment of the Commission's capability is summarised below.

Leadership and culture

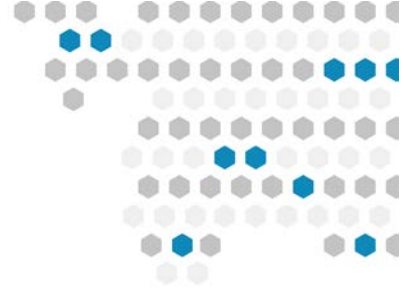
Element	High-level maturity rating	
Purpose, vision and strategy		<i>Developing</i>
Values, culture and behaviour		<i>Developing</i>
Leadership and governance		<i>Developing</i>
Review and evaluation		<i>Developing</i>
Embodies integrity		<i>Embedded</i>

Collaboration

Element	High-level maturity rating	
Engagement with ministers		<i>Developing</i>
Contribution to the public sector (federal, state/territory, local and international)		<i>Embedded</i>
Partnerships and engagement outside the public sector		<i>Embedded</i>

Delivery

Element	High-level maturity rating	
User focus and experience		<i>Developing</i>
Strategic policy		<i>Developing</i>
Service delivery and improvement		<i>Developing</i>
Managing for performance and outcomes		<i>Developing</i>
Capability to do the job		<i>Developing</i>

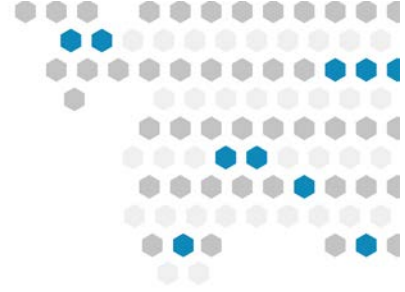


People

Element	High-level maturity rating	
Strategic workforce planning and development		<i>Emerging</i>
Staff performance and capability		<i>Emerging</i>
Staff engagement and experience		<i>Embedded</i>
Model employer		<i>Developing</i>

Resourcing and risk


Element	High-level maturity rating	
Asset (physical and ICT) management		<i>Embedded</i>
Information and data management		<i>Developing</i>
Cyber security		<i>Developing</i>
Financial management		<i>Developing</i>
Procurement, contract and project/program management		<i>Developing</i>
Risk management		<i>Embedded</i>



Details of assessment

The Senior Reviewers' assessment of the Commission's capability is detailed below.

Leadership and culture

Purpose, vision and strategy		
Purpose, vision and strategy are developed with reference to government priorities and legislative functions, and are responsive to external changes.		
Purpose, vision and strategy are clearly communicated and implemented across all areas of business.		
Maturity rating		Developing

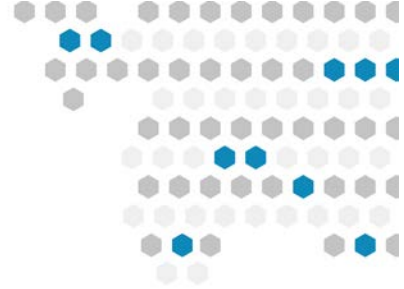
The Commission's role

The Commission is a core agency of the APS, with key functions set out in the *Public Service Act 1999*. The Commission's 2022–26 corporate plan, published on its website, concentrates on 2022–23 and also covers the subsequent financial years to 2025–26. The plan describes the Commission's purpose as 'to position the APS workforce for the future to ensure it meets the demands and expectation of the Australian Government and people'. Other publications on the Commission's website articulate its activities, programs and upcoming events.

The Review's consultation revealed variable understanding of the Commission's role. Stakeholders were familiar with workplace relations, workforce planning functions, the Employee Engagement Census and the APS Academy, but less clear on other policy and statutory responsibilities. Stakeholders agreed that during the height of the COVID-19 pandemic, the Commission rose to the challenge of leading a dispersed workforce and provided a range of key workplace policies, including flexible work guidance and support. It also led the 'surge workforce' to mobilise staff to assist on service-wide initiatives. Many stakeholders want the Commission to return to this 'take charge' attitude. This is positive recognition of the role the Commission and Commissioner played at a critical time and an expression of trust for this to continue in the future.

Workshops with Commission staff revealed a lack of consensus regarding the agency's strategic direction. Most staff and stakeholders could not articulate the Commission's purpose in a simple statement. A particular point of difference between stakeholders and staff related to the integrity agenda. Most staff see the Commission as fulfilling its role in upholding the integrity of the APS through guidance material, while stakeholders saw a more substantial role for the Commission, with stronger direction and leadership.

Commissioner Woolcott implemented a wide-ranging reform program over his term, including in response to the 2019 Thodey review. The government's 2022 APS Reform Agenda builds further on the principles and recommendations of the Thodey review, with emphasis on a strong role for the Commission. This has been welcomed by stakeholders.



The Commission is working closely with the new APS Reform Office to implement the APS Reform Agenda. It is important that the respective roles and mandate of the Commission and APS Reform Office are clear to staff and external stakeholders during this implementation phase. It is also important that appropriate planning occurs, including about workforce and resourcing, for the transition of functions beyond the term of the time-limited APS Reform Office .

Cross-APS partnership

Consultation acknowledged Commissioner Woolcott's vital role in re-establishing stronger relationships and partnerships with APS secretaries and agency heads. This has helped to clarify the priorities they would like the Commission to focus on, and provided important authorising support for the Commission's work on these priorities.

Establishing APS-wide buy-in through these partnerships, and consolidating a one-APS approach, has been critical for many of the significant reform efforts in recent years, including the COVID-response and surge workforce, talent development and planning, strengthening integrity, workplace bargaining, workforce planning and establishing the APS Academy.

Stakeholders consider the Commission could bring greater value to these partnerships by being more assertive and forward-looking, to better use all the intelligence it gathers through the Census, agency reviews, Deputy Secretary Talent Council assessments and other means to shape the APS for the future, determine how and where the system needs to change, and hold agencies to account. The Commission's data holdings are well regarded by other jurisdictions.

It is testament to the positive role of Commissioner Woolcott in developing trust with colleagues that they want a more authoritative and an assertive approach for the future.

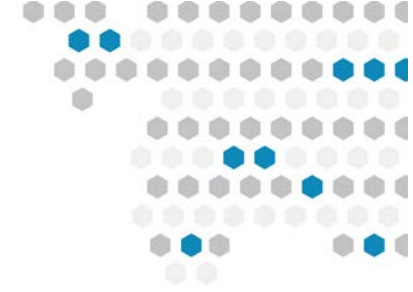
Clarifying priorities

The Commission must focus on the highest priorities across the APS to maintain the senior level support in government and the APS for its work agenda and resourcing.

The Review considers that too often the Commission tries to do too many things within its budget, without a coherent set of priorities to guide the work and inform allocation of staff.

The Review notes that the Commission is currently developing a more rigorous priority setting process to ensure it can perform its statutory functions, focusing on priorities of government, secretaries and chief operating officers. The Commission needs to be more transparent with staff and external stakeholders on how it prioritises and continue to refine this process over time.

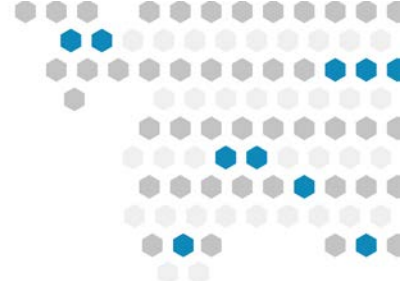
There are nuances in the Commission's work environment. Its work ranges from writing and implementing policy to providing services (such as through the workforce planning team and the APS Academy). Commission staff also support the Remuneration Tribunal (and Defence Force Remuneration Tribunal) and the Office of the Merit Protection Commissioner, which have regulatory functions. Regular review of priorities and conversations with staff are needed to align existing and new activities with the Commission's overarching purpose and strategy.




The Review also found a clear need to develop a consistent message to more strongly align the Commission’s vision, purpose and goals, given these nuances. While the APS Census results for leadership communication in the Commission are significantly above the APS average,³ there is some confusion among staff about the overall role, mandate and priority assigned to new and existing work. Staff often cited instances of inadequate communication about changing priorities and not understanding the context for the adjustments and impact on their work.

The Commission also needs to make a greater effort to ensure stakeholders understand its role. The Commission is developing an overarching communications strategy and could use this to explain more clearly its unique value-add within the APS, including how it connects with and delivers with and for the APS.

³ In the 2022 APS Census, 69% of Commission staff agreed that ‘internal communication within my agency is effective’ – 12% higher than the APS average.



Values, culture and behaviour		
Leaders drive continuous improvement and innovation to achieve better results.		
Maturity rating		<i>Developing</i>

Internal values

The Commission is responsible for the APS Values statement, supported the development of the SES Charter of Leadership Behaviours and has published documents on relevant topics, such as the *APS Values and Code of Conduct in practice; Handling Misconduct – a human resource manager’s guide* and *Raising behavioural concerns and reporting suspected misconduct*.

These efforts are important features of educating public servants more broadly on their responsibilities as members of the APS. However, the Commission could do more to model these values internally.

For example, there are opportunities with regular internal communications to involve staff and demonstrate values. The Commission has adopted a ‘cascade’ approach to communication and leadership. There is an expectation that messages and priorities agreed between the Commissioner and Deputies will be cascaded down to the SES Band 1 level and through to their teams. However, this is not uniformly successful. The Commissioner also communicates directly with staff through weekly email updates, quarterly all-staff functions, and apsSEE – an internal online forum for sharing bite-sized key information. Staff find initiatives helpful in building a ‘sense of community’ within the Commission. All SES leaders need to be this similarly active in communicating with their teams to ensure all staff hear and understand important messages and guidance.

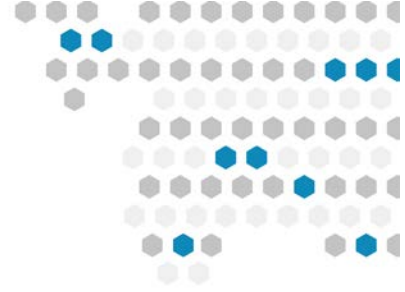
Constant change

Census results show staff agree they are engaged (73%), committed to the Commission’s goals (79%) and believe in the Commission’s purpose and objectives (80%). Change management is not viewed as positively, however, and the sense of continual restructuring was disruptive to the performance of staff with only 43% agreeing that change is managed well.

Even before the pandemic, constant change was considered the ‘new normal’, with multiple organisational restructures occurring frequently. All SES and directors play a role in improving in this area but could be assisted by a change management function within the Enabling Services area to link people, communications and project management.

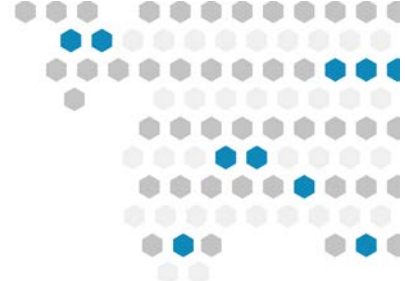
Innovative culture

Commission staff agree that a core responsibility of the Commission’s role is driving continuous improvement and innovative practices (90%). However, it did not appear to the Review that the Commission has an active culture of seeking out staff ideas for improvement and innovation. There was evidence of innovative practice and initiatives



within several teams, notably in leadership development activities. It is a missed opportunity that these team-based initiatives are not systematised or recognised more broadly across the workforce.

Because of the limited involvement of staff in key decisions, the Commission is also missing opportunities to embed innovation into work routines. This extends to the smaller Commission workforce located outside Canberra who have a unique perspective of the APS community in how policy and services impact local communities. The Commission's openness to sourcing talent more broadly than the Canberra labour market is a positive development to achieve a greater diversity of experience.




Leadership and governance

Leaders make decisions that are evidence-based, ethical, efficient and effective, draw on consultation and are responsive to diverse objectives and priorities.

Leaders at all levels are identified, recruited and developed to ensure the highest standards of leadership and exemplify the Secretaries Charter of Leadership Behaviours.

The organisational structure of the agency is efficient and effective for achieving its objectives.

Maturity rating		Developing
-----------------	---	-------------------

Workforce composition

A recent restructure of the Commission resulted in a renewed leadership team. Commissioner Woolcott implemented aspects of the 2022 APS Hierarchy and Classification Review within the agency’s leadership to reduce hierarchy, improve decision making and build expertise, particularly at the Band 1 level. The Commissioner is now supported by 2 SES Band 3 Deputy Commissioners, 11 SES Band 1s and 3 Executive Directors (‘super’ EL2s – more highly remunerated roles). The Workplace Relations Bargaining Taskforce established to run for 12 months is led by a third SES Band 3.

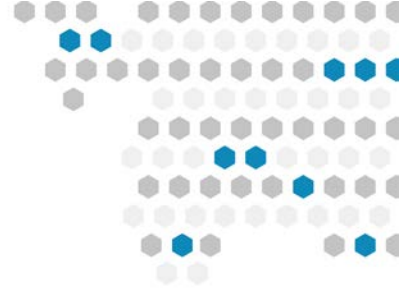
In June 2022 (before the recent restructure), 40% of the Commission’s workforce was employed at the EL1, and an additional 15% at the EL2, totalling 55% of all staff in middle management. A further 39% of the workforce were at the APS1 to 6 level.

The Commission’s average staff per team (with an EL2 team leader except for the Remuneration Tribunal, which counted from SES Band 1) comprised 6.3 people (headcount), fewer than 4 years ago when it was 6.6 people. This is despite the Commission increasing in size by approximately 100 people. Similar observations were made in a 2019 review by former Secretary David Tune AO (the Tune review)⁴ about the ‘top heavy’ nature of the Commission. According to June 2022 workforce results, 1% of the APS is at the SES Band 1 level, whereas 3% of the Commission’s workforce is at the SES Band 1 level.

Compared with the rest of the APS, the span of control and size of job for SES Band 1s is small. It is important to have a strong SES Band 1 group to influence across the system, but this needs to be appropriately weighted with the EL and APS level to best enable outcomes and career paths.

Internal consultation indicated that despite regular information sharing at the fortnightly Executive Committee meeting, many SES and staff had a limited view of the entirety of the Commission’s work or how each team

⁴ *The Australian Public Service Commission: Capability review and strategy for the future* (https://www.apsc.gov.au/sites/default/files/2021-03/australian_public_service_commission_-_capability_review_and_future_strategy.pdf).



contributes to the purpose of the organisation. They present externally to stakeholders on individual topics or issues rather than as one entity.

There is not a great deal of crossover of topics across some teams. Many Commission staff appear to have a lack of awareness and understanding of other teams' work or know other staff outside their group. Leaders should actively support understanding of one another's roles and contribution to encourage a feeling of collegiality, a greater sense of personal attachment to the Commission, and shared sense of purpose.

The number of teams does not appear efficient as staff and managers spend time within their teams with limited attention to more holistic efforts to drive the organisation forward. Similarly, there is not a sense of joined-up leadership within the organisation. This is evident when the Commission engages with agencies on specific issues or topics rather than as a single entity.

Governance

The Commission's internal governance includes a committee structure.

The Executive Board meets quarterly, subject to availability. The Executive Board met in November 2022 and again in April 2023. The Board is made up of the Commissioner and Deputy Commissioners, with other SES brought in on specific items. The Review could not identify records of minutes or papers.

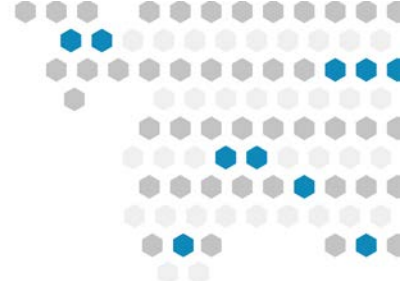
The Executive Committee, comprising the Commissioner, Deputy Commissioners, SES Band 1s and Executive Directors, meet fortnightly. This is a good information sharing body but not an optimal use of senior expertise to lead and drive the organisation. SES Band 1s are not stretched in terms of their contribution to strategy or budget management or Commission governance and decision making.


The Audit and Risk Committee has made good progress in recent years, with the external auditor noting improved budget and risk management. In particular, the auditor commended Commissioner Woolcott's focus and ready adoption of findings to hardwire improvement.

Several sub-committees provide HR-related advisory and operational information to the Executive Board. It is unclear how the actions of these sub-committees inform broader Commission work and decisions.

The Commission's governance position would benefit from a more structured framework with clear and defined information sharing, and decision making bodies with agreed cascading of messages to all staff. This includes formalising papers and minutes, and bringing additional SES and EL2 staff into decision making as required. The Commission also needs to start regular tracking and reporting on outcomes (not outputs) to its Executive Board. There needs to be a clear sense of providing relevant information to help the Commission's executive engage with its priorities, purpose and legislative responsibility. This was noted in the Tune review in 2019.⁵

⁵ *The Australian Public Service Commission: Capability review and strategy for the future* (https://www.apsc.gov.au/sites/default/files/2021-03/australian_public_service_commission_-_capability_review_and_future_strategy.pdf).



Review and evaluation		
Evaluation activities are resourced and used to improve performance.		
Maturity rating		<i>Developing</i>

Pockets of evaluation

There are a few business groups focused on evaluation and continuous improvement across the Commission. For example, through the *APS Academy Forward Work Plan* the Commission has built in a series of reviews to determine if its training framework and programs are fit for purpose, while the Graduate Development Program, the EL2 capability development program, and the SES Band 2 Leadership Development Program will be evaluated independently. The Commission also currently evaluates its learning and development and diversity and inclusion activities.

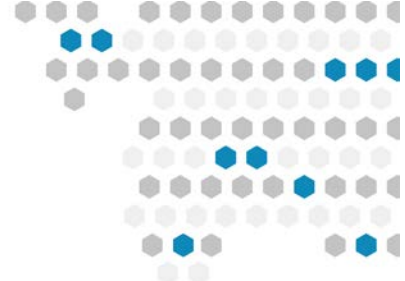
The Commission previously had a centralised evaluation function within the former Inclusion Group that undertook ad hoc evaluations when requested by business groups. The Inclusion Group’s resources were reprioritised in 2022–23 and the evaluation function was transferred to the Workforce Insights Group. This means additional areas needing evaluation support need to be prioritised according to available resources.


Consistency in reviewing outcomes

From a learning and development perspective, evaluation of the APS Academy’s training programs and courses are guided by the APS Learning Evaluation Framework.⁶ The Commission is recruiting a dedicated project management resource to strengthen project management, however, the function at this stage will not provide a consistent approach to reviewing and evaluating outcomes. While it is not mandatory, the Commission would benefit from using the Department of Finance’s better practice evaluation tools and templates, or other suitable tools, as long these are applied consistently.

⁶ The APS Learning Evaluation Framework emphasises the relationship between continuous and routine monitoring, evaluation and organisational insights, and is centred on evaluating efficiency, impact, relevance, flexibility and accessibility. The APS Academy developed the framework based on the Thodey review’s findings that there was a need to strengthen how the APS conducts research and evaluation.

23 | Capability review of the Australian Public Service Commission



Embodies integrity		
A pro-integrity and values-based culture is understood and practised.		
Maturity rating		Embedded

Integrity – upholding values

According to the *Public Service Act 1999*, a core function of the Commission is to lead and uphold high standards of integrity and conduct in the APS. Many of the Commission’s stakeholders indicated they looked to the Commission to provide advice and assistance in this policy area. Commission staff identified the APS Values, Code of Conduct and Employment Principles as a strength for the Commission because of its legislated responsibilities.

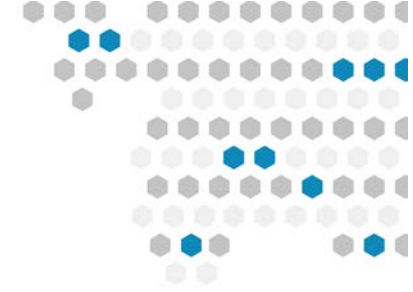
The Commission’s 2021–22 annual report notes that it implemented a suite of pro-integrity measures for the APS, responding to all 10 recommendations of the 2020 report by Stephen Sedgwick AO into institutional integrity, and agreed by the Secretaries Board. This included clear directions to APS staff and initiatives to build capability and increase understanding of integrity frameworks and policies. An example is introducing an APS Academy course, the ‘SES Integrity Masterclass Series’, to equip SES participants with the knowledge and tools to build key integrity capabilities on an individual and organisational level.

Courses available to non-SES staff include a 30-minute mandatory induction-style tutorial, and a 30-minute video presentation from the 2022 graduate program. Previously, the Commission required training on integrity be mandatory across all APS agencies. It is unclear what actions the Commission took to ensure this happened or whether agencies have complied. It would be beneficial to update the integrity resources page on the Commission’s website (the last update was in April 2022) to reflect the most recent resources.

The Commission operates an Ethics Advisory Service (EAS), available to all APS employees, including agency heads and SES, who wish to discuss and seek advice on ethical issues that occur in the workplace. In 2021–22, the EAS received 376 enquiries, with 37% from individual APS employees, 26% from agency corporate or HR areas, and 16% from members of the public. This service was not widely known to stakeholders.

The Commission chairs the Integrity Agencies Group made up of agency heads with responsibilities for aspects of integrity across the APS.⁷ The group meets twice annually, mainly for information sharing.

⁷ The Integrity Agencies Group includes the [Australian Public Service Commissioner](#) (Chair), [Merit Protection Commissioner](#), [Australian Criminal Intelligence Commission](#), [Auditor-General](#), [Commonwealth Director of Public Prosecutions](#), [Department of the Prime Minister and Cabinet](#), [Australian Commissioner for Law Enforcement and Integrity](#), [Commonwealth Ombudsman](#), [Inspector-General of Intelligence and Security](#), [Australian Information Commissioner](#), [Australian Human Rights Commission](#), [Independent Parliamentary Expenses Authority](#), and the [Australian Federal Police](#).



Recently the Secretaries Board agreed to an initiative from the Commission, Attorney-General's Department and the Department of the Prime Minister and Cabinet to establish an interagency Taskforce on Integrity, overseen by a Deputy Secretary level panel. The taskforce will develop a comprehensive pro-integrity plan for government and provide a clear picture of how these efforts collectively strengthen the APS. The Commission is represented on the taskforce by an EL1 officer and on the oversight panel by the Deputy Public Service Commissioner.

This Review suggests the Commission should be ready, with resources and expertise, to take forward new or enhanced pro-integrity initiatives to drive the agenda.

The Merit Protection Commissioner

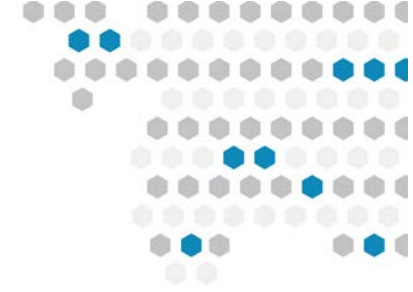
The Merit Protection Commissioner, while a separate statutory appointment under the *Public Service Act 1999*, was formerly housed within the Commission. Previous Commissioners sought advice from the Merit Protection Commissioner when considering future challenges for the APS, through data trends on complaints and requests for advice from the Ethics Advisory Service.

Recently the Merit Protection Commissioner has been considered more of a separate function – that is, a separate entity that only uses the corporate functions of the Commission. This separation has marginalised its work and interaction with the broader Commission as well as the role of the Merit Protection Commissioner. Further, the role has been vacant since December 2022.


The Commission needs to fill this vacancy as a priority and reconsider a closer working relationship, as was the case in previous years. As former Commissioners noted, including the Merit Protection Commissioner, discussions about emerging trends alerted the Commission to potential concerns but also good performance, which could inform policy and learning program design. The interagency Taskforce on Integrity may recommend changes to various roles across government. Commissioner Woolcott had expressed a desire to have the work of the Merit Protection Commissioner more closely aligned with that of the Integrity and Policy Branch within the Commission. However the role evolves, there is an opportunity to capitalise on the intelligence and expertise of the Merit Protection Commissioner so its efforts contribute to the broader pro-integrity agenda.

Internal reporting

The Commission's 2022 Census bullying and harassment results were relatively low at 7%. In workshops held for this Review, staff raised some concerns about the Commission's lack of follow up on complaints and/or poor performance. Coupled with a less than rigorous performance management system, it was unclear how issues of poor performance and/or behaviour are routinely addressed. Staff felt this should be improved.



Collaboration

Engagement with ministers		
Relationships with minister/s are characterised by clarity of roles, openness, trust and respect.		
Advice is impartial, evidence-based and responsive to priorities of the minister/s.		
Maturity rating		<i>Developing</i>

Ministerial engagement

Historically the Commission has not had as extensive relationships with ministers as heads of portfolio departments. However, Commissioner Woolcott developed strong relationships with each responsible minister during his tenure. Legislatively, the Commissioner reports to the Minister for the Public Service. From September 2013 to August 2018, this was the Minister Assisting the Prime Minister for the Public Service and from May 2019 to October 2021, the Prime Minister was also Minister for the Public Service. Since May 2022 there has been a Minister for the Public Service.

Given the ambitious APS Reform Agenda, a strong role and expectation has emerged for the Commission. Staff have noted a change of pace and greater expectation in their dealings with the minister’s office and note the need for improved capability in drafting briefs and policy proposals.

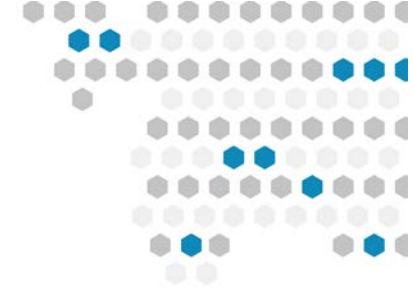
Supporting the Minister for the Public Service

There is a challenge for the whole of the Commission to move to a more proactive role to support the minister given the significant priority of public sector reform and the role the Commission needs to play. The Workplace Relations team is well experienced and builds on traditionally strong engagement. It will be necessary to increase this capability across the other business areas of the Commission.

There is also a need to strengthen the efficacy of briefings and estimates, bring to the fore the challenges and opportunities facing the broader APS, and ensure that advice to the minister reflects the best intelligence and evidence at hand. The Commission has an opportunity to use the power of data and evaluation, particularly considering the excellent data it holds. As one stakeholder commented ‘The Commission should have the best intelligence network across the APS, as the APS is the Commission’s client audience, which would assist the minister and the APS Reform Agenda’.

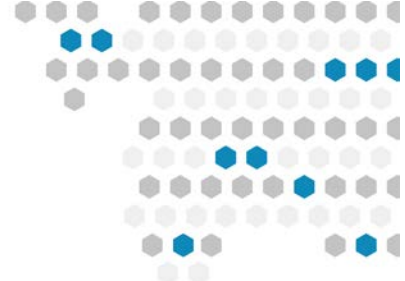
Reform as a priority


The government’s APS Reform Agenda requires a close working relationship between the Commission and the APS Reform Office to implement reform. The Commission’s executive all indicated a strong working relationship with the Secretary for Public Sector Reform and the APS Reform Office. There is a shared interest in delivering outcomes for the public service, with the Commission taking the lead on the reform priority of the ‘APS as a model employer’, as well as a range of other important APS Reform initiatives. Continuing to build this



relationship, being an active partner, identifying shared priorities and working together for the greater good of the public service, would help to increase agencies' perceptions of the shared agenda which APS Reform Office and Commission hold.

Some stakeholders perceived an overlap between the roles of the Commission and the APS Reform Office, and the respective heads. There is scope to be clearer about these roles so both entities can bring the best, and most complementary, skills and ideas to the fore.



Contribution to the public sector (federal, state/territory, local and international)		
Enduring and collaborative relationships with public sector agencies deliver on government priority outcomes.		
Relationships with public sector and government agencies (including federal, state/territory, local and international) are characterised by appropriate levels of openness, trust and mutual respect, and a shared commitment to outcomes.		
Maturity rating		<i>Embedded</i>

Jurisdictional interaction

The Commission productively works across Australia and New Zealand, through the Public Service Commissioners Conference. Feedback from jurisdictions was extremely supportive of Commissioner Woolcott’s part in building this network and nurturing timely, strategic discussions. Through these forums and others, the Commission is seen to be enabling information sharing, forming networks between the jurisdictions, facilitating connections, and sharing and learning best-practice knowledge and policies.

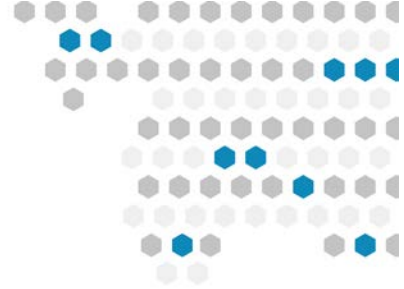
The Commissioner has also served as the Chair of the Australia and New Zealand School of Government (ANZSOG), which is a not-for-profit educational and research organisation jointly owned by the jurisdictional governments of Australia and New Zealand and 16 member universities. The Commission was instrumental in ensuring that ANZSOG’s work is well-targeted to areas of priority in capability development in modern public services.

The Commission also has an important role engaging with foreign governments and international partners on matters of public sector management, reform, integrity, leadership and development. Examples include being Australia’s delegate for the Public Governance Committee of the Organisation for Economic Co-operation and Development (OECD), engaging with likeminded international counterparts on information sharing, and supporting counterparts in the Association of Southeast Asian Nations (ASEAN), and Indonesia and Papua New Guinea through the Department of Foreign Affairs and Trade’s Australian Aid Program. Of importance is the expansions of the Commission’s engagement with the Pacific, including through the Pacific Public Service Commissioner conference. Feedback on these engagements has been positive.

Supporting the APS

The Commission plays a valuable role supporting the operations and capability uplift of individual employees, agencies and the wider public sector. Through the APS Academy, the Commission supports the upskilling of employees across all levels. It continues to directly deliver some learning and development initiatives, including key elements of developing SES and graduates, through the re-established centralised graduate program. However, the Commission’s broader role is to support an overall APS learning ecosystem through a networked model, by connecting to partners across the APS and externally.

Agency heads see the Commissioner as a trusted partner from whom they can seek advice on a variety of issues including recruitment, integrity, and internal operations. The Commissioner is also seen as able to facilitate



connections across the APS to support knowledge sharing. Stakeholders articulated a desire for this to be more systematic, facilitating intelligence sharing and building networks across and deeply through the service, not just at Secretary level. The Review acknowledges, however, that it is not always possible to have the desired level of transparency for many sensitive issues.

The Commission is active in SES recruitment through the Commissioner's involvement in senior recruitment panels. The Commission also manages SES development through the Deputy Secretaries Talent Council and the Secretaries Talent Council – identifying, developing and recruiting the next generation of APS leaders. It is positive to see this capability being built after the role previously diminished. This is a key mechanism to identify talent and gain a general view of the health of the SES pipeline. Several stakeholders recommended that the Commission reinstate a more rigorous process to establish SES panels, citing several departments seeking to influence who the 'independent' representative is, resulting in largely in-house panels. Instances were cited of poor talent getting through to merit lists, which weakens the overall SES cadre.

It is encouraging that despite its small size, the Centre of Excellence for Workforce Planning is effectively assisting agencies with their strategic workforce planning capability and reducing reliance on external consultants.

While in its early stages, the leading role the Commission is taking in setting service-wide pay and conditions through centralised bargaining is a key value-add for equity and to ensure a one-APS approach. Feedback to date has been very positive. Agencies recognise the Commission's critical role in this important whole-of-APS initiative and described the Commission's expertise and engagement as exemplary.

The Professions model, currently comprising HR, Digital and the Data professions, has also been welcomed. The Commissioner is the overall 'head of the professions', with the HR profession led by the Australian Taxation Office, the Data profession by the Australian Bureau of Statistics, and the Digital profession by the Digital Transformation Agency. The respective Heads of Profession exercise content leadership in their domains, and Commission staff provide coordination, specialist and back-office support.⁸

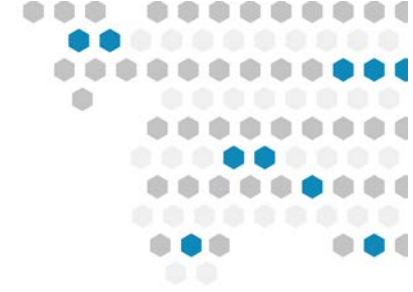
The model has been implemented in this way partly due to resourcing and as this is where expertise in government lies. Most stakeholders did not have strong views on this. Rather, they had questions about how the Professions model is organised and how it will be further developed. Early plans to include other professions, such as procurement and contracting, were viewed very positively.

A consistent model for back-office support for the Professions is being developed, for efficiencies of scale and reduced duplication. As the Commission is currently absorbing this function, attention to sustainable resourcing is required.

HR expertise and future-focused advice

The Commission plays an important role in lifting capability of staff through talent development and the APS Academy, and delivering and implementing core people policies across the APS.

⁸ The Commission provides specific implementation support for a number of specific digital profession measures, following machinery of government changes.



Stakeholders across the service want the Commission to be more persuasive as the Chief People Officer of the APS. There was view that the APS and public sector more broadly may be falling behind due to insufficient priority given to building and maintaining strong HR capability within the Commission, and by extension the rest of the service. This is not solely a Commission responsibility. Secretaries and agency heads have often appointed people to key roles without any relevant HR expertise. The Professions model (including HR) which the Commission adopted following the Thodey review, is an attempt to remedy this situation.

Stakeholders find it confusing that the head of profession for the HR Professional Stream is not in Commission (the lead is in the Australian Taxation Office). The synergies and links between the location of the HR professional lead and the Commission need to be more fully articulated.

As previously acknowledged, stakeholders were positive about the Commission's workplace relations expertise. On broader workforce issues, stakeholders want stronger leadership in diversity and inclusion matters, and in providing more forward-looking policy options to address emerging workforce trends.

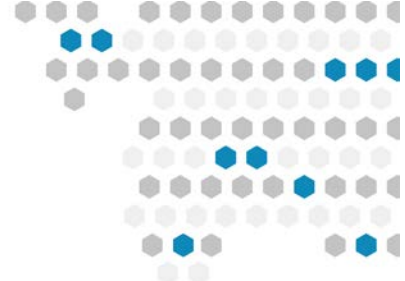
The pivotal role of the Commission in collecting statistical data on agencies through its annual census, employee database and State of the Service reporting was reinforced. Many stakeholders also asked that the findings be accompanied by practical insights on how agencies can rectify lagging results or stalled performance. The Commission could provide more benefit by noting trends and offering to help agencies improve poor results and implement best practice policies. Stakeholders also questioned whether the Commission could be playing a greater regulatory role across the APS on issues such as integrity, governance and people management.


Expanding the Commission's remit

Across Australia, the name and remit of agencies responsible for internal public service policy varies by jurisdiction – for example, the Victorian Public Sector Commission, the New South Wales Public Service Commission, and Office of the Commissioner for Public Sector Employment in the Northern Territory.

The Commission currently has responsibility for APS employees, defined in the *Public Service Act 1999* as those employed by the head of a Department of State, Executive Agency or Statutory Agency. This does not include the broader public sector, such as staff employed by agencies under the *Public Governance, Performance and Accountability Act 2013* who are exempt from the *Public Service Act 1999*.

Work is underway to extend the APS Values and Code of Conduct to these agencies. Several stakeholders suggested the Commission could be empowered through an expanded remit beyond employees currently included in the *Public Service Act 1999*. This could be accompanied with a name change to the Australian Public Sector Commission.



Partnerships and engagement outside the public sector		
Connections with users of government services are respectful, collaborative and focused on understanding their experiences and needs.		
Partnerships and engagement with businesses, the not-for-profit sector are respectful, collaborative and focused on understanding their experiences and needs.		
Maturity rating		<i>Embedded</i>

Mutually beneficial partnerships

The Commission has partnerships and programs that link the APS with communities and organisations across Australia. In particular, the work of the Jawun Program, Cranlana, Sir Roland Wilson Scholarship, Pat Turner Scholarship and the SES Band 2 Leadership Program are mutually beneficial to the APS, the operating organisations and the partner communities.

Work underway with the APS Academy to develop partnerships with academic institutions is particularly encouraging. The focus on creating links with these institutions to develop capability and career paths for APS employees is a step in the right direction. Of note is the APS Academy partnership between the Commission and ANZSOG, which builds on the review of the previous Centre for Leadership and Learning undertaken by ANZSOG in 2020. The Commissioner is currently the Chair of the ANZSOG Board.

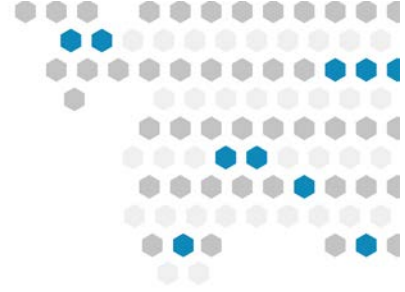
The Commission’s Leadership and Talent group regularly engages with external organisations on best practice policy and possible improvements. The Commission is also a corporate member of professional organisations including the Australian Association of Graduate Employees, Australian HR Institute and the Institution of Public Administration Australia, and regularly engages with a range of communities of practice.

The Commission continues to strengthen its relationship with the Community and Public Sector Union and industrial partners. The open and transparent method of engagement was appreciated and acknowledged.

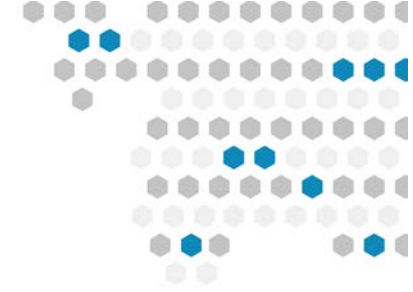
Procurement, contract management and transactional relationships

The Commission’s lack of capability in contracting and procurement (see *Procurement, contract and project/program management* in the *Resourcing and risk* section) and broader approach to partnering with organisations outside the public sector is seen as hindering its performance.


The Review was advised of inconsistent practices of engaging with the Commission. Stakeholders from a variety of industries also commented that throughout the breadth of their partnership with the Commission they often felt siloed and not made aware of how their partnership fitted into a broader strategy. This extended to both specific programs in the APS Academy, and contributions to service-wide bargaining work. The recent restructure including the appointment of a Deputy Commissioner with responsibility for the APS Academy is an opportunity to bring greater rigour and consistency to these methods of engagement.



Developing this capability will improve outcomes and services from partners, and position the Commission to develop more genuine long-term relationships with stakeholders outside the APS. Finally, by developing its own partnership capabilities, the Commission will be well positioned to provide best-practice advice across the APS.



Delivery

User focus and experience		
<p>The experience and needs of users of government services are understood through robust feedback mechanisms and acted upon.</p> <p>Principles of partnership and co-design with users of government services and their representatives are used to design services that meet their needs.</p> <p>(This combines the elements of <i>User focus and experience</i> and <i>Putting people and business at the centre of policy and services</i>.)</p>		
Maturity rating		Developing

Meaningful service design and feedback

Some groups within the Commission engage well with end users to develop meaningful, impactful and actionable strategies, resources and guidance. They have greatly improved how they engage with and consider the needs of agencies in undertaking the Commission’s work. This has involved extensive interviews with stakeholders, using design thinking methods and co-development approaches. For example, the Centre of Excellence for Workforce Planning regularly engages with the Workforce Planning Community of Practice to review and obtain feedback on new resources, and the Future of Work Taskforce develops policies and reforms together with sponsoring agencies.

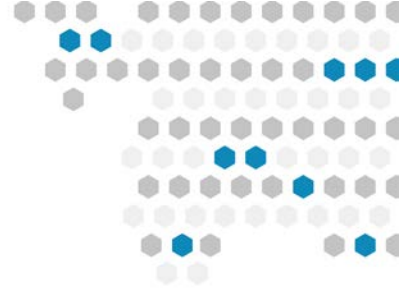
The success of the Centre and its modus operandi has potential to be applied further across the Commission. Views were expressed through the consultation that the Commission largely adopts a Canberra-centric approach to its engagement and consultation, with feedback suggesting that service design could have a greater focus on employees located in the regions or overseas.

Strong and definitive advice

The appetite for the Commission to drive change and innovation across agencies was particularly evident regarding policy development. For example, agencies are looking for the Commission’s strong policy advice and data on flexible working practices (such as the impact on productivity and staff retention) and an understanding of what other agencies are doing to inform how they apply policy.

Small-sized agency stakeholders advised that they want the Commission to provide more definitive rather than principles-based advice. This was on the basis that they do not have the capacity and capability to make their own interpretations of policy frameworks. For example, the Commission provides broad-based industrial relations advice but agencies are seeking more specific responses.

Large-sized agencies were somewhat critical that the advice received did not sufficiently reflect or comprehend the workforce challenges they face. The view is that Commission staff are not adequately connected with the work of the broader APS and need to involve more agencies, particularly in the early stages of policy or guidance formation.



A further view is that the Commission should consult more consistently on the development of its circulars, as some agencies felt ‘blindsided’ by new requirements or felt requirements did not take into account connections with other policies.

It is challenging to strike the right balance between principles-based and more definitive advice. The Commission is increasingly developing case studies in consultation with agencies, such as about the flexible work policy. This is a positive step. The recent advice on performance bonuses has been well received and cited as a useful approach that the Commission could adopt more broadly when preparing guidance for the sector.

‘Next steps’ analysis

Stakeholders across the APS want the Commission to do more with the APS Employee Census results and trends that may be emerging across the APS, and to shine the light on good and lagging performance. Other jurisdictions, such as New South Wales and Western Australia are more active in using such data to identify and remedy poor performance as well as highlight good practice that could have further application. The Commission is uniquely placed to address these whole-of-service issues for the APS.

The APS Academy

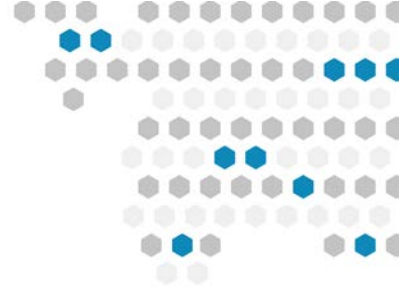
The establishment of the APS Academy is viewed positively. The Commission has made it clear that it is running the APS Academy on behalf of the whole of the APS. Consistent with this ethos, the Commission is committed to a networked model for the APS Academy, connecting to partners across the APS and externally. While the APS Academy has some direct delivery functions in learning and development, its broader mandate is to support the overall APS learning ecosystem, by providing practitioner-led guidance on what constitutes excellence in APS craft, and the pathways to improve capability and performance across the system.

The Commission has historically had a ‘mixed’ funding model for learning and development and talent management, including delivery and broader development work on behalf of the APS. This mixed funding model combines cost-recovery, departmental appropriation and APS agency contributions.

The APS Academy has been set up on the same basis, but in practice this means it is overly dependent on ‘ad hoc’ and uncertain subscription contributions from APS agencies. The initial subscription contribution totalled \$7.1 million, with \$0.9 million spent in 2020–21, \$4.0 million spent in 2021–22 and \$2.2 million spent during 2022–23. A further agency contribution of \$3.3 million has been charged for 2022–23. Given severe resourcing constraints across government, there is uncertainty about possible future contributions. It is not feasible for the Commission to address this significant budget sustainability issue within its existing resources.

The Commission reported that it has embedded a user and co-design focus for the APS Academy, evidenced by recent approaches to designing new initiatives including:

- establishing account managers for each departmental portfolio
- piloting an APS Professional practice support program and test coaching
- developing an *Engagement and Communication Strategy*
- establishing a community of practice
- holding extensive interviews with stakeholders to establishing SES-level programs



- applying using design thinking methods to involve diverse and dispersed working groups to test and refine certain training programs
- embracing an agile co-development approach to the Graduate Development Program (GDP) and EL2 Certified Professional Development (CPD) for certain training programs
- facilitating alumni working groups to guide continuous improvement of programs.

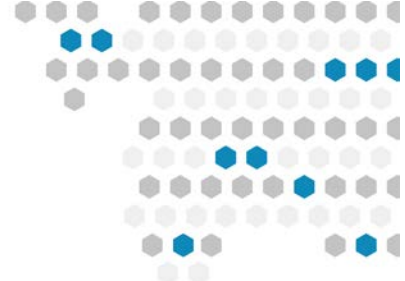
Noteworthy achievements to date include establishing a Learning Marketplace to deal with duplication of programs.


The focus and attention on APS 'craft' is seen as long overdue and departments and agencies are keen to support this.

Senior APS stakeholders have varying views on the APS Academy's effectiveness at this relatively early stage. Views include that the APS Academy has shifted towards delivering better outcomes across the APS and reducing duplication of training programs across the service, but that it needs to:

- consult more with agencies and deliver training that meets agencies' needs
- take a broader lead on innovation and capability in the public sector
- develop performance indicators that provide a better measure of its effectiveness
- better articulate its value proposition and justification for additional funding.

The Head of the APS Academy is consulting widely with secretaries and chief operating officers, as well as external stakeholders, to refine the operating model to ensure it delivers on the mandate of a practitioner-led networked model, focused on the highest APS craft capability priorities for the service, with a sustainable funding basis.



Strategic policy		
The agency’s policy advice has a clear scope and objective, is well-reasoned, forward-looking and takes into consideration the strategic context in the government's agenda.		
The agency plans and manages its interventions (including regulation, programs and services) to achieve its strategic objectives and ministerial priorities.		
Maturity rating		<i>Developing</i>

Strategic navigation of bureaucratic structures and talent management

Commissioner Woolcott effectively used his authority and diplomatic skills to strategically influence bodies such as Secretaries’ Board and the Chief Operating Officers Committee by developing positive relationships and consensus among leaders. For example, the Commission was able to successfully garner support across the APS for a surge workforce during the COVID-19 pandemic to support government priorities and community needs.

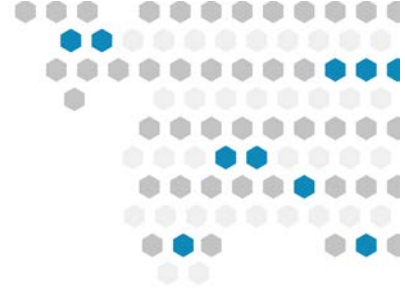
The Commission also supports the Secretaries Talent Council and Deputy Secretaries Talent Council to systematically identify, develop and deploy people with potential for more challenging roles in the future. It is a key business strategy and an investment in the future capability of the APS – taking a systematic approach to managing the growth of high potential employees to ensure the APS has the right people ready for critical roles now and in the future. This is supported by stakeholders, while noting a need to understand impact and a desire for more transparent processes. Through these processes the Commission and APS leadership has insight into the capability, experience and potential of 250 high performers from across the APS. Benchmarking suggests that the APS approach to senior talent is equivalent to leading practice in the private sector. The leader-led approach is an important and distinguishing feature of the APS approach.

Priorities as strategic or future-focused

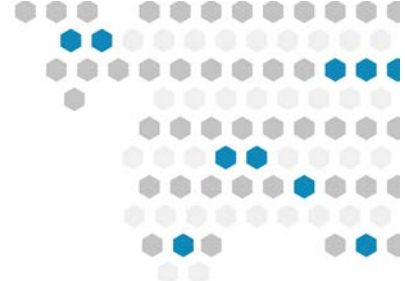
The Commission’s ambitious work program, coupled with the Review’s observations about inadequate priority setting and internal capability, is hampering its ability to be more proactive in terms of strategic policy. There is a need for a greater sense of the ‘whole’ of APS challenges in terms of the Commission’s approach to strategic policy. Stakeholders want the Commission to be a ‘forward leaning’ entity that can anticipate, research and guide the APS in the capabilities the service will need for the future, and take a holistic view of the changing nature of workplace and workforces. This will require the Commission to be more proactive in leading the thinking on workforce issues.


An operating environment to drive change

The Commission has successfully navigated whole-of-service decision making bodies to positively influence the APS. But there remains a question on whether the operating environment allows the Commission to fulfil its role as ‘Head of People’. Commissioner Woolcott’s intent was to influence and gain support from colleagues for many initiatives, given the Commission’s limited resourcing. This was largely successful. However, this could be strengthened structurally to increase the Commission’s ability to meaningfully influence and drive change to the



extent required by government. Stakeholders overwhelming want a more empowered Commission that is more active in advising and driving reform. They want a Commission that can consult and represent a variety of views and be assertive and confident of its position.



Service delivery and improvement		
Effective and efficient services are delivered that focus on the needs of their users.		
Maturity rating		<i>Developing</i>

An opportunity for awareness

Agencies and staff across the APS have a varied understanding of the Commission’s key services. Few have a comprehensive understanding. More could be done to coordinate whole-of-APS communication and increase understanding of the Commission’s services. Commission staff noted that external engagement with the APS is often topic-based, without considering a broader strategy around stakeholder engagement. Research commissioned by the agency identified that most APS employees believed they had not received communication from the Commission.

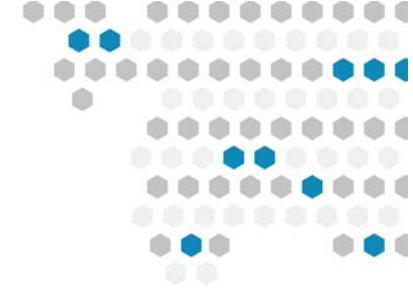
There is a real challenge for the Commission to connect and provide meaning to a geographically dispersed workforce of more than 150,000 people, including regional and overseas-based staff. Agencies welcomed the recently introduced joint letters from the Commissioner and the Secretary of the Department of the Prime Minister and Cabinet.

While the APS Academy has developed the *Engagement and Communication Strategy*, staff across the APS are largely unaware of specific direct-delivery program offerings.

The Commission is aware of this challenge and is working to rectify this. In 2022, the agency commissioned marketing firm Ellis Jones to review its internal and external communications. In line with the findings of this Review, the Commission has begun work on better tailoring its external communications to user needs, and developing an integrated communications strategy directly linked to its Corporate Plan for long-term strategic change. This is intended to position the Commission to be more effective in communicating with a consistent narrative and more effectively build awareness and understanding of the Commission’s work and offerings. Recently released advice on use of social media and management of executive bonuses has been well received and illustrates continual improvements to communicate with the APS more generally.

Enhancing the Merit Protection Commissioner

The Merit Protection Commissioner supports recruitment and promotion areas across the APS. Beyond this there is little awareness of its work. Feedback suggested that the work could be enhanced with stronger engagement between the Merit Protection Commissioner and Commission, and better integration via feedback loops and analysis of trends for the whole of the APS. This would be valuable for both, with stronger communications and service delivery offerings from the expanded Commission to raise awareness and drive a united Commission function across the service.



Understanding user needs

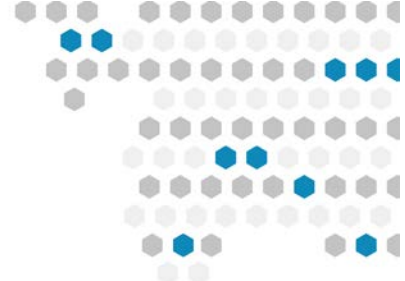
The Secretaries Board and the Future of Work Sub-committee enable critical discussion, input and direction for the Commission on strategic and complex issues. In driving initiatives – such as the leadership behaviours and flexible workplace principles – through the joint leadership of the Future of Work Sub-committee with Secretaries, Commissioner Woolcott enabled more service-wide ownership of such reforms.


The Chief Operating Officers Committee is a valuable source of information for the Commission to assess issues where the APS would like clarity, consult and refine its work agenda, and test the implementation aspects of draft policies. Several chief operating officers and Commissioner Woolcott noted that sharing policies with this committee before finalising them gives agencies an important opportunity to provide input on practical aspects and ensure optimal application. Small teams of chief operating officers or their representatives should continue to be involved at key points in policy development, as a more systematised and enduring feature of what the Commission brings to the Chief Operating Officers Committee agenda. Some stakeholders also questioned why the Deputy Commissioner was not the Chair of the Committee, an idea worth fuller consideration as the current APS Reform Agenda evolves and moves further into implementation.

The APS Learning Board and the APS Academy Faculty provide further structured consultation and advisory mechanisms for the Commission's work agenda. The APS Learning Board has brought a strong future focus to how the APS Academy needs to develop, particularly through its external academic and private sector membership.

These committees have representatives from large government agencies with their own people and development functions, such as the Australian Taxation Office, Services Australia, Department of Defence and Department of Foreign Affairs and Trade. Creating partnerships to leverage existing learning options and creating secondment opportunities would benefit the Commission and the broader APS, particularly if one of the APS Academy's objectives is building partnerships.

Beyond the committees, the Commission has an opportunity to engage more directly with the users of its products to understand their needs and areas for improvement. This has historically been common with leadership programs and has begun with the APS Academy and the Centre of Excellence for Workforce Planning. A greater focus on evaluation in this respect would not only improve products but also develop greater confidence among stakeholders and service users.



Managing for performance and outcomes		
Commitments to government are delivered and the agency is prepared for future priorities.		
A systems thinking approach to delivery is adopted.		
Service delivery models are evaluated regularly and findings acted on.		
Maturity rating		<i>Developing</i>

Audit and Risk Management Committee

The Commission reports on performance against business planning performance indicators outlined in its corporate plan. Performance reporting has improved over recent years with strong engagement from the Commission’s Audit and Risk Management Committee. The Commission also undertakes quarterly updates of its performance against performance measures.

Output-based performance indicators

While the Commission has emphasised improving its performance indicators, most are output-based rather than outcome-based. For example, the target for the performance indicator, ‘Influence and shape the strategic direction of the APS by collecting, analysing and sharing workforce data’ is *Agencies use our workforce data to develop and evaluate workforce policies and practices*. This identifies that the Commission is there to assist agencies through collecting and providing data but not to proactively engage, for example, it does not identify what the agency is doing to help reduce instances of bullying and harassment or hold agencies to account.

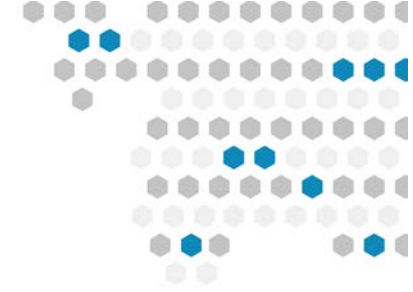
The Commission’s focus on outputs rather than outcomes is leading to missed opportunities to drive policy reform. For example, the Merit Protection Commissioner’s annual report identifies trends across its reviews and uses the analysis to help mitigate systemic and emerging risks to public sector employment practices.

Ill-defined targets

Many performance indicators lack specific targets, making it difficult to determine if the Commission is achieving its objectives. For example, the target for the Commission’s performance indicator ‘Support the APS to build a continuous learning culture and develop the critical capabilities identified in the APS Workforce Strategy’ is *APS agencies report satisfaction with the effectiveness of learning and development for developing critical capabilities*. The measure is lacking in that it does not specify what is ‘satisfaction’ or a percentage of agencies that would need to indicate ‘satisfaction’ for the performance measure to be achieved.

Connecting policy and programs to the external environment

The Commission needs to improve its understanding of how policy and program development connects with the broader systems within which services are delivered. The Commission is viewed as reactive to its environment and slow to adjust its resources to changing priorities. For example, the APS Academy’s direct delivery could be more future-focused, such as on public service integrity, given this is a key feature of the government’s APS

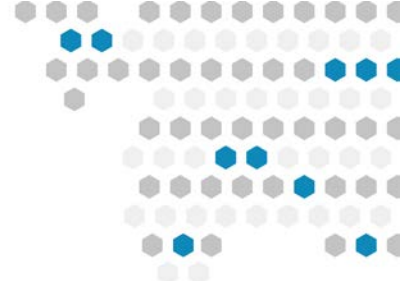



Reform Agenda and impending Robodebt Royal Commission findings (due 7 July 2023). Currently, non-SES level staff are offered a general 30-minute induction-style tutorial and a 30-minute online presentation on integrity issues.

The development of a common framework for another government priority – industrial relations – has been well received and good progress is being made.

The Commission has a Canberra-centric view, which limits full use the APS's diversity to drive policy reforms and tailoring advice. For example, stakeholder feedback identified that agencies and staff located outside of Canberra were not aware of the Commission's activities and in some cases were not aware of the Commission itself.

With a more connected operating style as suggested earlier in this report (see *Service delivery and improvement*), the Commission will be better placed to anticipate and meet these challenges of working for the collective good of the APS.



Capability to do the job		
Drives the capability of the public service to deliver policy and service solutions, and embodies best practice world-wide.		
Maturity rating		<i>Developing</i>

Diligent and knowledgeable employees

The Commission’s employees are hardworking and go above and beyond to deliver on team and agency priorities. Census results indicate that 82% of staff believe they work beyond what is required in their roles, and 60% believe they are above capacity in workload. Many staff indicated a key reason for working at the Commission was because it provided the opportunity to pursue their passion for the public service and HR, and to use skills and knowledge from past work or study experiences. A total of 23% of employees agree that work is never or rarely stressful, while 55% believe they have the tools and resources required to perform well.

Staff who have worked at the Commission for some time are considered ‘fountains of knowledge’ for new recruits, while EL staff are regarded as high performing and suitable managers by APS level staff.

Recruitment, retention and records management

Turnover has increased in recent years with a 32% total separation rate in 2021–22, up from 16.5% in 2017–18. Retaining corporate knowledge becomes harder the higher the separation rate.

Challenges with employee recruitment and retention impact on corporate knowledge and employees’ capability to do their jobs optimally.

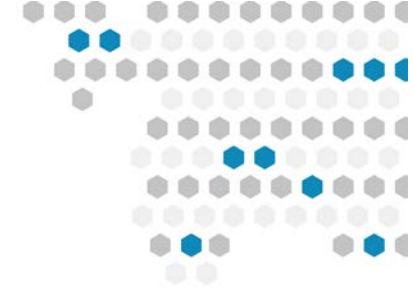
Records management practices and policies also need addressing. The system is unable to access files prior to 2019. Some sections have implemented their own record keeping practices and systems to ensure knowledge handover.

Skills needed for a supportive Commission

The Commission needs to enhance some areas of internal capability to ensure it fulfils its statutory and non-statutory functions.

There has been pressure on retaining in-house investigatory capability and legal skills, given the high demand and tight labour market.

The Commission also needs to retain employees with skills in people management, strategic HR and capability development to ensure it can deliver the government’s APS Reform Agenda. The Commission competes with others in the APS for skilled HR practitioners. The enabling services team within the Commission also faces pressure to attract and retain these skills. This impacts the Commission’s ability to develop and implement best practice policy and ‘practice what it preaches’ to the rest of the APS.



The Commission recently undertook external recruitment to build up its capability in workplace relations and is now well positioned to support the APS and engage in service-wide bargaining.

People

Strategic workforce planning and development		
<p>Workforce planning has a future focus, supports the delivery of strategic objectives and is responsive to emerging priorities.</p> <p>The workforce design and structure helps the agency achieve and maintain operational responsiveness and flexibility.</p>		
Maturity rating		Emerging

Internal workforce planning

The Centre of Excellence for Workforce Planning has built strong networks and considerable expertise in this area, supporting the broader APS to lift its capability in this area. It provides highly valued tools and frameworks to assist other agencies in developing their workforce plans. However, this has not been applied internally to the Commission’s own workforce, and the Commission does not have its own workforce plan. It is noted that work has recently started on developing a workforce plan using the centre’s knowledge and expertise.

Positioning the workforce to deliver priorities

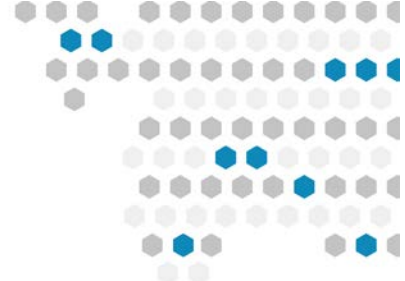
A defined workforce plan will assist the Commission to position itself for the future, particularly with a total separation rate of 32% in 2021–22 and a heavy future work program requiring new skill sets and capabilities.


The government has clear priorities to increase First Nations employment across the APS and increase diversity more broadly to better reflect the Australian community. Section s44(2)(d) of the *Public Service Act 1999* also requires the Commission to ‘foster an APS workforce that reflects the diversity of the Australian population’. Spreading Commission resources working on diversity and inclusion priorities across 3 teams has led to confusion about accountability and responsibility in this important agenda.

Attraction as an employer

Stakeholders and Commission staff identified that the Commission needs to become an employer of choice for public servants wanting to contribute to the important work of the APS. During recent recruitment processes, the Review was advised that most job applicants were Commission staff. Even when engaging with networks across the APS to promote opportunities, it has been difficult to attract staff with the right expertise.

The Commission needs to work with other central agencies and Secretaries Board to provide expert staff as part of a transfer or secondment program to gain experience at, and bring wisdom and external views to, the Commission.



Staff performance and capability		
Performance of individuals and teams delivers on strategic priorities and high performance is encouraged in a fair and transparent manner.		
Poor or inadequate staff performance and inappropriate behaviours are remedied promptly and effectively.		
Staff development opportunities are aligned to APS capability requirements and benefit the APS and the staff member.		
Maturity rating		Emerging

Performance management

As previously noted, there are high performing teams in the Commission. To support all individuals and teams, the Commission needs to pay greater attention to performance management. Staff workshops noted that performance management is often from a compliance perspective, with small pockets of good management across the Commission where genuine conversations about career development and progression occur. As at March 2023, 96% of employees had a completed agreement in the system. However, some executive noted that several SES Band 1s do not have completed agreements.

The Commission should make more resources available to managers and staff on how to have constructive, relevant performance management conversations. This includes rewards for high performance, career pathway discussions, core development requirements, and understanding how employees are motivated.

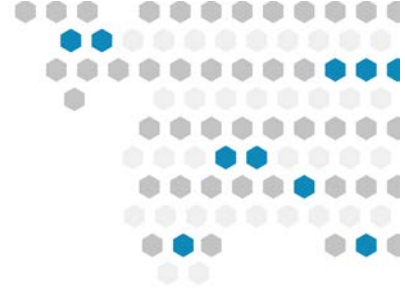
There is also low awareness of how to deal with poor performance within the agency. Managers are asked to contact HR, and some resources on the intranet have recently been renewed. It would benefit managers greatly to more pointedly direct staff to the *Taking Time to Talk* guide, as well as referring to relevant training to develop these skills.

Development of staff and career pathways

Staff feedback indicates that keeping core skills at the Commission is difficult because branches are restrained by budgets and resourcing, and unable to offer promotions. There was also a concern that staff are taking up training and development opportunities outside of the APS Academy because its offerings are too expensive and not suited to the requirements of the teams.

The recent restructure and increased number of Band 1 roles has widened career opportunities in the Commission for the EL2 level, but reduced opportunities for Band 1 officers to be promoted in the Commission (unless they jump to the Band 3 level). Without this career path, the Commission risks losing knowledge and expertise of SES Band 1 officers seeking to leave the organisation.

The point made earlier regarding building a program to transfer or second people into the Commission would also address the need to be seen as a valued place to work.

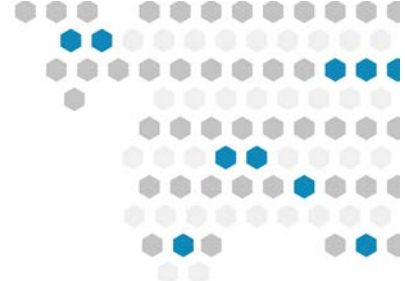


Handovers and information management

Due to the high turnover, loss of corporate memory and dated information handling systems, incoming staff identified that it is difficult to pick up projects mid-way through delivery.

Conversely, there are staff considered specialists in their field who have been at the Commission for a long time, creating a single point of failure if they leave. To some degree, this can be alleviated with effective information management. The issue of records management was mentioned earlier as needing attention.

Record-keeping is a fundamental aspect of integrity and transparency, and supports effective staff performance and capability.



Staff engagement and experience

Sense of belonging and inclusion in the workplace are prioritised and diverse experiences are valued and elevated.

Approach to staff safety encompasses wellbeing, physical safety and mental health; and encourages staff to raise issues in the workplace.

Maturity rating



Embedded

Engagement and inclusion

The Commission's 2022 Census employee engagement score is 73%, which is slightly above the whole-of-APS score of 72% and the same as in 2021. Similarly, 80% of staff believe in the purpose and objectives of the Commission, and 71% would recommend it as a good place to work. A total of 83% of staff agree that the Commission supports and actively promotes an inclusive workplace culture. These are very positive results.

However, an emerging trend that needs vigilant attention is the number of staff who are planning to leave their current role – 41% want to leave their current position in the next 12 months, with a further 42% wanting to leave in the following year. Additionally, 76% of staff are planning to leave the Commission.

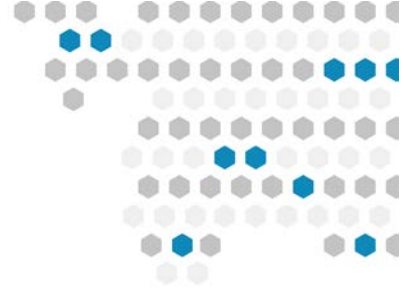
In the Census, 7% of staff indicated they had experienced discrimination in the last 12 months – with 50% of cases occurring while they were at the Commission (compared with in another agency) and identifying the discrimination as based on gender, while 18% identified discrimination as based on race.

The Commission has a small percentage of remote workers, as well as 2% of staff identifying as gender diverse, 3% per cent identifying as Aboriginal and/or Torres Strait Islander, 15% identifying as having disability, 46% with carer responsibilities, 14% identifying as LGBTQIA+, 16% born overseas and 14% speaking a language other than English at home (according to the 2022 Census).

Diverse experiences

The Commission's staff networks include a Disability and Carers Network, Gender Equality Network, LGBTIQ+ Network, Walanmarra Olgeta Network, a Reconciliation Action Plan Working Group and a staff Social Club. Some of these groups meet monthly and others provide information resources.

The Commission is also introducing flexible work arrangements to adapt to trends emerging across the broader workforce. These flexibilities will also support and empower staff who have disability, carer responsibilities, long-term or chronic medical conditions, neurodiverse staff, as well as employees who would prefer to work in a more flexible environment. Staff in the workshops were keen to see the Commission adopt more leading-edge arrangements and noted that flexibilities will be an 'attraction and retention differentiator' for staff and their commitment to the agency.

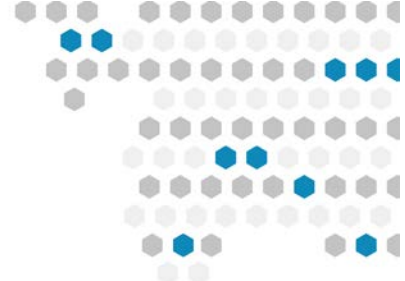



The Commission has some work to do in updating relevant internal people policies, including the Commission's *Disability Strategy* which expired in 2019, and its Attraction, Retention and Selection policy.

The 2022 Census indicated that only 48% of Commission staff felt a strong personal attachment to their agency. This contrasts with the APS overall response of 61%, and is 5% lower than 2021. During the Review workshops, Commission staff agreed that much of their work is interesting, and the work is the reason they either came to the Commission or have stayed.

Interviews with senior Commission staff indicate that staff either stay at the Commission for short periods of time or have long employment. Both can cause challenges within the workplace. Turnover within the first year is clearly disruptive to delivering projects and building capability. Conversely, staff who have been longstanding in their roles may become complacent without enough challenge.

As the Commission implements its own workforce plan, this should be accompanied by an updated Attraction, Retention and Selection policy that enables more flexible career pathways for staff including experience in other workplaces. A secondment or transfer program with other agencies to bring in additional HR capability and skills, as well as provide a broader understanding of the APS, public sector, or even wider, would also be valuable.



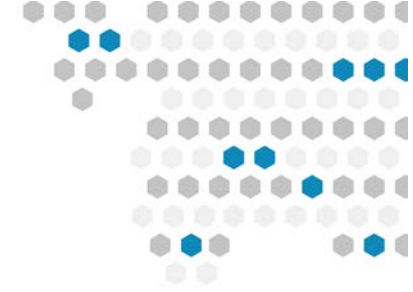
Model employer		
The agency is aware of, and seeking to implement, best practice people-based policy across all areas, including diversity, talent management, flexibility, and pay and conditions.		
Maturity rating		<i>Developing</i>

Understanding of model employer practices


The Commission needs to lead the way as a model employer within the APS. Some stakeholders observed that the Commission is out of step with best practice, including its own guidance to other agencies. Considering the absence of up-to-date internal policies, recognition programs, evaluation of core elements of work, driving optimal ways of working, and awareness and cultural competency in diversity and inclusion, the Commission has work to do to be the model employer.

A testing environment for the APS

The Commission is well-placed to test best-practice employee policies internally to see if they would be fit-for-purpose across the APS. This includes ensuring work is undertaken at the appropriate level, building the right skillset internally to meet future objectives, and enabling staff to be their best by having inclusive and safe people policies.



Resourcing and risk

Asset (physical and ICT) management		
Strategic planning for and acquisition of assets (physical and ICT) supports delivery objectives and is adaptive to change.		
Asset and technology investment proposals are evidence-based and engage appropriately with risk, and the delivery and management of assets is effective.		
Maturity rating		<i>Embedded</i>

Strategic planning and acquisition of assets

The Commission’s assets (mainly ICT) are managed at an operational level and monitored, reported on and replaced as required. The Commission developed the *Digital, Technology and Data Investment and Prioritisation Framework* to help staff align the acquisition of ICT assets with the Commission’s strategic objectives. This framework provides a good basis for helping decision-makers allocate appropriate resources through a set of clearly defined investment principles and processes.

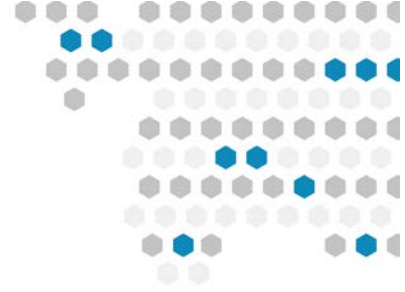
The introduction of the APS Academy Campuses has increased the size and complexity of the Commission’s property management portfolio and property risk profile. To assist with the added complexity, the Commission is developing its property management priorities through increased resourcing of its property function and creating a standalone team.

The Commission is also improving its property management function through development of a *Property Plan and Strategy*. This was in draft form at the time of this Review, so needs to be finalised. The Commission’s *Property Management Plan*,⁹ which assesses options for the acquisition, sharing, renovation and disposal of property, and associated change management, also needs updating. The Commission entered into a lease at Old Parliament House, exited its lease in Moore Street Canberra, and is negotiating 4 leases for the APS Academy Campuses.

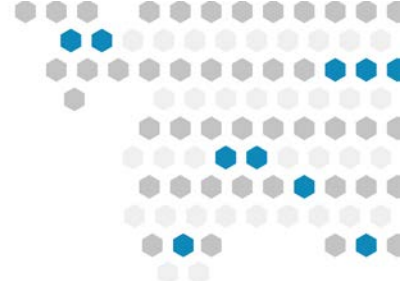
More evidence in investment proposals


The Commission’s basis for investment decisions is based on a business case that sets out the problem or opportunity, considers options, analyses costs, benefits and risks, and ultimately supports an investment decision. Business cases should clearly outline the nature of the policy problem or opportunity that directly links to the Commission’s goals and objectives, and present a wide range of options to address the identified problem or opportunity. Examples of business cases provided to the Review do not include the strengths, weaknesses and risks of each option, or their whole-of-life costs. This makes it difficult to determine if the preferred option is

⁹ It is compulsory that Non-corporate Commonwealth entities have a property management plan. These plans must be updated as necessary to address changing business requirements and Government policies. This includes machinery of government changes, updating of corporate plans, changes or amendments to a lease, new office fit-outs, significant organisational structure or function changes, or new policy proposals.



appropriate. While this information may have been prepared, it does not appear to have been provided to the decision makers. Improvements to be finalised through the revised *Property Plan and Strategy* will need to address these elements.



Information and data management		
High quality information and data are planned, acquired and used as strategic assets.		
Information and data are shared across and beyond government.		
Maturity rating		<i>Developing</i>

Growing information and data engagement

The Commission understands there are currently limitations with its information and data engagement. The Commission developed its inaugural *Data Strategy 2022–2025* to strategically harness and use data to shape the APS workforce. As this is its first data strategy, the emphasis is on establishing strong data foundations to build on. The Commission will need to actively monitor the implementation of this strategy over the next 3 years. It is encouraging that the Commission has a Chief Data Officer at the SES Band 1 level to manage the strategy.

The Commission’s information management maturity was assessed in a recent National Archives Check-up survey. The survey identified some areas for improvement related to appropriate information management governance protocols. The Commission is developing protocols, including an information governance framework, and updating its records authority and information management policy.

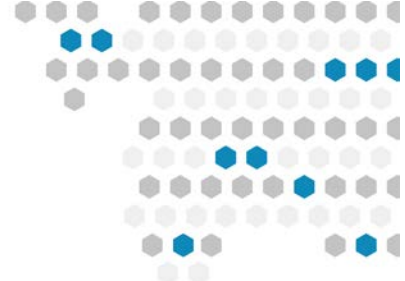
There are some concerns with the stability of the Commission’s critical APS Employment Database (APSED), with the system’s front-end application not sufficiently updated in recent years. The Commission understands the strategic risk of APSED failing and is undertaking a multi-million-dollar project to stabilise the system, which is due to be completed this year.


Strong data governance

The Commission’s main large datasets (such as the APSED and APS Employee Census data) have strong underpinning data governance. Data sharing processes are in place and, where possible, the public release of data occurs either on data.gov.au or on the Commission’s website. There is a process for requests for data from within the APS and the broader public to ensure the data will be used appropriately and in line with why it was collected, using the Five Safes framework and abiding by the collection notice and Australian Privacy Principles.

Each year the Commission evaluates the utility of its data holdings for agencies’ strategic decision and business planning. Results from this agency survey indicate that 96 APS agencies (equating to 99% of APS agencies) used the APS Employee Census to develop or assess policies and practices for their workforce. Other products commonly used by most agencies were the State of the Service Report (84% of agencies) and the APS Remuneration Report (78% of agencies).

More work, however, needs to occur to establish metadata, understand what ‘bespoke’ data the Commission is collecting, who is holding it, where and what is it being used for, and to link Commission data holdings with other datasets across the APS. The Commission could also educate the APS on the data it holds (such as APSED) and how that could be used to improve agencies’ policies and service delivery.



Cyber security		
Policies and practices on cyber security are widely consulted, implemented and updated as required.		
Maturity rating		<i>Developing</i>

Policies and practices on cyber security

The Commission is aware of the importance of cyber security and needs to develop its internal policies and practices as a matter of urgency. A recent Protective Security Policy Framework assessment of the Commission, including a cyber-security component, rated the Commission’s maturity as developing.

The Commission has a data breach policy and associated procedures that has been demonstrated to work effectively when exercised. This includes a cyber-security component in induction material to improve awareness of cyber security issues.

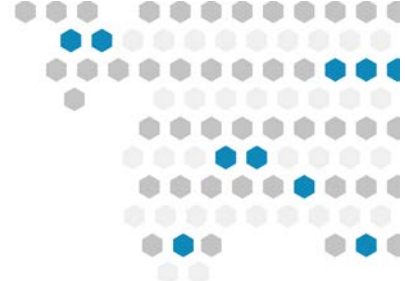
Since mid-2022 the Commission has been developing a Cyber Security Accreditation Framework. At the time of writing, this was expected to be presented to the March 2023 meeting of the Commission’s Audit and Risk Management Committee for endorsement. Among other things, this framework articulates the Commission’s current cyber security posture and target state, highlights and prioritises opportunities for optimisation within the context of a continuous and repeatable process, defines key cyber security requirements for suppliers, and explains how these will be verified and validated.


Slow take-up of Committee recommendations

Of concern is that in October 2020, the Audit and Risk Management Committee made recommendations with a ‘moderate’ risk rating on several cyber risk issues with an actionable date of 30 June 2021. The due date was revised to 31 March 2022 and further revised to 30 June 2022. However, as at the Audit and Risk Management Committee’s December 2022 meeting, the recommendations had yet to be actioned.

Information security

It was noted during the review that most of the Commission’s internal and public facing documents do not have security classifications marked on them. Information security is of utmost importance across the APS and is required under the Protective Security Policy Framework. The Commission would benefit from an audit of its current information security processes and increased staff awareness of the rules.



Financial management		
Financial (administered and departmental) planning supports delivery of strategic objectives.		
Financial (administered and departmental) resources are allocated to maximise the quality and efficiency of deliverables; and their use is transparent and accountable.		
Maturity rating		<i>Developing</i>

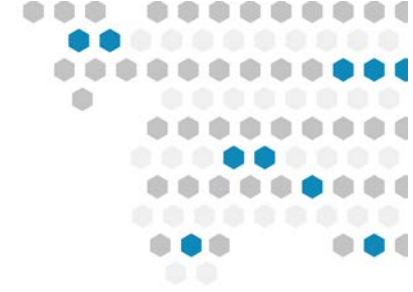
Improving financial management to meet strategic priorities

With changes in the Commission’s size and risk profile, improvements to financial management, prioritisation and planning are needed. Since 2020–21, the Commission’s departmental funding has increased by 76% and Average Staffing Level has increased by 100 due to Budget measures, the establishment of the APS Academy and the Parliamentary Workplace Support Service, and machinery of government transfers. At the same time, the Commission’s remit has shifted towards delivery of programs, which in many cases have temporary or cost recovered funding, with arrangements established before costs are confirmed. This growth in size and complexity, with a changing risk profile, means the Commission needs to develop improved prioritisation and planning, supported by a more common understanding and use of financial information in decision making.

The Commission’s financial resources are partially aligned to its strategic priorities. Significant growth and change in responsibilities, including design and implementation of new initiatives, have created uncertainty of relative priorities to inform budget allocations. A lack of strategic plan with clear quantifiable medium-term objectives for higher portion elements of the budget, including workforce and information technology, has further complicated alignment of funding to priorities.

The Commission’s 2022–23 *Priorities on a Page* document has more than 130 priorities with several interviewees referring to it as a ‘shopping list’ of everything the Commission does. Considering the magnitude of priorities and limited funding, the Commission cannot realistically appropriately resource each priority. An issue arises in how the Commission allocates funding based on its use of zero-based budgeting.¹⁰ Executive Board decisions on the allocation of resources using the zero-based budgeting methodology is somewhat opaque, making it difficult for business group managers to understand their funding allocations. There are no minutes for Executive Board deliberations on how resourcing was determined for each business group and it appears discussions occurred out of session between Executive Board members and individual managers. The Commission developed principles to inform the 2022–23 internal budget allocation, however, these were at such a high-level that they could not be used to determine Executive Board’s funding decisions. Work is underway within the new executive team to rigorously assess the Commission’s priorities and identify means by which to fulfil statutory functions, government priorities and service-wide priorities.

¹⁰ Each business group is required to estimate revenue and cost delivery of priorities rather than allocations based on its expenditure history (the delivery of budget measures).



As a result of the current budget environment, the Commission, like many agencies, cannot rely on additional government funding. To maintain its financial sustainability the Commission should, in the first instance, focus its resourcing on its statutory requirement activities (as outlined in the *Public Service Act 1999*) and the government's priorities. Any remaining funding can then be spent on other priorities.

New processes to support financial management

The Commission has improved its financial management by implementing monthly actuals reporting, recruitment principles and budget framework guidelines, and liaising with business group managers to improve their financial literacy. The Commission also undertakes reviews of, and some planning for, the allocation of financial resources as part of ongoing engagement with the Executive Board. Reviews of financial resources and budget priorities were considered by the Executive Board early in 2021–22 and 2022–23. The Executive Board receives an update on the finances at each meeting from the Chief Financial Officer, as well as out-of-session briefings on important items such as end of financial year results and implications of Federal Budgets. The Executive Board approves related internal budget reprioritisations.

The Executive Board was provided with an out-of-session paper in November 2022 indicating a potential overspend for the current financial year. It met again in April 2023 to consider 2023–24 Budget implications, updated forecasts and revised priorities to ensure the Commission's budget is balanced. The recent reassessment of priorities recommended earlier will be instrumental in managing internal allocations.

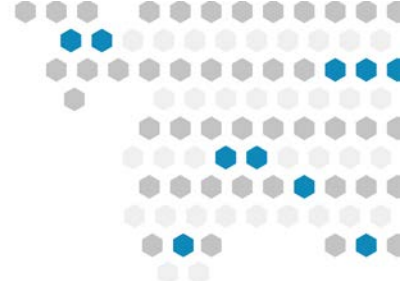
Some of the Commission's leadership group commented that financial literacy was an area for improvement for SES and Commission staff more broadly.


Developing an APS Academy funding strategy

The Commission is developing a funding strategy for its APS Academy. Currently, the APS Academy is funded through a combination of course fee revenue, budget funding (which will cease in June 2023), and subscriptions¹¹ approved at Secretaries Board. The Commission's approaches to Secretaries Board were done on an ad hoc basis and without a long-term funding vision. The Commission identified it may return for further subscriptions or other funding investments, however, did not identify what activities would need to be funded or the cost.

The Commission should consider, following discussions and advice from the Department of Finance, a more sustainable method of funding. Some secretaries identified that they would not be supportive of additional subscription proposals in future without an understanding of the projects delivered following the last subscription request.

¹¹ The subscriptions are investments for certain APS Academy activities that are funded by a mandatory one-off fixed fee per agency's Average Staffing Level.



Procurement, contract and project/program management		
Procurement, contract and project/program activities are governed and managed efficiently, effectively, ethically and economically.		
Maturity rating		<i>Developing</i>

Devolved procurement and contract management

The Commission operates a devolved model for procurement and contract management. Individual business groups are responsible for undertaking procurement activity, supported by a small central function that provides advice on procurement policy and procedures, procurement evaluation processes, panel selection and associated contract forms.

Steps are underway to improve the maturity of procurements in the Commission, with the agency rolling out a new procurement framework, including guidance and templates to streamline the procurement approach and align with government procurement and contracting frameworks.

A specific procurement section has been established on the Commission’s intranet, which includes information about the Commonwealth Procurement Rules and relevant guidance from the Department of Finance.

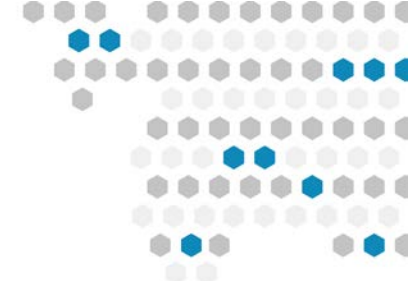
Engaging with stakeholders


Stakeholders advised the Review that the Commission’s procurement and contract management could be improved, providing instances of where they were given minimal time to prepare submissions for large tenders, a lack of engagement with the establishment of the APS Academy, and extending the duration of a contract by variations rather than refreshing the contract by undertaking a new tender.

Establishing an engagement model, including a feedback loop, for vendors the Commission works with would increase client satisfaction and potentially provide beneficial outcomes for both parties.

Building a project management capability

The Commission does not have a dedicated program or project management office (this appears due to a limited number of projects) so project management is undertaken on an ad hoc basis. For ICT projects, the Commission relies on project management resources and processes from within the Department of the Prime Minister and Cabinet. The Commission is currently recruiting a dedicated project management resource to uplift project management capability. The formation of appropriate program and project management processes, including regular reporting to the Commission’s executive, would improve the agency’s project and program management capability. Incorporating this with a change management function would also benefit implementation of projects.



Risk management		
Risk management identifies, mitigates, manages and reports risks, and enables innovation.		
Internal audit functions are independently governed and contribute to improvement.		
Maturity rating		Embedded

An approach to risk management

The Commission has implemented a range of improvements to its risk management framework over the last few years, including appointing a Chief Risk Officer, developing a risk appetite statement, developing a new enterprise risk register, introducing all-staff information sessions on risk management, and identifying risks as part of business group plans.

The Commission’s risk management approach has been refreshed. However, to embed effective risk management, the Commission requires a consistent understanding of the executive’s risk appetite in delivering priorities and more structured approach to executives managing and escalating risks to priority deliverables.

The Commission’s risk framework and oversight arrangements provide support for decision making. However, the Executive Board’s consideration is restricted to risk as a separate item with discussion of risk for specific decisions relying on ad hoc concerns from the expertise of members or line managers, rather than structured and embedded advice.

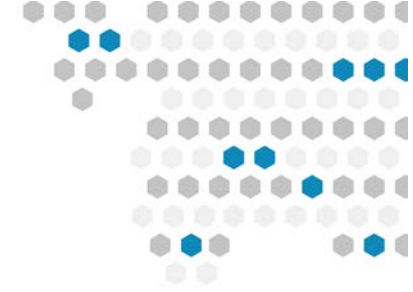
Internal audit improvements

The Commission’s internal audit function is guided by its *Audit and Risk Management Charter*, which sets out the role and purpose of the agency’s Audit and Risk Management Committee. The committee’s role is to provide independent advice to the Commissioner on the appropriateness of the agency’s financial and performance reporting, systems of risk oversight and management, and systems of internal control. To improve its internal audit program, the Commission is developing an Assurance Map and Strategic Internal Audit Plan that includes:

- an Assurance Map that will provide a group-level view of controls in place, both internal and external (such as the Department of the Prime Minister and Cabinet, and Service Delivery Office), to manage risk and quality assurance around key activities
- a Strategic Internal Audit Plan that will consider risk ratings for a range of activities and functions across the Commission when prioritising internal audit activity.

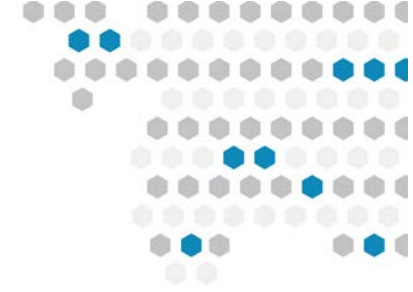
At the time of the Review, these were due in March/April 2023.

The Commission is also seeking to improve its responsiveness in implementing Audit and Risk Management Committee recommendations by committing additional resources and improved processes. Increasing its effectiveness in implementing the recommendations is expected to assist in building capability and mitigating identified risks.



To assist with the monitoring and mitigation of financial risks, the Commission presented a draft *Financial Risk and Treatments Register* to the Audit and Risk Management Committee's December 2022 meeting. The register identifies financial risks (such as under cost recovery of activities and unaffordable staffing levels) and tolerance appetite levels and treatments. It will provide a structure for consistent reporting to, and engaging with, the Audit and Risk Management Committee on progress in managing financial risks going forward.

It was encouraging to hear from the Chair of the Audit and Risk Management Committee that in their view the Commission has made significant improvements in financial and risk management over the last few years.



The agency's response

I welcome the report of the APSC Capability Review and the opportunity for the Commission to participate as part of the pilot Capability Review program.

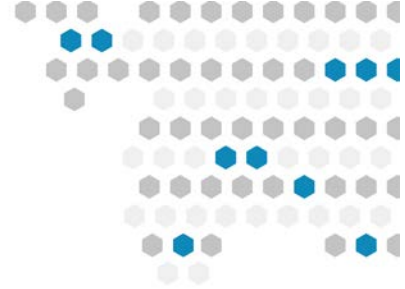
Capability reviews are valuable resources for building organisational capability to better position ourselves for the future. I have only recently joined the Commission, and have been impressed with commitment of our people to the Commission's work and the APS as a whole. I am pleased that the reviewers recognised the Commission's strengths in policy expertise and advice in many areas, and implementation of initiatives to support APS capability and integrity in recent years. I thank the reviewers for their insights on areas where we could improve for the future. The report provides the Commission with a strong foundation to build on our strengths and to develop our organisational capability. I am committed to acting on the insights of this Capability Review.

The Review findings will inform the work currently underway within the Commission to reposition the organisation to ensure that we are well placed to deliver on our forward agenda. This will support the government's APS reform agenda, strengthening integrity across the Australian Government public sector and ensuring the APS has the capability to meet its future challenges and discharge its statutory duties. The Commission's Executive Board is committed to putting in place an action plan, developed with the input of our people, completing the work we have started, and ensuring our systems and business processes support our staff and our business to the greatest extent possible.

I acknowledge the previous Commissioner, Mr Peter Woolcott AO, for his leadership of the Commission and his work building a stronger APS.

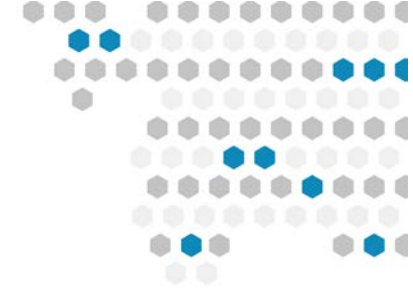
I thank the Senior Review Team for their constructive and considered approach in undertaking the review and the valuable insights they have provided, and thank staff from across the Commission for their open and honest contributions to the review process.

Dr Gordon de Brouwer
APS Commissioner



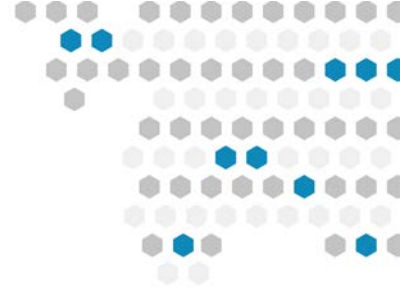
Abbreviations and acronyms

Abbreviation or acronym	Description
AGD	Attorney-General's Department
APS	Australian Public Service
APSC/the Commission	Australian Public Service Commission
APS Commissioner/the Commissioner	Australian Public Service Commissioner
APSED	APS Employment Database
ARMC	Audit and Risk Management Committee
ARO	APS Reform Office
ASL	Average Staffing Level
ATO	Australian Taxation Office
Census	APS Employee Census
COE	Centre of Excellence
COO	Chief Operating Officer/s
CPD	Certified Professional Development
CPSU	Community and Public Sector Union
CSAF	Cyber Security Assessment Framework
EAS	Ethics Advisory Service
EL	Executive Level
FAS	First Assistant Secretary (SES Band 2)
GDP	Graduate Development Program
ICT	Information and communications technology
MPC	Merit Protection Commissioner
PM&C	Department of the Prime Minister and Cabinet
SES	Senior Executive Service
the Thodey review	<i>Our Public Service, Our Future: Independent Review of the Australian Public Service (2019)</i>



Appendix A: Capability Review framework – domains and elements

Core domain	Element	Description of the element
Leadership and culture	Purpose, vision and strategy	The capability to develop an appropriate purpose, vision and strategy based upon government priorities and legislative functions and successfully communicate these to staff, stakeholders and users.
	Values, culture and behaviour	The capability to foster a culture of continuous improvement and innovation and measure the benefit of these activities to policy, programs and service delivery.
	Leadership and governance	The capability to deliver effective leadership, including good decision-making, to identify and develop leaders, and establish organisational structures that are efficient and effective.
	Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.
	Embodies integrity	The capability to promote and embed integrity and APS values across all business areas of an agency in a way that informs and influences business practices across the agency.
Collaboration	Engagement with ministers	The capability to maintain open, trusted and respectful relationships with minister/s and provide impartial and evidence-based advice to them.
	Contribution to the public sector (federal, state/territory, local and international)	The capability to make productive contributions to the public sector, both domestically and internationally, and establish enduring and collaborative relationships with other public sector agencies to support government priorities.
	Partnerships and engagement outside the public sector	The capability to engage and establish respectful and collaborative partnerships with users of government services and non-government entities to understand their experiences and needs.
	Putting people and business at the centre of policy and services	The capability to leverage partnerships with external stakeholders, such as the public, communities, business, the not-for-profit sector and other governments to deliver policy and services.
Delivery	User focus and experience	The capability to use the principles of partnership and co-design, and feedback mechanisms to deliver effective and fit-for-purpose outcomes and services for people and business.
	Strategic policy	The capability to deliver high quality and forward-looking strategic policy that meets strategic objectives and ministerial priorities.
	Service delivery and improvement	The capability to deliver effective and efficient services and improve service delivery by undertaking and acting on evaluation and user feedback.
	Managing for performance and outcomes	The capability to deliver on commitments to government, measure the value provided, and employ a systems thinking approach to delivery.



Core domain	Element	Description of the element
	Capability to do the job	The capability to use best practice examples worldwide to inform and deliver policy and services.
People	Strategic workforce planning and development	The capability to use strategic workforce planning and development to anticipate and respond to the future needs and priorities of government and users of government services.
	Staff performance and capability	The capability to develop staff in a way that is aligned to the future needs of the APS, and to use performance management to deliver on strategic priorities and encourage high performance.
	Staff engagement and experience	The capability to develop and maintain an inclusive working environment that gives staff a sense that they belong and are valued.
	Model employer	The capability to use best practice people-based policies to deliver a quality employee experience and a dynamic workplace.
Resourcing and risk	Asset (physical and ICT) management	The capability to manage assets (physical and ICT) across their lifecycle to support the delivery of strategic objectives and be adaptive to change.
	Information and data management	The capability to use and manage information and data across all business areas of an agency and ensure sharing across government and beyond.
	Cyber security	The capability to implement robust cyber security policies and practices based on global and domestic standards.
	Financial management	The capability to use financial planning to support the delivery of strategic objectives and allocate financial resources to maximise deliverables and ensure transparency and accountability.
	Procurement, contract and project/program management	The capability to govern and manage procurement, contract and project/program activities in an efficient, effective, ethical and economical manner.
	Risk management	The capability to use risk management and internal audit functions to support accountability, innovation and organisational improvement.