



Australian Government

Australian Public Service Commission

Capability Review

Department of Social Services



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APS Commissioner's foreword

This report is the outcome of the 10th capability review. The Australian Public Service Commission coordinates and supports the delivery of capability reviews of all Commonwealth departments and large agencies every 5 years.

Capability reviews are an independent and forward-looking activity, assessing an agency's current capability and how well it is positioned to meet its future objectives and challenges over a 4-year horizon. The aim is to facilitate discussions around the agency's desired future state, highlight organisational capability gaps and identify opportunities to address them.

Following recent amendments to the *Public Service Act 1999*, this capability review report will be the first to be tabled in parliament.

I thank the secretary, Michael Lye, the leadership team of the Department of Social Services, as well as key staff for their willingness to engage and commitment to ensuring a collaborative and constructive review process.

I would also like to thank the senior reviewers, Liza Carroll PSM, Geoff Leeper PSM, Neal Mason and Lee Steel for their expertise, dedication and stewardship in undertaking the review, along with their support teams from the APSC and DSS.



Dr Gordon de Brouwer

Australian Public Service Commissioner

Senior review team's foreword

We are pleased to present the capability review of the Department of Social Services (DSS).

We thank secretary, Michael Lye, and other members of the leadership team for their open and constructive engagement and thank the DSS agency liaison team for its support.

The purpose of this review is to help DSS enrich its capability to achieve its goals over the next 4 years. We are grateful for the input we received from DSS staff at all levels as well as stakeholders across government and the community sector. Their thoughtful contributions have provided a clear sense of the opportunities ahead for DSS and the strengths it can leverage to take advantage of them.

The department has a values-driven workforce with deep subject matter expertise. It will emerge from recent machinery of government changes with a tighter focus on improving the lives of vulnerable Australians. To achieve this vision DSS is reshaping the way it operates, in pursuit of policy and delivery excellence.

We extend our sincere appreciation to the Secretariat team of the Australian Public Service Commission for its invaluable assistance to the review team in completing this important work. It has been a pleasure to work on this review. We hope it is a useful input to the department's future work.



Liza Carroll PSM

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Neal Mason

Lee Steel

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Review focus

This capability review focuses on strengths and development areas for DSS to ensure it has the capability it will need in the future. It includes analysis of:

- the 'excellence horizon' – capabilities the department needs over the next 4 years
- organisational capability – capability gaps and opportunities across 5 domains of leadership and culture, collaboration, delivery, workforce, and enabling functions.

More details about the review are in **Appendix A**.

About the agency

The department leads work to:

- assist families, children and older people
- provide a safety net for those who cannot fully support themselves
- end violence and abuse
- help those with injury, disability or illness to overcome barriers to securing employment
- support a diverse and harmonious society.

DSS also leads work to meet the following targets of the *National Agreement on Closing the Gap*:

- Target 12: reduce the number of First Nations children in out-of-home care by 45%
- Target 13: reduce family violence and abuse of First Nations women and children by at least 50%.

DSS is responsible for policies, payments, programs and services that improve the economic and social wellbeing of people and families in Australia.

In 2024–25, the department received \$184.5 billion to achieve these goals. This primarily funded payments to support the aged, families with children, people with disabilities, carers, and unemployed people. It also funded a range of initiatives to end gender-based violence, support vulnerable Australians, boost workforce participation and provide cost of living relief. Following machinery of government changes announced in May 2025 (see page 7), responsibility for some payments and support initiatives has moved to other portfolios.

The original DSS was established in 1941. Today, the department is responsible for delivering against 2 key outcome areas: social security, and families and communities. DSS works with its portfolio agencies, state and territory governments, Australian Government agencies, third parties and peak bodies to develop and deliver policy solutions. For example, in 2025–26 Services Australia will distribute roughly \$153 billion worth of payments on DSS's behalf, such as income support, carer payments, parental payments and youth allowance, among others. Another \$2.1 billion worth of grants will go to providers to deliver services to the community.

Michael Lye is the Secretary of DSS and the Accountable Authority. The department is structured into 4 functional work streams: Delivery and Data; Social Security; Families and Communities; and Chief Operating Officer.

The department serves 2 ministers:

- the Hon Tanya Plibersek MP – Minister for Social Services
- the Hon Ged Kearney MP – Assistant Minister for Social Services and Assistant Minister for the Prevention of Family Violence.

Budget

Budget 2024–25 to 2028–29¹

Description	2024-25 preliminary actual ² (\$'000)	2025-26 budget (\$'000)	2026-27 budget (\$'000)	2027-28 budget (\$'000)	2028-29 budget (\$'000)
Revenue from government	589,046	456,812	397,683	385,447	381,626
External revenue ³	43,459	33,625	34,330	35,128	35,885
Capital budget	3,867	3,911	3,977	4,020	4,071
Total departmental⁴	636,372	494,348	435,990	424,595	421,582

Description	2024-25 preliminary actual ² (\$'000)	2025-26 budget (\$'000)	2026-27 budget (\$'000)	2027-28 budget (\$'000)	2028-29 budget (\$'000)
Annual appropriations ⁵	39,251,557	2,788,552	2,516,842	2,379,985	2,412,312
Special appropriations	147,135,801	152,993,428	159,060,436	163,929,402	170,005,073
Special accounts payments	19,230	7,852	-	-	-
Total administered	186,406,588	155,789,832	161,577,278	166,309,387	172,417,385
Total Department of Social Services	187,042,960	156,284,180	162,013,268	166,733,982	172,838,967

Source: Department of Social Services

¹ Indicative budget following recent machinery of government changes

² 2024-25 preliminary actuals are pending clearance and subject to audit changes

³ External revenue retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*

⁴ Excludes expenses not requiring appropriation in the Budget year such as depreciation/amortisation expenses, audit fees and resources received free of charge.

⁵ Includes National Disability Insurance Scheme participant plans and National Disability Insurance Agency costs

Staffing profile

The following information is drawn from the APS Employment Database and is correct as of 30 June 2025, unless stated otherwise.

Staff numbers

Number of employees (headcount)	3,557
Number of employees (full-time equivalent)*	3,435.3

Staff locations

ACT	NSW	VIC	QLD	SA	WA	TAS	NT	Overseas
67.5%	7%	8.3%	5.6%	4.4%	2.8%	3.3%	1.1%	0%

Distribution of classifications

APS 1–3, Trainee and Graduate	APS 4	APS 5	APS 6	EL	SES
2.1%	7.5%	24.7%	26.9%	36.6%	2.3%

Diversity

Characteristic	Percentage of total staff
Women	72.1%
Men	27.4%
Non-binary/other*	<1%
First Nations	4.6%
Employees with disability	8.3%
Culturally and linguistically diverse	17.9%

**Data provided by DSS, correct as of 30 June 2025*

Below is a breakdown of staff movements from DSS to the Department of Health, Disability and Ageing (DHDA) and the Department of the Treasury (Treasury) this year:

- 397 ongoing staff and 15 non-ongoing, irregular or intermittent employees moved to DHDA on 31 July
- 74 ongoing staff transferred to Treasury on 31 July
- 79 ongoing staff to transfer to DHDA on 14 August.

Explainer: Machinery of government changes

During this capability review, machinery of government changes shifted the structure and responsibilities of the department.

Machinery of government changes are when functions, resources and staff are moved between government agencies.

Changes announced on 13 May 2025 resulted in the transfer of responsibility for housing, rental (apart from Commonwealth Rent Assistance) and homelessness policy to the Treasury Portfolio, and the National Disability Insurance Scheme (NDIS) and disability policy to the Health, Disability and Ageing Portfolio.

Other changes resulted in Services Australia moving out of the Social Services Portfolio and into the Finance Portfolio.

In July and August 2025, staff working in the disability stream moved out of DSS and joined the Department of Health, Disability and Ageing; and staff working on housing, rental and homelessness policy moved out of DSS and joined the Department of the Treasury. Some corporate staff also moved with them.

Excellence horizon

The excellence horizon reflects the major trends in DSS's strategic operating environment and, based on those trends, forecasts potential changes over the next 4 years. The excellence horizon aims to help DSS understand and shape the areas of organisational capability it needs over the next 4 years.

This section explores short-to-medium-term changes that may affect the department's operating environment, and the capabilities it will need to successfully meet the expectations of the Australian government and community.

Demand for excellence in delivery

The government has publicly signalled its intent to renew focus on excellence in delivery of public policy and services. This will amplify the expectation for DSS to deliver measurable change in areas of social security, families and communities.

DSS's policy remit includes complex, enduring, multi-generational social challenges such as ending entrenched disadvantage and gender-based violence, and closing the gap between Indigenous and non-Indigenous Australians. Successive governments have worked to achieve transformative change on these policy fronts, but challenges remain.

The next 4 years represent an opportunity for DSS to fundamentally re-think its approach to these challenges and reset how it works with delivery partners.

Sustaining Australia's social security system

The government has signalled it will pursue economic reforms to enhance productivity, economic resilience and budget sustainability. Any change to Australia's economy is likely to have flow-on effects for the social security and welfare system and the people who rely on it. Social security and welfare expenses are the largest area of government expenditure, expected to make up 37% of total government expenses in 2025–26, of which DSS's responsibilities represent a significant proportion. The department will need to think about the role these payments and supports play in the government's productivity agenda going forward.

Global economic volatility will likely continue to affect Australia's economy over the next 4 years. Disruptions to global trade and volatile markets may affect Australia's national income and budget. Continued instability may change demand for social security supports, including the Age Pension, as market fluctuations affect retirement income.

Australia's evolving demographics may place pressure on the social security and welfare system. Demand for income support, care and disability systems is expected to keep growing as Australia's population ages. Similarly, a shift away from traditional family structures could lead to more people relying on government where family supports are not available.

Despite constraints on the federal Budget, the 2025–26 Budget forecasts that government expenditure on social security and welfare will grow from \$274.9 billion in 2024–25 to \$323.6

billion in 2028–29. As mentioned above, the payments and programs DSS is responsible for are a significant component of this expenditure category.

DSS will need to be ready to provide government with advice and options on how to ensure the sustainability of Australia's social security system. It may need to examine whether current investments are achieving intended outcomes, such as ending cycles of disadvantage and lifting workforce participation.

Supporting vulnerable Australians

Successive governments have focused on ways to support vulnerable Australians who are disproportionately impacted by economic instability, cost of living pressures and housing stress. These issues are expected to persist over the next 4 years, which will affect vulnerable Australians' standard of living and ability to participate fully in society. The frequency and intensity of economic and environmental shocks are pushing more people into vulnerable situations, increasing the risk of entrenched disadvantage. This can add to regional vulnerabilities due to extreme weather events, industrial transitions and existing economic inequality.

Government's social policies and programs will play an essential role in ensuring no Australian is left behind. The social challenges that create inequality and vulnerability may grow even more complex in years to come. As technology advances, there is a risk this could exacerbate social and economic inequality. In Australia, lower-income groups persistently record lower rates of digital inclusion than higher-income groups. Those who are digitally excluded miss out on the social, education and economic benefits that online connectivity provides. An increased reliance on digital services risks further isolating digitally excluded groups. Further, DSS expects the introduction of automation and artificial intelligence (AI) to acutely impact some groups' participation in the workforce. DSS will need to continue to provide support for vulnerable Australians in a way that is accessible, while exploring policy settings to help them live productive and fulfilling lives.

The Australian social security system is complex and can be difficult to navigate. Individuals accessing the system often need to interact with multiple agencies and repeatedly provide information and documentation before they can receive support. This can prevent some Australians from accessing support when they need it. DSS will need a sophisticated understanding of both its customers and the broader systems in which it operates to keep the safety net available to users of all abilities.

Adapting to a changed future

Structural changes, paired with the budget impact of programs ending in 2026–27, mean DSS is entering a period of change. DSS leaders will need to manage these changes with sensitivity and empathy to minimise negative impacts on staff wellbeing and productivity.

DSS will also need to equip its managers with skills to manage teams in a volatile environment. The department may need to change the way it is structured to align with its new mission and priorities, and find ways to work more efficiently. It will need a robust strategic workforce planning function to ensure it can pre-empt and adapt to these shifts in its operating environment.

The department will also need to build the foundations for a digital future. Technological advancements, including AI and automation, will bring opportunities to further improve the

department's productivity. The World Economic Forum predicts an increase in jobs done by humans and machines in collaboration. For DSS, AI and automation will likely have the biggest benefit and impact on staff in its service delivery functions. As new technologies take on the bulk of processing and administration tasks, staff will have more time to focus their efforts on tasks that require deeper thinking, judgement and human-to-human engagement. DSS will need to uplift technology capability, as well as broader analytical skills, across the department to maximise what it can deliver with the resources it has.

Executive summary

During this capability review, machinery of government changes re-shaped the structure and responsibilities of DSS. The transfer of staff and responsibilities to other agencies has left DSS a smaller department with revised responsibilities.

These changes do not fundamentally change the big picture vision DSS aims to achieve. The department's guiding purpose is to improve the economic and social wellbeing of individuals, families and vulnerable members of Australian communities. In practice this means funding payments and support services that help people through vulnerable stages in their lives, such as unemployment, escaping violence, and other situations where people need a little extra help to continue living their lives independently and with dignity. It also means helping to ensure all Australians have the same opportunities to live productive and fulfilling lives by intervening in cycles of disadvantage or helping to support those with higher needs.

This work is intertwined in a broader network of social supports that have an overlapping effect on people's lives, such as healthcare, disability care, services for First Nations people, housing, justice and education. DSS does not typically deliver services itself, rather it relies on partners to deliver services and income support to the community. Achieving its goals will require strong strategic collaboration.

DSS leadership aims to navigate change in a way that supports the DSS workforce. A tighter focus on core responsibilities could also present an opportunity to address some capability barriers described in this report. In this period of transition, we hope the findings of this review will help the department prioritise the changes that will deliver the greatest return on investment.

We believe the most important changes for the department will be:

- continuing to uplift policy and strategy, including providing bold advice to government
- improving delivery capability and partnerships with government and non-government stakeholders
- describing what success looks like in terms of real-world impacts and driving efforts to achieve this, both internally and with external delivery partners
- making the time to be deliberate and strategic about where and when DSS invests its finite resources.

As DSS pursues an ambitious future, it is also important to preserve and galvanise its supportive workforce culture, which was frequently cited as one of its greatest strengths. There is no reason a kind workplace cannot also be a creative, ambitious and high performing workplace, where staff feel safe debating ideas and challenging established ways of working.

'Everyone who works at DSS has a passion for helping people.' Internal stakeholder

The report describes opportunities to improve capability at DSS – some small and some that will take many years to embed. The department may not be able to address all these changes. DSS leaders will need to judge which reforms will be the most beneficial. We believe DSS is best placed to identify appropriate ways to respond to the overall intent of this report.

Leadership and culture

DSS now has a tighter focus. This is an opportunity to operate more cohesively, working across silos and maintaining a clear line of sight between tasks and outcomes. This will help DSS wrap solutions around communities in a more joined-up and outcome-focused way. The department's leaders are increasingly seeking to provide joined-up direction for staff, with a renewed focus on excellence in public policy and delivery. SES will need to model the behaviours they want to see from staff and will need investment in leadership capability to carry this through the organisation. However it is important staff at all levels play an active role in driving this change.

Staff will need a clear and detailed vision of the department's most important outcomes and how the work of each organisational stream combines to achieve them. With constrained resources, prioritisation will be important and DSS must become more comfortable stopping work that is lower on the list of government priorities, to free up capacity.

DSS has a pro-integrity culture but it needs to get better at balancing risk and opportunity. The department is justifiably proud of its recent work to promote integrity and Australian Public Service (APS) values, as part of broader government efforts to rebuild community trust in the wake of the Robodebt scheme. However, DSS needs to get better at positively engaging with risk. Stakeholders told the review DSS tends to be compliance-focused and risk-averse, which stifles innovation and means it can miss opportunities. Formal departmental and program governance can be rigid and compliance-focused, with heavy reporting requirements that do not fully reflect relative risk and opportunity.

Potential priority areas for capability improvement

Leaders need to clarify priorities for staff and role model what it looks like to balance risk and opportunity.

Governance structures need to evolve to align focus and resources on the most important outcomes and strategic decisions.

DSS should consider how to ensure its Senior Executive Service (SES) has the capability and authority to drive a more collective and effective approach.

Collaboration

Most of the department's initiatives are delivered by partners in government and the not-for-profit sector. Effective collaboration is essential to make these arrangements work, so DSS faces a high bar for this capability. DSS has good relationships with stakeholders and is seen as collegiate and helpful. However, internal silos make it hard for DSS to collaborate effectively and limits the department's ability to understand the collective impact of its policies.

The review heard DSS can be overly transactional, particularly at working levels where stakeholders say the department can have a compliance mindset. Stakeholders would like to have more strategic conversations with DSS about the best way for them to help the department achieve its policy intent. They would welcome DSS doing more to shape the policy agenda on matters where multiple agency responsibilities intersect.

Stakeholders said the department can at times be ‘captured by’ the views of non-government partners. It can struggle to critically analyse evidence from non-government stakeholders and turn this into an independent view on policies and programs. The review also heard the department can struggle to resolve difficult issues with partners, particularly when those partners are not achieving outcomes.

Potential priority areas for capability improvement

DSS should strive to be a policy leader and drive better outcomes by enhancing its influence with community sector and government partners.

DSS should consider ways to shift from a compliance to a partnering mindset.

DSS needs to foster more collective relationships across its internal silos.

Staff need to be comfortable having difficult conversations with partners and forming an independent view on contested issues.

Delivery

The DSS secretary has made it clear that re-invigorating policy capability is one of his top priorities. This is matched with a renewed focus on effective implementation, to ensure the department’s work delivers the outcomes end users need. This clarity of direction is positive but change will take time.

Stakeholders say DSS does not currently have the strategic capability it needs. They described DSS as being reactive, siloed and sometimes caught out preparing too late for foreseeable policy milestones. The department needs a more sophisticated understanding of how policies impact users and to consistently embed evaluation practices.

The parts of DSS that do direct service delivery are diligent and professional but need to get better at matching workloads, staffing and speed.

Potential priority areas for capability improvement

DSS should continue its existing efforts to uplift policy capability and deliver a strategy for collective impact.

DSS should consider ways to ensure its initiatives are implemented promptly and deliver the intended outcomes.

DSS should focus on ways to ensure implementation of its payments and programs is effective, joined-up and consumer-centric.

Workforce

DSS staff are passionate about the work they do. This is a strong base to build from as DSS works to improve the lives of vulnerable Australians.

To meet the challenges in the excellence horizon, DSS will need to re-assess its skills needs, fill critical gaps and build talent pipelines. To achieve this, DSS will need stronger workforce planning capability and a more intentional approach to staff development.

DSS has various initiatives in place to support staff safety and wellbeing, but its workforce is experiencing increasing levels of stress and psychological injury. There may be an opportunity to adapt some of the successful wellbeing practices used in the department's Redress Group to support staff in other parts of the department.

Potential priority areas for capability improvement

DSS needs stronger workforce planning capability to effectively deliver its priorities.

DSS will need to focus on supporting the resilience of its staff as it navigates change.

Enabling functions

The department's current approach to setting internal budgets will not meet its future needs. To balance new priorities with its existing work, DSS will need to make hard decisions about where to direct its resources and which activities can be scaled back, stopped or redesigned to free up capacity.

The corporate operating model should support this strategic direction. Machinery of government changes are a natural prompt for DSS to revisit decisions about the corporate services it offers centrally, how staff access them and the depth of service people can expect. Recent moves to centralise the data and evaluation functions are positive. The deep expertise in this area should be leveraged to lift data capability across the department.

Information and communications technology (ICT) capability is inadequate, leading to inefficiencies, reduced productivity and staff frustration. While DSS is working with its service provider to improve specific tools and services, lifting ICT capability will take time.

Potential priority areas for capability improvement

DSS needs a sharper process for setting priorities and allocating resources.

DSS should leveraging its deep central data expertise to ensure all teams are making good use of data.

DSS should accelerate its efforts to resolve persistent ICT challenges.

Maturity ratings

Explanation of maturity ratings

Maturity rating	Description
Leading	• Excellent current capability • Strategic and systematic approach to forecasting future capability challenges and opportunities • Widespread environmental scanning identifies opportunities to learn from others • Continuous improvement is an agency-wide priority • Capability uplift activities are highly likely to equip the agency for challenges identified in the excellence horizon
Embedded	• Good current capability • Widespread activity to forecast future capability challenges and opportunities • Some environmental scanning identifies opportunities to learn from others • Widespread evidence of continuous improvement activities • Capability uplift activities are mostly likely to equip the agency for challenges identified in the excellence horizon
Developing	• Inconsistent current capability • Limited forecasting of future capability or opportunity gaps • Early stage activities to improve in areas of future and current capability gaps • Limited environmental scanning or evidence of learning from others • Limited focus on continuous improvement • Capability uplift activities are limited and will not fully equip the agency for challenges identified in the excellence horizon
Emerging	• Capability does not meet the agency's current needs • Little or no evidence of forecasting future capability or opportunity gaps • Little or no awareness of current capability gaps • Little or no evidence of environmental scanning or learning from others • Little or no evidence of continuous improvement • Agency is unlikely to be ready to meet for challenges identified in the excellence horizon

Summary of ratings

Leadership and culture

Element	Maturity rating
Integrity and values	Embedded – integrity and values Developing – risk
Leadership and governance	Developing

Collaboration

Element	Maturity rating
Public sector collaboration	Developing
Non-government partnerships and engagement	Developing
Internal collaboration	Emerging

Delivery

Element	Maturity rating
Ministers and parliament	Developing
User focus	Developing
Strategy	Emerging
Implementation	Developing
Review and evaluation	Developing

Workforce

Element	Maturity rating
Strategic workforce planning	Developing
Staff performance and development	Developing
Staff culture and inclusion	Embedded
Staff safety and wellbeing	Embedded

Enabling functions

Element	Maturity rating
Financial management	Developing
Technology	Emerging
Data	Developing
Corporate operating model	Developing

Detailed assessment of agency capability

Leadership and culture

Element	Description	Maturity rating
Integrity and values	The capability to embed integrity and APS values in the work of the agency. The agency engages with risk appropriately and embodies integrity in everything it does.	Embedded – integrity and values Developing – risk
Leadership and governance	The capability to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective.	Developing

Integrity and values

Government is working hard to rebuild community trust in the wake of Robodebt, a scheme in the Social Services Portfolio that raised unlawful debts against welfare recipients from 2015 to 2019. A big part of that work is making sure the public service has the right culture, systems and accountabilities in place to ensure its people and institutions act with integrity. DSS has embraced this task and has a pro-integrity culture. However, it needs to get better at balancing risk and opportunity. For this reason, the review rated the maturity of its integrity and values capability as embedded but rated its risk management capability as developing.

Government is looking to departments to examine longstanding problems in new ways and to partner more openly with state governments and the community sector to find and deliver solutions. This will require trying new things, learning quickly from failure, and trusting partners with more information and influence than ever before. To be successful, DSS will need to shift its approach to risk.

The department is justifiably proud of the work it has done to promote integrity and APS values in recent years, in response to issues raised in *Louder than Words: An APS Integrity Action Plan* and the *Royal Commission into the Robodebt Scheme*. Former secretary Ray Griggs championed 4 key values – Curiosity, Collaboration, Contestability and Courage – and embedded them in DSS norms and practices. Work is continuing under secretary Michael Lye to ensure the department's systems encourage individuals to do the right thing and hold them to account when they do not.

'Pro-integrity culture has been a focus over the last 3 years. We are really trying to make sure the department has processes and staff have a good understanding of what they should be doing and why post-Robodebt.' Internal stakeholder

While the department acknowledges this is an ongoing process, it has made strong progress. The DSS Integrity Strategy 2025–26 helps staff recognise and respond to integrity risks in their roles. A DSS Integrity Unit promotes the functions of National Anti-Corruption Commission and helps staff engage with its work. The Community Grants Hub builds fraud and corruption obligations into service-provider contracts and has well-developed compliance controls.

The results of this work are reflected in responses to the 2025 APS Employee Census, where 79% of DSS staff agreed the culture in the department supports people to act with integrity.

The review heard in staff workshops and interviews that the 4Cs have been instrumental in supporting a pro-integrity culture in the department post-Robodebt.

Explainer: The 4Cs

The 4Cs are a set of expected behaviours that build on the APS values. These behaviours are:

- **Curiosity** – being curious and creative about work and thinking deeply on how to best serve citizens.
- **Contestability** – creating an environment that encourages staff to respectfully challenge ideas.
- **Collaboration** – collaborating both internally and externally with stakeholders and citizens.
- **Courage** – putting forward ideas and raising concerns and issues that may be unwelcome.

While integrity will remain a focus, DSS must get better at positively engaging with risk. Internal and external stakeholders said the department's emphasis on not doing the wrong thing has created a tendency to be compliance-focused and risk-averse, which means it can miss opportunities. In interviews, people said this can manifest in risk avoidance, excessive reporting and hesitation in policy decision-making. These issues are acknowledged by the department and were raised by staff and external partners, who say DSS can focus too much on process and lose sight of the outcome it is trying to achieve.

Stakeholders also observed that the experience of Robodebt and the Royal Commission have heightened awareness of legal risk and resulted in a tendency to adopt a legalistic approach to policy design. This is also driving an increase in demand for legal advice, when a problem might actually benefit from creativity and innovative thinking. Understandably, DSS and Services Australia have been diligent in reviewing the lawfulness of their processes. It is important, however, that legal risk is considered in unison with other risks, and with a sense of proportionality.

'Good ideas get knocked back before they even get a chance to be sent up the line. People say "they won't like that" so it gets blocked.' Internal stakeholder

DSS must now focus on how to change risk management behaviours so they don't stifle innovation. Senior leaders can see the need for change and want staff to think about what is possible and how to get the best outcome before they consider risks and constraints. The capability to look at things in fresh ways will also help the department recognise when a longstanding approach is not working and a change of course is needed. Stakeholders say DSS struggles to do this now.

This shift will require DSS to become more comfortable with failure, framing it as an opportunity to learn. In interviews and workshops, staff highlighted a tendency for DSS to over-correct with additional processes when something goes wrong, which can slow things down without improving outcomes.

In the 2025 APS Employee Census, only 48% of staff said they believe DSS recognises failure as part of innovation, noting these results are broadly consistent with the rest of the APS. DSS recognises the need to create a positive risk culture and is taking early steps in the right direction, including releasing a new Risk Appetite Statement, refreshing its risk criteria, and making changes to risk reporting to be more discerning about what is tracked and escalated. Further work is needed to build staff capability and reward staff who balance risk and opportunity within appropriate bounds, so the department can move beyond achieving outputs and deliver the outcomes communities need.

Leadership and governance

Recent machinery of government changes have created an opportunity for DSS to work in a more cohesive way, coordinating a tighter set of policies, programs and payments. The department's work on women's safety, family wellbeing, closing the gap and entrenched disadvantage needs to support government to deliver on its mandate for the next 3 years – to provide opportunity for all and ensure no-one is left behind.

To navigate this, DSS senior leaders will need to clearly articulate what success looks like and ensure governance structures are aligned to support priorities. This vision needs to be equally understood at all levels, so all staff can apply it to their work and translate it into action.

The department's leadership is increasingly seeking to provide joined-up direction for staff, including updating governance structures to support shared problem solving and shared accountability for outcomes. The secretary is leading a renewed focus on excellence in public policy and has established a central delivery office to coordinate implementation. The secretary and deputies are bringing staff along on this journey through interactive executive updates each month and by giving group managers more visibility of deliberations at executive board meetings. These early changes are welcome.

'Something we do really well is the openness from the secretary and deputy secretaries. In the executive updates, they are happy to take questions, even hard questions.'
Internal stakeholder

However, to achieve the department's goals, SES must operate in an increasingly collective way. Staff and stakeholders consistently told the review that DSS is internally siloed. Each stream works diligently – but in isolation – to deliver the measures it owns. This translates to a good set of players but no team. There are examples of cross-cutting work, but DSS culture and governance are not geared towards joined-up effort. This means stakeholders have to repeat themselves, program governance and stakeholder engagement is duplicative, and DSS misses the chance to wrap solutions around communities in a joined-up way.

To align staff around a collective work program, DSS needs a clear and detailed vision of its most important outcomes and how its policies, programs and payments will come together to change people's lives.

DSS is working on an impact strategy with Australian Government Consulting that will help meet this need. To bring the impact strategy to life, DSS leaders must clarify priorities for staff. This would also help the department meet ministerial expectations.

Senior leaders will need to model the behaviours they want to see from staff. This will require investment in leadership capability across all SES and managers to ensure they have the skills to carry this through the organisation. Leaders at all levels will need to champion the change. Currently, the vision seems clearest among the most senior leadership. Further work is needed to engage branch managers and their teams to help them understand the important role they play in driving this change.

With constrained resources, relatively lower priorities will also need to be identified and actively discontinued or reduced. Leaders need to be able to explain exactly what they are trying to achieve when work is tasked out, so staff understand the end goal. In workshops, staff said tasking is often rushed and they rarely get to hear directly from senior leaders about the intent, which leads to frustration and frequent rework. Providing this framing up front will support the department's efforts to enable decision-making at lower levels.

'Why don't we have a conversation with the senior people at the start to find out what they really want?' Internal stakeholder

To bring these changes together, formal governance structures need to evolve to focus on the most important outcomes and strategic decisions. The review heard existing committees are too complicated and are not providing what the department needs. DSS's most senior leadership committee, Executive Management Group, is supported by a range of themed sub-committees intended to cut across silos. Staff say these sub-committees lack purpose, meet infrequently and are geared towards information sharing rather than making decisions. DSS has recently consolidated sub-committees and given them decision-making power but cultural change is needed to make them active and purposeful places for collective problem solving. DSS staff say the policy deep dives DSS organised recently to brief ministers show how this can be done well.

'Much of our governance is process for process sake rather than improving outcomes.'
Internal stakeholder

Stakeholders say DSS organisational structures do not always make sense. The department has a history of setting up temporary functions and not decommissioning them as well as allocating short-term internal resourcing, which makes it hard to plan ahead. In workshops and interviews, internal stakeholders described DSS as top heavy and acknowledged leaders often have too few direct reports, which is reinforced by data on average spans of supervision. The department could make more efficient use of its leaders by bringing spans of supervision closer to APS benchmarks. This will also help ensure a solid pipeline of management experience as leaders are promoted to higher classifications. DSS is working on management structures as it adapts to machinery of government changes and adjusts to a smaller SES cohort.

Collaboration

Element	Description	Maturity rating
Public sector collaboration	The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities.	Developing
Non-government partnerships and engagement	The capability to establish successful collaborative relationships with non-government entities to support agency and government priorities.	Developing
Internal collaboration	The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities.	Emerging

DSS works with a wide range of not-for-profit organisations, businesses, peak bodies, community groups and Commonwealth, state and territory agencies to deliver its policies and programs. The department's success relies heavily on its ability to collaborate with others. To meet the challenges outlined in the excellence horizon (see page 8), the department needs to consistently meet a high standard for this capability.

Non-government partnerships and engagement

DSS has good relationships with its non-government partners. Internal and external stakeholders said engagement is one of its strengths. The review heard staff are committed to trying to work in genuine partnership with people. Stakeholders described DSS staff as professional, helpful and polite.

'It is in their DNA more than other departments to always speak to peak bodies and community groups.' External stakeholder

The department has policies, frameworks, tools and resources in place to support this collaboration. For example it has a Stakeholder Engagement Policy, Stakeholder Engagement Strategy, Stakeholder Engagement Toolkit and Stakeholder Engagement Management System to provide staff with guidance on best practice, plus tools and resources. It has a Community Sector Grants Engagement Framework and Ways of Working Statement that set expectations for how government will work with the sector. The department also has a state and territory office network that helps to build stronger relationships with local stakeholders.

Despite these strengths, opportunities remain to ensure the department is consistently achieving its outcomes. Internal stakeholders said the department can struggle to critically analyse evidence from non-government stakeholders and turn this into an independent view on policies and programs, rather than just synthesising views. The review also heard the department can struggle to have difficult conversations with partners, particularly when the latter are not achieving outcomes.

The department can be too transactional in its interactions with stakeholders. DSS will need to think strategically about how it can influence partners in the community sectors to make sure all players are striving towards common outcomes. External stakeholders said they can have strategic conversations with DSS leaders, but reporting and contract management tends to reflect a compliance mindset. One stakeholder said, 'It's almost like the left hand doesn't talk to the right, the strategic conversations don't match up with the contract management'. Larger partner bodies often find they have multiple distinct engagements with DSS, rather than a coordinated relationship, which results in duplication of effort and a missed opportunity to work strategically. External stakeholders would like the department to share more information, improve feedback loops and be more transparent about the constraints it is working within.

There is a wealth of information and expertise in the non-government sector that DSS may not be leveraging to full effect. Some external stakeholders would like to be involved earlier in the policy and legislative design process. They said they can offer ideas and solutions, such as suggestions for small legislative changes that would have a positive impact on end users.

The sector already collects a lot of data. Instead of using what already exists, or jointly agreeing on the most valuable information, the department often sets its own reporting requirements, which increases the reporting burden. Stakeholders would also like to see this aggregate data fed back to the sector.

Partnerships and engagement with First Nations organisations

The Social Services Portfolio has many interactions with Aboriginal and Torres Strait Islander peoples. The department is working to implement the *National Agreement on Closing the Gap*, which requires a shift in ways of working and an uplift in collaboration capability. For example, DSS is focused on shared decision-making and place-based approaches, which involve tailoring support to specific communities or places by involving local people in local solutions. This capability varies across the department. The review heard in some instances the department has been less flexible, hampered by process and slower to implement changes, compared with other Commonwealth departments. As one stakeholder said, 'We see rusted on ways of working and programs that don't shift with the policy intent'. Staff said cross-cutting work can be difficult due to internal silos, limited resources and a tendency to focus on the immediate work, rather than the bigger picture links. Staff in the department recognise there is more work to do to uplift this capability.

Public sector collaboration

Similarly to its non-government partnerships, DSS cannot shape and drive changes without effective public sector collaboration. For example, the *National Strategy to End Gender Based Violence* cuts across multiple sectors such as education, health, justice, housing, childcare, taxation, technology, disability, employment, financial counselling, Aboriginal and Torres Strait Islander communities, and multicultural communities. It will only be possible to achieve the strategy's goal if Commonwealth, state and territory agencies work together effectively. DSS does not have all the policy levers to achieve change alone. It needs to work with and influence others to implement whole-of-system changes.

DSS has a strong and longstanding approach to collaboration. Stakeholders described the department as collegiate, helpful, collaborative, open and willing to engage. DSS is seen as a trusted partner.

Commonwealth stakeholders appreciate the department's subject matter expertise, particularly the expertise of staff in the social security stream. This review acknowledges the department is focused on building its public sector relationships. In the 2024 APS Employee Census, 72% of staff agreed they are encouraged to collaborate with peers across the department, portfolio and the APS, a dramatic increase of 18 percentage points from 2023 results. These results remain steady in 2025. In staff workshops, staff identified collaboration as an area they would like to continue to improve.

'The interpersonal stuff is excellent. We always find them to be great colleagues. If we call to ask them for help, they will give us help.' External stakeholder

While stakeholders agreed DSS staff are nice to work with, they suggested some opportunities to ensure this collaboration is effective. Meeting the challenges outlined in the excellence horizon (see page 8) will require innovation, problem solving, and an ability to step beyond DSS's positional authority to bring efforts together and drive outcomes.

There is an opportunity for the department to do more to shape and drive the policy agenda on matters where multiple agency responsibilities intersect. Stakeholders gave examples where the department led policy work well, but also examples of where it stepped back and played a more passive role. DSS will need to lift this capability to be seen as a policy leader.

The review found the department sometimes lacked confidence, was stretched too thin, did not have the authorising environment, or did not know how to effectively influence others or when to escalate issues to more senior levels.

Leveraging the department's oversight across different aspects of social wellbeing policy would enable more joined-up pieces of work in a way that improves the outcomes and experience for end-users. State and territory partners observed silos both within DSS and across the Commonwealth. Some state and territory partners said they are meeting with multiple Commonwealth agencies about similar issues, rather than the Commonwealth having a unified position on social policy matters. State and territory partners also see value in the department playing a national convening role, as there are lessons to learn from other jurisdictions. In addition, partners would welcome opportunities to discuss longer-term or over-the-horizon policy challenges in an open way, not just addressing the immediate agenda of the day. These challenges are not unique to this department or sector.

'There were probably some missed opportunities to get on and have creative design conversations.' External stakeholder

The review also heard the department's relationships can often be too transactional or operational. Stakeholders would like to have more strategic conversations with DSS. This would require stronger bilateral relationships, which take time to build. Stakeholders said they appreciate in-person meetings as it can be difficult to build trust in large online forums.

The department has a solid foundation and is on a positive trajectory. The review rated DSS's public sector collaboration capability as developing but notes it is well on the way to making this an embedded capability.

Internal collaboration

The department acknowledges internal collaboration is a capability it needs to improve. This may be another area where a narrower set of responsibilities could create an opportunity to improve internal integration.

DSS already has several initiatives underway to improve internal collaboration. For example, the 4Cs (see page 18) put a greater focus on collaboration and contestability in the department. The department has monthly all-staff executive updates, where the secretary and deputy secretaries share information and staff have an opportunity to ask questions. The department recently launched a Social Policy Toolkit (see case study on page 26). The toolkit is designed to break down silos, share knowledge and reduce duplication.

While the review acknowledges this work, a gap remains. Both internal and external stakeholders said the department is siloed, particularly across work streams. Staff describe the culture as supportive and helpful, but these positive traits do not always translate into effective collaboration or shared accountability for delivering outcomes. The department does not appear to have a culture of reaching beyond the immediate work area to find out what colleagues are working on, how they could work together or what they could learn from each other. Collaboration across streams often depends on relationships between individuals, rather than systems and structures.

‘People don’t see the possibility of stitching it together as big levers. They just see their piece of the puzzle.’ Internal stakeholder

Internal silos impact several other capabilities outlined in this report. In workshops conducted for this review, staff identified silos as one of the top 3 barriers to doing their job well. For some staff, silos are linked to having too many priorities and not enough time to understand what other teams are working on. As one workshop participant said ‘There are initiatives being duplicated and we don’t know until the implementation stage. If we could go back to the development stage and work with each other from the beginning, it would be more effective’. Silos can limit the department’s effectiveness as it does not always understand the collective impact of its programs and policies on end-users (see more in *User focus* on page 27). Some external stakeholders say they have to report to multiple areas of DSS, and have similar interactions with different teams who are not joined-up. Improved internal coordination and governance would also help the department build stronger strategic relationships with its partners and in doing so enhance outcomes.

DSS is missing opportunities to share information internally. The department has pockets of deep expertise, which could be more widely shared throughout the organisation. One internal stakeholder said, ‘I feel like we have to learn things multiple times. We aren’t learning from each other about what works’. Improving internal collaboration will also support the department’s initiatives to strengthen its strategic policy capability (see *Strategy* on page 25) by both better understanding the systems it works within, and the levers for reform.

The social policy challenges the department faces are complex and require new ways of working, innovation and debate. Providing the space and formal structures for this, and a culture of encouraging staff to contest ideas, learn from each other and innovate, is likely to lead to better outcomes.

Delivery

Element	Description	Maturity rating
Ministers and parliament	The capability to meet the needs of ministers and the parliament.	Developing
User focus	The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them.	Developing
Strategy	The capability to understand the system/s the agency operates in, the government's agenda, and to develop high quality advice to deliver outcomes for Australians.	Emerging
Implementation	The capability to deliver efficient and effective services, programs and other initiatives.	Developing
Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.	Developing

Public trust in government is underpinned by the ability of government and the public sector to deliver on its commitments. As mentioned earlier in this report (see page 8) the government has renewed its focus on priorities being delivered effectively and in a timely manner by the APS.

Internal and external stakeholders interviewed as part of this capability review commended DSS staff for their commitment to the department's mission and their deep knowledge of the sector and its history. However, many also said the department could do more to channel this passion and expertise into creative solutions to effectively address Australia's most persistent social challenges. The department also needs to ensure that it aligns resources with the priorities of the government to deliver quickly, while maintaining a capacity to look over the horizon and prepare for emerging challenges and opportunities.

Strategy

In the context of DSS, strategy capability means using all the evidence, experience and contextual understanding at the department's disposal to deliver bold advice to government that influences outcomes. It also means understanding social and economic trends in Australia and how different policy interventions, and their interactions, are likely to shape people's lives.

Internal and external stakeholders interviewed for this capability review overwhelmingly agreed that DSS does not currently have the strategic capability it needs to meet future demands. They described the department as being reactive to current events, not internally joined-up, and sometimes caught out preparing too late for foreseeable policy milestones. Some stakeholders say DSS can be slow moving, hierarchical and process-driven. They would like to see the department work at a faster pace. Others said DSS colleagues do not always seem to be thinking about how their immediate work contributes to a broader agenda.

Staff feel like they are spread too thin across multiple priorities and this crowds out their ability to plan for the future. One workshop participant said, 'Our focus tends to be short-term, quick deliverables. [There is] little time or space for engaging in deep thinking on issues of importance'. In workshops conducted for this review, APS 6 and Executive Level (EL) 1 participants nominated time and resourcing as the top barriers to doing their job well.

Staff also said it is not always clear to them what the department's core set of priorities are. This includes the relativity of priorities, and how priorities change over time. Some staff said a lack of transparency about the end goal of specific tasks and projects makes it hard for them to think strategically about how to get things right. They said people in their reporting lines are not willing to ask questions and this can lead to frustration and unnecessary rework.

As discussed earlier in this report (see page 25), DSS policies and programs are not always delivered in a joined-up way. This means the department misses the opportunities to understand the cumulative impact of social services programs and policies on the public. A lack of consistent review and evaluation (see page 31 for more) means the department is not reflecting on what is and is not effective and feeding that into the design of new initiatives.

'We have been doing some things for so long it is done by folklore rather than understanding the original policy intent.' Internal stakeholder

DSS has demonstrated that it is willing to invest to lift this capability. The review saw early demonstrations of this renewed effort. For example the new DSS Social Policy Toolkit explains to staff what good practice looks like at different stages of the policy cycle (see case study below). This is part of a broader effort to nurture big-picture policy thinking and encourage staff to be ambitious about what could be possible rather than getting bogged down in barriers.

'The secretary is wanting to build policy confidence and re-tone those muscles.'
External stakeholder

This is a positive move for DSS. Capability strengths highlighted elsewhere in this report, such as commitment to mission and a supportive culture, will help DSS leaders bring staff along on this journey. Staff acknowledge that capability uplift will take time and they are committed to the process.

Case study: DSS Social Policy Toolkit

DSS leaders are renewing focus on excellence in public policy. The department recently launched a Social Policy Toolkit on its intranet to help staff share good practice and collectively improve their policy capabilities. The toolkit brings together advice, reminders and templates for those doing social policy work. It has entry points tailored to staff circumstances such as guidance for new starters, managers and those working in a particular phase of the policy cycle.

The toolkit prompts staff to join up their work with colleagues across the department, to break down silos and reduce duplication.

This can include talking to colleagues who run relevant programs about what has worked and not worked in the past, engaging internal technical experts to iron out implementation issues early, and sharing evaluation knowledge to inform the next policy design opportunity.

DSS marked the release of the toolkit with a panel discussion, where the secretary and other senior leaders shared their experiences working in public policy and discussed examples of good practice.

To help staff engage with the toolkit, the department will roll out a program of training sessions and presentations. A social policy network will host events for collective policy problem solving, discussions about big ideas and mega trends, and a seminar series with presentations by academics, research institutes and think tanks.

User focus

DSS does not typically deliver services itself. Rather, it relies on partners such as community organisations receiving grants or Services Australia to operationalise objectives by delivering services and income support to the community. While this means DSS has less direct contact with users than a frontline service delivery organisation, it does not mean the department has less need to understand users' lives and motivations, and whether these interventions are working. In this context, DSS needs to be an informed partner and think strategically about how its partnerships work in unison to impact the lives of users. As mentioned in *Collaboration* (see page 21) the department's success relies heavily on its ability to collaborate with others.

The department's main attention to user focus is and should be in 3 areas: people receiving government payments; those receiving both program support and payments; and those receiving program support.

The review acknowledges this is a challenging role to play. Australia's social security system is complex. The *Social Security Act 1991*, which governs pensions, benefits and allowances in Australia, is over 2,500 pages long. Many areas of government overlap in their impact on social and economic wellbeing such as health, education, Indigenous affairs, housing and income support. This complexity can make it harder to realise the outcomes these services, policies and programs set out to achieve, and harder to understand the cumulative impacts and interactions of multiple government systems. There is substantial diversity, from major social security payments to small, localised grants. This means the nature of a user focus varies in different contexts.

'We want to understand more about lived experience. Our policy work is still more detached from the ground.' Internal stakeholder

Internal and external stakeholders said DSS could sometimes become overwhelmed by day-to-day reporting and compliance and lose sight of how the work it funds impacts people on the ground. This includes variations in outcome driven by the ways different jurisdictions operate, or differences in location, geography and demographics. DSS leadership has an opportunity to make it clear that it expects staff to invest in measuring and understanding

user impacts. It needs to reward this behaviour so it is valued equally to compliance and assurance activities.

'I notice people are very busy with their tasks and have an awful lot to process. They don't have the opportunity to sit and think.' External stakeholder

DSS has a wealth of data it can leverage to support this uplift in capability. For example the department's data and evaluation group collects qualitative data on user experiences through surveys and interviews. It then triangulates this with other data sources – such as population data from the Australian Bureau of Statistics and other administrative datasets the Australian Government holds – to better understand the people who use DSS services and payments. There are opportunities to work with Services Australia and other partners to more fully consider broader impacts on end users, and to leverage knowledge and experience from across the sector (see page 22 for more).

DSS has an opportunity to use this data, and data collected from funded providers, to re-engineer its policy design and development processes and to re-think how it engages with data about user outcomes. The department needs to build consistent mechanisms to feed this evidence into policy making processes at the right time for it to shape decisions. A sophisticated capability would embed a continuous feedback cycle into the ongoing assessment of grants and funding agreements, to enable more frequent evaluation of their effectiveness, and interventions when required. Better tools and technologies would further support this evolution (see *Enabling functions* on page 39). In addition, staff need analytical skills to interpret and act on data, and policy teams need to build and maintain deep knowledge of their sectors, including through working in partnerships.

Ministers and parliament

A strong relationship with the Minister for Social Services and the Assistant Minister for Social Services – both of whom have recently taken on these roles – will be critical to achieving the goals outlined at the beginning of this report (see *Excellence horizon* on page 8). Ministers rely on DSS for advice that enables them to make the best possible decisions about how government uses policies, legislation and resources to deliver enduring social change.

The review heard that DSS approached briefing the incoming minister in a considered and enthusiastic way. As described elsewhere in this report (see *Data* on page 41) the department is the custodian of rich datasets. It has strong relationships with providers delivering services on the ground. It is well positioned to provide up-to-date advice to government and the parliament on how policies and programs are delivered, and it is actively considering what challenges still need to be tackled.

DSS can improve its relationship with ministers and their offices by engaging early and making sure staff at all levels understand the priorities of the government. This includes actively redirecting departmental resources as priorities evolve. This is another area where an ability to join up all the programs and policies DSS oversees, and present a unified view of the social security landscape, will have flow-on benefits. Different areas of social security policy and different support payments inevitably create overlapping interactions and impacts within the community. It is important that ministers receive advice that reflects this reality,

rather than advice limited by the structure of the department or a single area's scope of responsibility.

'Working across silos to give the minister a whole-of-department view would be really helpful.' External stakeholder

The review also heard the department could do more to anticipate major decision points, such as budget cycles or the expiry of major grants, and make sure it provides advice to ministers early enough to enable full consideration ahead of these deadlines.

Stakeholders said a more proactive approach to decision-making may also give the department and ministers greater space to consider bigger picture strategic changes, rather than reacting to events as they arise.

The department also has an opportunity to make sure staff at all levels understand and value the role they play in making sure ministers are equipped to make the best possible decisions, to support meaningful stakeholder engagement, and to keep the community up to date with comprehensive and accurate information. Managers need to ensure staff understand the important role they play in the ministers' work, and that this is factored into the management of workloads and team planning.

Implementation

As mentioned earlier in this section, DSS relies on internal and external delivery partners to achieve its policy objectives. Implementation through these different partners is managed by different areas of the department, including the Community Grants Hub and the Redress Group. Both are professional and respected functions, but they will need to be prepared to navigate significant changes to their operating environments in coming years, and will need to get better at matching workloads, staffing and speed.

Community Grants Hub

DSS uses grants and procurements to achieve safety and wellbeing outcomes for families and communities and to achieve employment outcomes for people with disability. In 2024-25, \$1.17 billion worth of grants was distributed to 814 providers of programs under the Families and Communities outcome, and around \$1.2 billion was distributed to 84 providers delivering disability employment outcomes for around 250,000 people.

The Community Grants Hub is a whole-of-government shared service. It accounts for 990 of the department's 3,001 staff at the time of writing. The hub is recognised for its professionalism and quality assurance. The review heard that agencies using the hub for their grants rounds were much less likely to have adverse findings from the Australian National Audit Office. This underscores the value of the expertise of staff and the application of repeatable processes in the hub. In particular, the review was impressed by the practices demonstrated by the Disability Employment Services area of the hub. This area's approach was commercially based, assessing the comparative risk of recipient organisations through factors including size and complexity.

The Community Grants Hub is an important interface between the department and providers delivering services into the community. DSS collects a large amount of data from its grant providers through the data exchange or 'DEX' data system. This data will be critical to DSS

maintaining a strategic view of the impact of its policies and programs, and uplifting review and evaluation capability (see page 31).

While around 40% of grants providers are submitting outcomes data, the remainder only contribute the minimum dataset for a range of reasons. It is highly likely that DSS Funding Agreement Managers have insights that policy and program areas would find helpful, but the review heard there do not seem to be consistent, systematised ways for this feedback to be captured and shared. The department needs to position itself to incorporate the views and experience of these on-the-ground providers and grants managers into policy thinking and program design. In addition, the amount of grant data is extensive, so DSS will need to maintain a strong capability to analyse and interpret data to inform policy and delivery design.

The Community Grants Hub will also need to evolve over the coming years in line with changes outlined in the excellence horizon. At present the hub does not fully recover its costs through its client work. This has the potential to divert important resources that could otherwise be directed to other priority policy and program work. The hub does not charge internally to administer DSS grants, which means it does not set price signals to internal users or service standards for its work. The move of the disability grants programs to the Department of Health, Disability and Ageing in July 2025 as part of recent machinery of government changes could create an opportunity for DSS to put price signals and service standards in place for its own grants. That way, the Community Grants Hub will have an opportunity to operate more strategically as a business unit.

The review also heard that the hub struggles with ageing ICT systems and inefficient processes. Investing in more modern ICT support and focusing on process improvement using automation and AI should result in much more efficient and effective grants administration.

The hub has an opportunity to consider how the timing of grants rounds impacts on providers. Some stakeholders said the department could be better organised and more disciplined in its management of these activities, as the processes often run late and make it hard for providers to give their staff certainty about their employment. Others pointed out that grants in the families and communities area had been in place with the same providers for a very long time and this potentially restricted the entrance of new players, for example First Nations providers. Getting the best value from these grants and procurements requires agreement managers to be equipped to raise performance issues and resolve disputes quickly. The review heard several examples of long-running performance issues that were only resolved at very senior levels and after considerable time.

Redress Group

The department administers the National Redress Scheme for Survivors of Institutional Child Sexual Abuse. It had received around 62,000 claims by the end of June 2025. Of these, some 22,000 have been resolved, meaning a backlog remains. More claims are expected before the scheme closes to applications on 30 June 2027. Funding to administer the scheme comes to DSS annually through a special appropriation. In practice, this means the primary challenge for the department over the next few years will be lifting throughput to meet applicant expectations of timely decision-making. The review heard some processes have become very complex in an attempt manage various risks, and this could limit the department's capacity to get through claims at the rate it needs to.

Delivering in partnership with states and territories

DSS also provides payments to states and territories to deliver certain programs, including addressing gender-based violence. External stakeholders suggested these delivery partnerships would benefit from DSS staff having a greater understanding of the distinct characteristics of local contexts and how different programs interact on the ground. Stakeholders described the relationships between DSS and its state partners as cordial but transactional. They said working level interactions could be held back by risk aversion and that both sides of the partnership are missing opportunities to be creative about how to use the different service and funding mechanisms the states and territories operate (see *Public sector collaboration* on page 22 for more).

'DSS is all about risk management and accountability and funds management. That's where their expertise is. I don't see deep knowledge and understanding of what their role is in the system or how to fund the system.' External stakeholder

Delivering in partnership with Services Australia

In 2025–26, Services Australia will distribute roughly \$153 billion worth of payments on DSS's behalf, making it a critical delivery partner.

DSS is responsible for making sure these payments are administered according to the law and that they are meeting the social outcomes they were designed for. Both sides of this responsibility are important, however, the review heard that in partnering with Services Australia, DSS can sometimes over-emphasise compliance. Some stakeholders said DSS's focus on ensuring the accuracy of payments delivered by Services Australia sometimes crowds out consideration of their impact on the lives of recipients.

DSS and Services Australia play equally important and complementary roles in ensuring Australia's social security system delivers as intended. DSS has a role to play ensuring payments are designed in a way that maximises their positive impact on people's lives. This requires DSS to have a sophisticated policy capability as well as a strong understanding of effective delivery mechanisms. Services Australia has a wealth of knowledge and experience from working at the interface between government and the public, and knowledge of what works, which must be incorporated into this design process. This means that DSS needs to improve its capability in relation to service delivery and user impact to enable a sophisticated partnership with Services Australia. Opportunities may include a focus on life events or other contemporary frameworks for service design. A healthy partnership between these agencies is necessary to underpin successful delivery of the government's social security goals.

Review and evaluation

To meet government's expectations for successful delivery, DSS needs to know whether its policies and programs are working, and where it can do things in better ways. This is equally true of services DSS delivers directly and those it funds not-for-profit and government partners to deliver on its behalf.

The review rated the maturity of DSS's review and evaluation capability as developing. At present, review and evaluation capability is not consistent across the department. However, there are pockets of strong foundational capability and work is underway to build on them. For example, a dedicated evaluation branch acts as an anchor point in DSS, sharing good

practice with the department's 430-member data and evaluation network. The branch has just released a department-wide evaluation strategy, which includes a model to help staff decide where formal evaluation is most needed.

The department has done early work with the Australian Centre for Evaluation to assess the maturity of its evaluation capability and identify areas for improvement. Senior leaders are working to strengthen the department's evaluation culture as part of a broader policy uplift, but this work is in its early stages.

Going forward, DSS has an opportunity to scale up its existing review and evaluation expertise and make sure staff have the tools and systems they need to find and apply lessons learned from past programs.

In interviews, staff said organisational silos limit teams learning from each other, and there is no central location where people can easily find the results of past evaluations. This makes it harder for teams to access the right insights. Interviewees said evaluation findings must be available at the right time to inform policy and program change. Internal and external stakeholders spoke about evaluations that were delivered too late in the policy cycle or not done at all.

'Evaluation capability is limited by mindset. It is treated as an afterthought.' Internal stakeholder

While robust compliance monitoring is in place through the Community Grants Hub and some outcome monitoring exists, DSS could do more to address gaps in provider outcomes data. Staff said evaluation is not something the department has focused on in recent times. Some stakeholders said DSS relies too much on external contractors for evaluation work. Compliance monitoring can be focused too heavily on completing checklists, while not effectively capturing impact.

Untangling the impact of a particular policy can be difficult when there are so many organisations operating in the social services system but understanding how interventions work together and synthesising findings across evaluations will be vital to achieving government's social policy goals. Stakeholders say DSS would be more effective if it consistently monitored outcomes as well as activity, and focused on whether the combination of programs it funds is achieving the right results. Evaluation of past performance could also be combined with forward looking research, formal datasets, and qualitative evidence including lived experience stories to shape a broader perspective on impact and effectiveness. This would also better support prioritising resources towards activities with greatest impact.

Workforce

Element	Description	Maturity rating
Strategic workforce planning	The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs.	Developing
Staff performance and development	The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams.	Developing
Staff culture and inclusion	The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued.	Embedded
Staff safety and wellbeing	The capability to maintain a physically and psychologically safe working environment for staff.	Embedded

Staff culture and inclusion

DSS should be commended on nurturing a strong, supportive culture. One of the most consistent messages the review heard from both staff and stakeholders is that staff are passionate about what they do. In workshops, APS and EL staff said a strength of the department was their colleagues' commitment to improving the lives of vulnerable Australians.

'Our people are very engaged in the mission. So many enter this space because of some form of lived experience.' Internal stakeholder

DSS staff responses to the 2025 APS Employee Census also signal a high level of employee engagement. For example, 90% of staff said they were happy to go the 'extra mile' at work when required, and 91% believed strongly in the department's purpose and objectives.

Staff in workshops overwhelmingly described the department's culture as supportive, inclusive and welcoming. As a workshop participant said, 'Most of the time people are willing to bend over backwards to help you'.

The department has structures in place to support a diverse and inclusive workforce, including a Diversity and Inclusion Action Plan, diversity champions and 5 diversity networks. It has an active workplace consultative forum with representation from employees, management, diversity networks and the Community and Public Sector Union.

'Every person I've met so far has been very friendly and welcoming. It makes you want to come to work.' Internal stakeholder

Noting the review has assessed the maturity of this capability as embedded, DSS will need to remain vigilant about fostering the right behaviours and culture. In the 2025 APS Employee Census, 10% of DSS staff said they had experienced discrimination based on their background or a personal characteristic in the 12 months prior. Similarly, 12% said they had been subjected to bullying and harassment in the 12 months prior. While these results are consistent with the rest of the APS, they signal that this is a continuing area of focus.

If DSS leadership can successfully align the department's passionate and committed workforce behind a clear vision and mission, the department will be well placed to achieve its policy ambitions and address the changes and challenges set out in the excellence horizon (see page 8). There are further opportunities to empower staff at all levels, and ensure high performance is framed in terms of impact and a clear definition of success. This will create a favourable environment for the department to start pushing the boundaries of employee thinking by testing new and experimental ideas and encouraging innovation. This would also be strengthened by a capability to contest and debate ideas in a collegiate and constructive way.

Staff safety and wellbeing

DSS is committed to providing a physically and psychologically safe working environment for its staff. It has various mechanisms in place to meet its work health and safety obligations. It also has a Workplace Consultative Forum to facilitate consultation with staff on new policies and initiatives.

DSS staff generally consider their workplace to be physically and psychologically safe. In response to the 2025 APS Employee Census, 75% of DSS staff agreed they were satisfied with the policies and practices in place to help them manage their health and wellbeing. Further, 71% agreed the department does a good job of promoting health and wellbeing and the same percentage agreed the department does a good job of communicating what it can offer its employees in terms of health and wellbeing. These results have improved since 2023 and are slightly above the APS average.

The department is focused on promoting a positive relationship between health, wellbeing and work through information and education. Staff can access information about available supports on the staff intranet, alongside various guides, policies and resources about safety and wellbeing. They are required to complete mandatory training each year on workplace health and safety, mental health awareness, and bullying and harassment. They can also access additional wellbeing-related training opportunities via the department's centralised learning platform.

'People care about each other and their health and wellbeing.' Internal stakeholder

The department's support for staff who work on the National Redress Scheme is noteworthy (see following case study). In workshops, staff described this support as 'exceptional' and 'fantastic'.

The 2025 APS Employee Census results also show Redress Group staff were more likely to be satisfied with the department's approach to safety and wellbeing than their colleagues in other parts of DSS and the APS.

For example, 86% of Redress Group respondents agreed DSS does a good job of communicating what it can offer its employees in terms of health and wellbeing – 13 percentage points above the DSS average and 16 percentage points above the APS average. There may be an opportunity for DSS to adapt some practices used in Redress Group to promote health and wellbeing and communicate about the supports available to staff across the department. This may help to raise broader staff satisfaction in the department's wellbeing policies and support.

While the department's staff safety and wellbeing capability is strong, it will need to stay alert to emerging risks to maintain this high standard. DSS workers' compensation data shows a sharp increase in accepted workers' compensation claims in 2024–25. It also shows the number of accepted claims for psychological injury is at the highest point in 5 years. In workshops, some staff pointed to overwork and burnout. As mentioned earlier in this report (see page 26), the review heard the department tends to agree to new work without reprioritising staffing. Some staff said they are spread too thin, which impacts the quality of their work and their wellbeing.

Employees are also increasingly accessing the department's employee assistance program, and at a much higher rate than the industry average. The number of new referrals to the service tripled between the first quarters of 2022 and 2025. Employees are encouraged to use services like the employee assistance program to address issues (including issues unrelated to work) while they are manageable. However, the growing rate at which employees are accessing the service, coupled with the department's increase in compensable claims, suggests DSS's workforce is under increasing stress. While the review acknowledges employees may be stressed due to factors outside the workplace, DSS will need to continue to monitor for emerging risks to staff wellbeing across its workforce and act to address issues early.

Managers play an important role in maintaining a safe work environment and supporting the wellbeing of staff. As workplace health and wellbeing issues become increasingly complicated, DSS will need to equip its managers with the right skills to address them. It will also need to ensure it is adequately supporting managers who are dealing with complex people management issues, such as mental health and psychological harm. This will be particularly important as DSS continues to navigate changes to its structure and resourcing, which can affect staff morale and resilience.

Case study: Redress wellbeing program

The Redress wellbeing program is available to all staff in the department's Redress Group. The program recognises staff working on the National Redress Scheme may be exposed to sensitive content relating to experiences of institutional child sexual abuse, which places them at high risk of vicarious trauma. The program provides additional supports to mitigate this risk, such as:

- regular wellbeing checks with a psychologist or accredited mental health social worker
- an online wellbeing portal with access to a range of articles and tools to assist staff to manage their own wellbeing
- a 24/7 crisis support phone service
- a peer support network

- mandatory training in vicarious trauma and trauma informed engagement.

Redress Group staff receive updates and information on wellbeing initiatives available to them via a fortnightly group newsletter. The group also runs bi-annual wellbeing pulse surveys to help monitor the delivery of wellbeing services and ensure they are meeting staff needs. The Wellbeing Team uses data from the surveys to better understand group wellbeing and identify areas of concern or trends for further investigation.

Strategic workforce planning

As discussed in the excellence horizon (see page 9), DSS is facing major workforce shifts driven by machinery of government changes and specific work drawing to a close. Staff will need new skills to meet heightened expectations to deliver in line with the department's revised mission and priorities, while keeping up with rapid technological advancements. DSS also expects some senior staff to retire in the short-term. These changes will require the department to re-assess the skills it needs, fill critical skills gaps and build talent pipelines to foster a new generation of social policy thinkers.

'By the end of next year, a generation of social policy expertise will have retired. There's no more learning from the feet of giants. I worry we're skipping a generation of skill.'
Internal stakeholder

DSS staff and government stakeholders say the department does not have the workforce planning capability it needs to navigate these changes strategically. The review heard the department is focused on lifting capability in specific areas to meet future needs, such as in policy and social security law. However, these efforts seem to be driven in an ad hoc manner rather than as part of a coordinated strategy. The review did not see evidence that DSS has an overarching approach to understanding and developing its workforce for the future. For example, DSS has not had a strategic workforce plan for staff to refer to for guidance since 2022. One internal stakeholder told the review, 'We don't have a strategic chat about the workforce [at meetings with senior leaders]; we just talk about the workforce data'.

To continue delivering its priorities in a constrained resourcing environment, the department will likely need to manage its workforce in a more deliberate way. This could include exploring ways to enhance productivity through AI, better work design or targeted recruitment. DSS could more deliberately support talent pathways, for example working with staff to either build specialist expertise or broaden their experience with deliberate external or internal movements. Internal mobility could also help DSS build a more flexible workforce that can adapt to evolving priorities. One internal stakeholder said, '[We need] more leadership from SES collectively to look in the organisation first for resourcing to enable us to be a bit more flexible'.

DSS needs a strategic workforce plan aligned with its vision, purpose and overall strategy to help it effectively manage its resources and priorities. To develop a plan, the department will need a comprehensive understanding of the skills its workforce currently has and the skills it will need. It will then need to develop strategies to meet those needs. This is a significant task that will require the department to set aside time and resourcing to accomplish.

Staff performance and development

To realise the secretary's ambition to lift policy capability, DSS will need to equip its workforce with skills in strategy, collaboration, review and evaluation, data and policy implementation. It will need a more intentional and consistent approach to staff performance and development to meet the challenges set out in the excellence horizon. Feedback consistently points to high levels of staff engagement, but the impact of this is hampered by a lack of clarity in terms of what top performance looks like.

The department has a range of standard frameworks, programs and tools to support staff performance and development. It offers staff learning and development opportunities ranging from self-paced e-learning modules to postgraduate qualifications. The department's 2025 APS Employee Census results for staff performance and development are slightly below the rest of the APS – 76% of staff agreed their supervisor provides them with helpful feedback to improve their performance, 74% of staff agreed their workgroup has the appropriate skills, capabilities and knowledge to perform well, and 58% of staff agreed that the formal learning they accessed in the last 12 months had improved their performance.

As outlined in the previous section on workforce planning, staff development is undertaken in an ad hoc way. It is largely person-driven, rather than through a coordinated strategy. In workshops, staff shared mixed views on how well the department does learning and development. They said development opportunities can vary by branch. The review heard some positive examples, including work in the legal services group and the social security stream to build capability, as well as the training that Redress Group staff must undertake on trauma-informed practices. But other staff said they would like better training and development opportunities, including learning tailored to their roles and circumstances.

Data from the department's staff exit survey shows the top 3 factors contributing to employees looking for employment outside DSS are a 'lack of future career opportunities in the department', 'opportunity to broaden [their] experience', and '[wishing] to pursue a promotion elsewhere'. This suggests some staff see limited opportunities for individual growth within DSS. In interviews, DSS leaders said high ratios of non-office based remote and hybrid work is impacting informal, on-the-job learning opportunities. They said junior staff are missing out on informal learning opportunities to shadow senior staff, discuss briefs they have written, and learn how to negotiate and deal with difficult situations. Staff in particularly busy areas said they found it difficult to find time for learning. DSS needs to clearly communicate to managers that developing staff is part of their role and learning and development needs to be prioritised even in challenging circumstances. Leadership behaviours also need to be reinforced and valued at all levels.

The review found middle management capability within DSS is inconsistent and this is an area for capability uplift. This issue is not unique to the department and has been highlighted in other capability reviews. Internal stakeholders said the role of middle managers has become more complicated, and the department needs to provide this cohort with more support. In particular, they pointed to the complexities of managing staff mental wellbeing (see more in *Staff safety and wellbeing* on page 34) and remote and hybrid teams.

As at 31 December 2024, over a third of DSS staff were at the EL 1 or EL 2 classification. This composition means EL staff must be subject matter experts as well as managers. In workshops, middle managers said they are spread too thin. As one staff member said, 'Every director I talk to in the agency is overworked'. EL staff say they do not have time to train their staff properly and managers don't always deal with issues early, so small issues can cascade into bigger issues. DSS will need to consider how it can support this cohort of staff to lead by example and get the best out of their teams, for example considering team spans and structures, including responsibilities of EL 1 staff.

All DSS employees are required to follow the department's performance management framework and establish individual performance development agreements. In interviews, internal stakeholders said the department's performance framework is not fit for purpose. One stakeholder said, 'The binary of "on track/not on track" in our performance management framework makes it hard to have a nuanced conversation'. Staff in workshops said they would like to see underperformance managed more effectively.

'Managing underperformance through the formal channels is very time consuming for the manager so it's often easier to just let it go.' Internal stakeholder

Enabling functions

Element	Description	Maturity rating
Financial management	The capability to deliver financial plans that support the agency's strategic objectives, and to ensure the use of public funds is transparent, accountable and fit for purpose.	Developing
Technology	The capability to make efficient, effective and forward looking use of technology to support the work of the agency.	Emerging
Data	The capability to make efficient, effective and forward looking use of strategic data assets to support the work of the agency.	Developing
Corporate operating model	The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work.	Developing

Financial management

DSS is a diligent financial manager and takes its responsibilities under the *Public Governance, Performance and Accountability Act 2013* seriously. It has robust systems to ensure public money is spent transparently, prudently and in line with legal requirements. In the Community Grants Hub, staff have detailed controls to ensure grant funding is properly acquitted and used for the intended purpose.

This framework of financial controls is a necessary foundation but more is needed to ensure the department's financial management is fit for purpose into the future. In this government's second term, DSS should expect to balance new priorities with its existing work. It will need to make hard decisions about where to direct its resources and what can be scaled back, stopped or redesigned to free up capacity. DSS is already feeling this pressure: its budget is shrinking as time-limited funding comes to an end and machinery of government changes reduce centralised staffing levels.

DSS is making a valiant effort to continue meeting all its commitments, focusing on achieving efficiencies so it can absorb new work. But staff at all levels told the review that this approach is reaching its limit.

'We've heard we need to find efficiencies in the tasks we're doing. But can we 'efficiency' our way out of this?' Internal stakeholder

The department's current approach to setting internal budgets will not meet its future needs. Internal stakeholders told the review that DSS is trying to do too much with its finite resources, watering down its ability to achieve strategic objectives.

The review heard DSS is not good at stopping things – when new priorities emerge, it tends to absorb them as ‘unfunded’ work rather than identifying other tasks to stop or downscale so resources can be reallocated. This means staff are spread thin and long-term resourcing is uncertain, making it hard to deliver the outcomes communities need.

DSS needs a sharper process for aligning resources with the government’s top priorities, and ensuring teams deliver within budget. Financial planning could be driving this cycle but is currently out of step. In interviews and workshops, staff said DSS sets internal budgets based on the previous years’ spending rather than current priorities, which means it is making incremental changes rather than fundamentally reconsidering what needs to be delivered. As mentioned in the *Delivery* section of this report (see page 30), the department is not fully recovering the costs of administering grants, adding to financial risk. In some areas staff say there is a lack of budget discipline, with few consequences for teams that spend beyond their means. Budgets are set and managed at SES levels, not devolved to middle managers, which disempowers staff and weakens their accountability for effective financial management. DSS should consider ways to grow the financial literacy of middle managers, so they can confidently manage their budgets as this responsibility is further devolved.

The review acknowledges how challenging it is to prioritise and discontinue work in the social services space, where every existing activity has worthy beneficiaries and good arguments for continued funding. The task ahead is not easy, but it is necessary to ensure DSS directs its resources to the government’s priorities for areas of greatest need and opportunity. This needs to start with proactive engagement ahead of federal Budget processes, to understand ministerial priorities, coordinate with other agencies to identify opportunities and shape policy solutions well ahead of funding decisions being made. DSS is taking early steps in this direction and should continue to invest in its relationships across government, including with central agencies.

Technology

The review rated DSS’s technology capability as emerging. Without change, ICT risks could prevent the department from achieving the goals described in the excellence horizon (see page 8). The review found that DSS’s technology is unreliable and limits the productivity of its staff. DSS acknowledges these challenges, but it is not yet on a trajectory to resolve these capability issues.

In workshops, staff identified technology and resourcing as the 2 greatest barriers to doing their job well. They said outages are too frequent and that long wait times for the IT helpdesk stop them from being able to reach a solution. Staff experienced outages to Wi-Fi, the virtual private network (VPN) and device cameras during the course of the review. Some said they cannot access the same software tools as their colleagues in other agencies, forcing them to do tasks manually or not at all.

‘We spend a lot of time resolving IT issues, rather than doing our job.’ Internal stakeholder

DSS does not have a large in-house ICT capability, as most of its ICT services have been provided by Services Australia through a shared services agreement since February 2020. It also uses platforms managed by the Department of Employment and Workplace Relations.

The DSS Information and Technology Branch manages the relationship with Services Australia and acts as a conduit between providers and the department.

Internal and external stakeholders said one of the challenges to the shared services arrangement with Services Australia is that DSS relies on a different set of underpinning ICT platforms and infrastructure, operating as a managed service rather than shared service in many cases. This means Services Australia IT support staff need to learn how to support and troubleshoot a separate set of tools, making it harder to achieve economies of scale.

There is appetite within both agencies to incrementally move DSS closer to a technology stack that aligns with Services Australia. This is a move in the right direction but will take time and investment. Any future consideration of returning to providing ICT in-house in DSS would need to carefully consider the department's capacity to ensure business continuity and cyber resilience, which can be more readily supported in larger organisations. Interoperability of platforms across the public service and with key non-government partners adds to efficiency and partnership goals, and should also be a factor in future decisions.

DSS staff shared ambitious and innovative ideas for how AI technology could support their work and maximise what they can achieve. These ideas include ingesting much larger volumes of feedback and contributions from the public, preparing for stakeholder meetings at short notice, and using sophisticated data visualisation. Most people agree there is a significant opportunity to modernise the work of the Community Grants Hub, and make sure staff can focus on high value work, rather than the minutiae of administration. DSS will need modern technology foundations to take advantage of these opportunities.

Data

DSS recognises that good use of data is fundamental to delivering effective policies and programs. Staff say DSS has a renewed focus on evidence in policy making and that data is treated as a departmental asset. In the 2025 APS Employee Census, 73% of DSS staff said their SES manager routinely promotes the use of data and evidence to deliver outcomes, which is 4 percentage points higher than the APS average.

'We are getting good at linking data and asking informed questions.' Internal stakeholder

DSS has invested in its data capability and has many strengths to draw on. It manages and integrates population-level databases, including information on the characteristics and circumstances of income support recipients, and data on DSS-funded services and the people who use them. De-identified longitudinal data allows DSS to see patterns in Australians' needs and circumstances, providing valuable feedback about what is working and where future policy opportunities lie.

A dedicated Data and Evaluation Group acts as the department's 'hub' for data capability and supports data specialists in policy and program teams. DSS has just released its second 3-year Data and Analytics Strategy, which aims to empower every person in DSS to incorporate data into their work. The department has robust data management and governance processes that ensure data is stored, accessed and analysed securely. An internal data governance committee provides strategic guidance and assurance on data and analytical activities, and a 430-member Data and Evaluation Network connects and educates staff on using data to inform decisions.

Based on these strengths, the review assessed the maturity of the department's data capability at the high end of developing. DSS has an opportunity to scale good practice across the department, leveraging its deep central expertise to ensure all teams are making good use of data. In staff workshops and interviews, people said data capability is very strong in some areas of DSS but lacking in others. Teams outside specialist data areas can find it hard to access data quickly when an urgent policy question arises, and few staff have the digital tools to analyse data and present it in a compelling way (see the previous *Technology* section).

In workshops, staff said everyone in DSS needs a baseline level of data literacy and data interpretation skills – this cannot be left to data specialists.

'DSS has a long way to go on data capability. Policy people are not good at data. Data people are not good at policy.' Internal stakeholder

Consistent data capability can help DSS make best use of the available evidence, to inform decisions at every stage of the policy lifecycle. The *User focus* section (see page 27) covers this in more detail. This shift goes hand in hand with the department's work to uplift policy capability (see *Strategy* on page 25).

DSS recognises the value of sharing its data with external partners to support cohesive action on social issues. It does this well for much of the data it holds and is an Accredited Data Service Provider under the *Data Availability and Transparency Act 2022*. This means it can integrate social security data with other datasets such as NDIS and service delivery outcomes data, and share the output with trusted users.

External partners would like DSS to go further and share more data on its grant-funded services. Grant recipients give DSS large amounts of data on their services and customers through the DEX data exchange. DSS had intended that DEX would allow grant recipients to aggregate and analyse the data they provide, but to date this functionality has not been delivered. Additionally, the DEX interface is not compatible with the software many grant recipients use, so reporting effort is duplicated.

Many issues DSS works on cut across jurisdictional lines, creating strong community interest in better data sharing between the Australian, state and territory governments. This has potential to reduce the number of times people have to provide personal details and deliver a more comprehensive picture of shared social challenges.

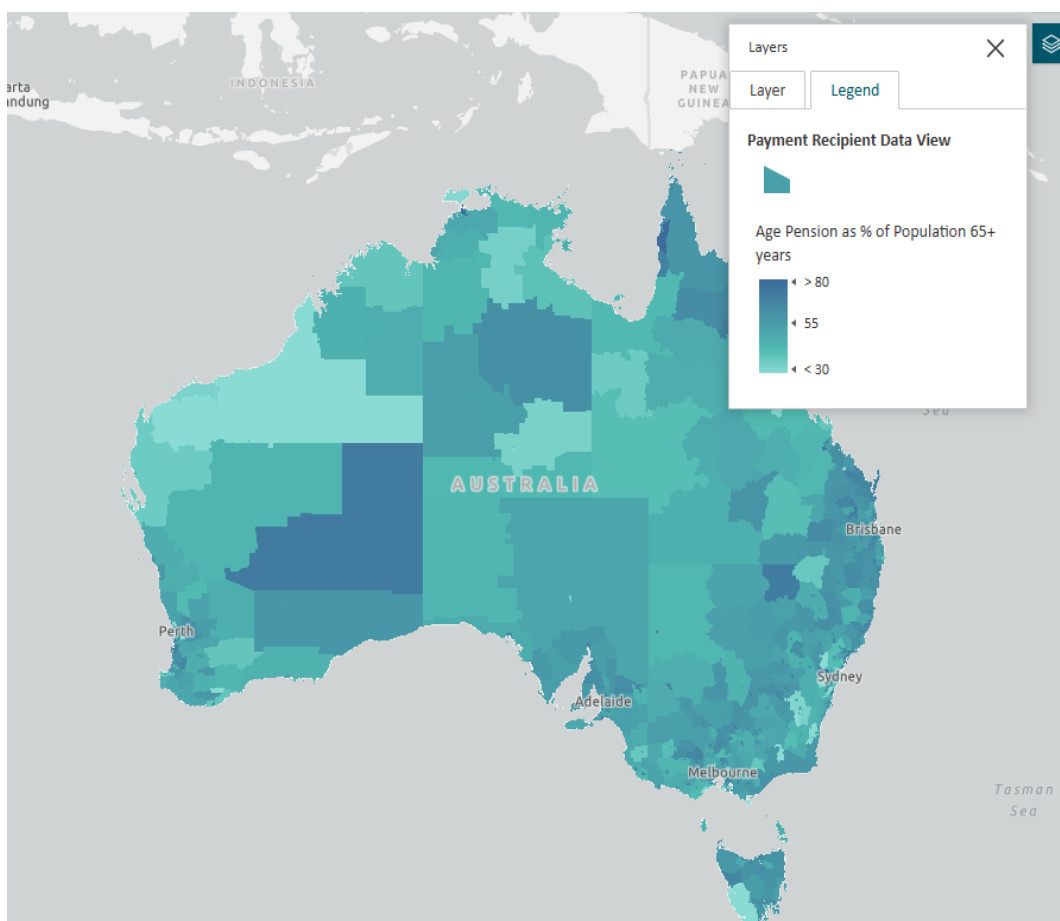
The review acknowledges there are practical and legal issues for governments to resolve before achieving this. DSS is leaning into this opportunity. It has offered to drive whole-of-Australian-Government work to modernise Commonwealth data legislation through the Deputy Secretaries Data Group, and is working collaboratively with other jurisdictions towards the goal of lawful, fast and safe data sharing.

Case study: Using the Digital Atlas of Australia

DSS is encouraging data staff to look for creative solutions and leverage shared tools. Rather than developing a unique platform, data staff have been working with existing geospatial visualisation tools through the Digital Atlas of Australia.

The Digital Atlas is a government initiative led by Geoscience Australia. It is a geographic information system that brings together trusted datasets from across government in an interactive online platform. Datasets can be layered on top of a map to easily visualise their geographic layout. DSS contributes datasets to the Digital Atlas, including disability employment services and recipients of unemployment payments, government pensions and allowances.

The Digital Atlas is available to the public as well as having a space for collaboration among government users to create shared maps and access a suite of geospatial and analytic tools. These tools support DSS staff to create better-informed, place-based policy decisions and deliver on ministerial requests.



Source: <https://digital.atlas.gov.au/>

Corporate operating model

Machinery of government changes will have flow-on effects for DSS enabling services (see page 40). This may be a natural prompt for DSS to refresh its corporate operating model and reset expectations about the corporate services it offers centrally, how staff access them and the depth of service people can expect.

In recent years the department grew by over 40% as its responsibilities expanded. Some central corporate functions grew with it, including legal and communications, albeit with uncertain long-term funding. Other functions, such as human resources, tried to meet the increased demand without corresponding growth in staff. This has left the department weaker in areas such as strategic workforce planning (see page 36) and building capability among managers (see page 37).

Many staff recognise how hard enabling areas are working to meet the department's needs. The review heard praise for parts of the DSS finance, legal and communication areas, which were described as skilled, professional and generous with their knowledge. However, some staff are disappointed with the support available. They say some corporate teams have a compliance mindset and overly complex processes slow work down. Reviewers heard some policy and program areas have established shadow corporate functions to meet their own needs, undermining the centralised model.

'One of our key strengths is our corporate enabling area. They get a punch but compared to other departments there are some real strengths.' Internal stakeholder

Looking forward, DSS will need to identify a sustainable corporate service offer that supports its business strategy. DSS is taking steps in this direction. It recently reviewed its human resources and communication functions to optimise the support they provide. Functions that support policy and delivery excellence have been pulled into the centre. For example, a social policy group has been created in the Chief Operating Officer stream and a Delivery and Data stream has been established to coordinate and uplift work department-wide. There may be further opportunities to reduce duplication across the organisation, even outside corporate work.

The agency's response

The Australian Public Service Commission (APSC) Capability Review (the Review) offers valuable insight into the Department of Social Services' (the department) strengths and areas for improvement.

The department is undergoing a period of transformation including finalising machinery of government movements. As a result, our portfolio responsibilities highlight the importance of the department demonstrating leadership and contributing effectively to cross agency collaboration to advance social policy outcomes.

The Review provides welcome guidance on how we build our capabilities and enhance our focus on social policy excellence and impactful delivery. It acknowledges staff dedication to our purpose: 'to improve the economic and social wellbeing of individuals, families and vulnerable members of Australian communities'.

Looking ahead, we will commit to new ways of working through our 'Shaping DSS' work program, informed by this review, our Impact Strategy and our 2025 APS Census results. This program will outline priorities and capabilities developed in consultation with staff.

This work provides the opportunity to address the Review's particular attention on the need for us to join up policy advice across streams of effort, uplift our strategic policy capabilities and enhance our efforts in harnessing technology to meet challenges. In addition, our already established initiatives such as the Social Policy Toolkit continue to embed and strengthen our social policy capabilities and encourage cross-team collaboration. By aligning these initiatives with the broader objectives outlined by the government, we are well-positioned to tackle some of the most urgent social issues Australians face.

We are committed to supporting the government's agenda to get more people into work, ensure a fair social security system, break the cycle of entrenched disadvantage, and enable people to be well connected to their community. We are also committed to ending violence in homes and communities and helping parents and carers support their children's growth. These efforts highlight our focus to improve the lives of all Australians.

I would like to thank Liza Carroll PSM, Geoff Leeper PSM, Neal Mason and Lee Steel, who have led the Review, and the team at the APSC who supported them. I also appreciate the time and energy that the department's staff have given to the Review, including through interviews and workshops. Finally, I thank the department's liaison team, who worked in partnership with the APSC to progress this Review.

We look forward to implementing the Review's findings through 'Shaping DSS' to set us up to be an impactful, high performing social policy agency to advance the wellbeing of Australians.



Michael Lye
Secretary
Department of Social Services

Appendix A: About the review

The Capability Review Program is an investment in longer-term capability and an opportunity to focus on strengths and development areas in the context of the anticipated future operating environment. The aim of the program is to:

- help embed a culture of continuous improvement across the APS
- ensure that APS agencies are better able to deliver government priorities and outcomes for Australians.

This is the 10th review undertaken since the program re-commenced in 2022 and the first to be tabled in parliament following changes to the *Public Service Act 1999*, which took effect on 11 December 2024.

The Capability Review Framework is made up of 2 parts:

- an excellence horizon, which establishes what capabilities the agency needs now and in 4 years
- an analysis of organisational capability, which is used to identify capability gaps and opportunities across 5 domains – leadership and culture, collaboration, delivery, workforce and enabling functions.

This review assesses DSS's current capabilities and preparedness to deliver critical capabilities in the medium-term. It gives the agency a maturity rating against 18 capability elements, grouped under the 5 domains, to indicate the most important areas for growth and improvement.

Appendix C has more information on the domains and associated elements.

Reviews are conducted in partnership with agencies, complement existing initiatives within agencies, and provide an evidence-based independent assessment of actions required to deliver on current and future requirements.

As part of the review process, DSS completed a self-assessment of its maturity against the capability elements, to indicate its own understanding of its capability strengths and opportunities for improvement.

To further inform the evidence base, the review spoke to DSS staff at all levels as well as external stakeholders, including ministers, other Australian Government agencies and non-government stakeholders.

Reviewers interviewed 32 internal and external stakeholders and held 4 workshops with 93 members of staff between May and June 2025.

Reviewers also conducted a site visit to DSS's Brisbane office to better understand the department's work, including challenges faced by staff and stakeholders. This was supported by desktop research and analysis of latest APS workforce datasets including the APS Employment Database, the APS Employee Census and the APS Agency Survey.

Appendix B: Abbreviation and acronyms

Abbreviation or acronym	Description
AI	Artificial intelligence
APS	Australian Public Service
APS staff	Staff employed at the APS 1 to APS 6 classifications within the APS hierarchy
DEX	DSS data exchange
DSS, the department	Department of Social Services
EL	Executive Level – refers to staff employed at the EL 1 and EL 2 classifications within the APS hierarchy
ICT	Information and communications technology
NDIS	National Disability Insurance Scheme
SES	Senior Executive Service

Appendix C: Capability Review Framework

Leadership and culture

Element	Description	Characteristics
Integrity and values	The capability to embed integrity and APS values in the work of the agency. The agency engages with risk appropriately and embodies integrity in everything it does.	• Agency can monitor, measure and address integrity issues as needed • Agency ensures third party providers also embed integrity and APS values in their work for the agency • Leaders model the APS values • Staff are committed to the APS values • Staff balance risk and opportunity in a way that is consistent with the agency's risk appetite
Leadership and governance	The capability to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective.	• Leadership team is of a high quality • Leadership team works together effectively • Leadership effectively communicates agency priorities and direction • Staff understand the purpose of the agency and can link their work to the agency priorities • Agency has effective and efficient organisational structures, including optimal management structures for the agency's needs • Effective governance is in place (including cadence of meetings, membership, meeting discipline and documentation)

Collaboration

Element	Description	Characteristics
Public sector collaboration	The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities.	• Agency identifies and acts on opportunities to collaborate with local, state, Commonwealth and international bodies • Agency has mechanisms in place to ensure relationships are sustainable • Consultation with public sector agencies is systemic and built into standard processes • Agency's collaboration reflects agency strategy • Agency's collaboration supports the public sector to operate more effectively and efficiently • Agency has a track record of delivering outcomes in partnership with other public sector agencies • (for departments of state) Department has clear lines of communication and works collaboratively with portfolio agencies
Non-government partnerships and engagement	The capability to establish successful collaborative relationships with non-government entities to support agency and government priorities.	• Agency identifies and acts on opportunities to collaborate with business, not for profit organisations, academia and peak bodies • Agency can engage with a diverse range of perspectives to inform policy and program development • Agency has mechanisms in place to ensure relationships are sustainable • Agency assesses the value of collaboration on an ongoing basis • Agency's collaboration reflects agency priorities • Agency's engagements and partnerships are pursued through inclusive, accessible, culturally appropriate and psychologically safe means • Agency's engagement with non-government entities is open and honest about expectations, roles and responsibilities, limitations, objectives and processes from the outset

Element	Description	Characteristics
		• Agency takes responsibility for commitments made and informs people and communities about how they have contributed to the final decision • Agency has processes in place to ensure all interested parties receive the same information
Internal collaboration	The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities.	• Agency presents a whole-of-agency view that reflects cooperation across different functions • Agency teams share their expertise to benefit the whole organisation • Consultation with internal partners is systemic and built into standard processes • Staff report it is easy to find help or the answers they need internally • Agency encourages innovation through systems that enable engagement at all levels

Delivery

Element	Description	Characteristics
Ministers and parliament	The capability to meet the needs of ministers and the parliament.	• Agency sustains effective working relationship with ministers and offices • Agency demonstrates an understanding of the different roles of the APS, government and parliament • Agency provides impartial, evidence-based advice and information that is responsive to the needs of government and the parliament and consistent with APS values • Agency engages effectively and appropriately with parliamentary processes (Senate Estimates, Questions on Notice, inquiries, legislative processes, reporting etc.)
User focus	The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them.	• Agency regularly engages with the people and organisations it serves in an open and authentic way • Those affected by or engaged through the agency's work have a genuine and equitable opportunity to have their say • Agency understand the needs of the people and organisations it serves, including at the cohort level • Agency designs and updates services and policies to reflect feedback and research into user needs • Agency anticipates and responds to changing needs of users • Agency considers the views and needs of a diverse range of stakeholders
Strategy	The capability to understand the system/s the agency operates in, the government's agenda, and to develop high quality advice to deliver outcomes for Australians.	• Agency understands the system/s it participates in, including trends and likely changes, the levers for reform, and the government's vision • System participants, roles and responsibilities are clearly articulated and understood by staff and stakeholders • Agency's advice is timely, clear, well-reasoned, forward looking and provides relevant context

Element	Description	Characteristics
		• Agency provides advice on different delivery options (e.g. technologies, engagement models, uses of data), including assessing risks • (for departments of state) The portfolio has the strategic policy capability to consider complex, whole-of-government issues
Implementation	The capability to deliver efficient and effective services, programs and other initiatives.	• Agency implements government policy, programs and services effectively and efficiently • Agency designs performance indicators to track progress for any services or programs • Agency routinely improves implementation methods • (where relevant) Agency can efficiently and effectively use third party providers to deliver outcomes for the Commonwealth
Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.	• Agency routinely reviews and evaluates policy advice and implementation • Review and evaluation findings inform policy advice and implementation • Review and evaluation practices are embedded in agency processes and are sustainable

Workforce

Element	Description	Characteristics
Strategic workforce planning	The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs.	• Workforce planning activities are consistent with agency's vision, purpose and strategy • Agency understands the expertise of its workforce at individual and whole-of-organisation levels and applies them effectively • Agency understands its future skill needs and strategically uses recruitment, retention, succession management, mobility, reskilling and other activities to meet those needs • Agency proactively manages the talent pipeline for the agency
Staff performance and development	The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams.	• Agency identifies and supports high value staff development activities based on workforce planning activities and individual needs • Managers understand, value and enable staff development as a core responsibility • Agency measures the effectiveness of skills development • Agency effectively encourages high performance and remedies low performance • Managers encourage and enable staff development and learning relevant to their role and the future needs of the APS
Staff culture and inclusion	The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued.	• Agency recruits, retains and values a diverse workforce • Agency encourages diverse ideas, cultures and thinking • Agency staff are empowered to take risks and experiment • Staff engagement is high
Staff safety and wellbeing	The capability to maintain a physically and psychologically safe working environment for staff.	• Agency meets its work health and safety obligations • New policies and initiatives consider the health and wellbeing of staff in their design • Staff consider their workplace to be physically and psychologically safe

Element	Description	Characteristics
		• Agency takes proactive measures to improve safety • Responses to incidents are effective in reducing risk

Enabling functions

Element	Description	Characteristics
Financial management	The capability to deliver financial plans that support the agency's strategic objectives, and to ensure the use of public funds is transparent, accountable, and fit for purpose.	- Investment and resourcing decisions are aligned with agency priorities - Financial planning is effective and appropriate across all parts of the agency - Agency can provide a single source of truth on budget and spending - Agency understands its economic environment and likely financial trajectory - Resources can be adapted and shifted as priorities change - Agency can identify, investigate, report on and address financial issues
Technology	The capability to make efficient, effective and forward looking use of technology to support the work of the agency.	- Technology capability meets staff needs - Agency maintains and monitors the use of technologies - Agency has mechanisms to ensure a pipeline of contemporary digital and technology expertise - Agency makes strategic decisions about the comparative value of different technologies, including when to use whole-of-government or in-house solutions - Agency proactively improves the agency's technologies and considers emerging technologies to meet future needs - Agency ensures the security of agency systems
Data	The capability to make efficient, effective and forward looking use of strategic data assets to support the work of the agency.	- Agency ensures the quality of information and data held by the agency and enables its use internally as well as shares appropriately with external stakeholders - Agency manages data ethically and confidentially - Agency has mechanisms to ensure a pipeline of contemporary data expertise - Agency routinely uses its data holdings in its decision-making processes

Element	Description	Characteristics
Corporate operating model	The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work.	• Agency actively decides which staff-facing functions will be delivered centrally (e.g. finance, legal, research, procurement, ethics, technology, property) • Agency manages the tension between centralised, distributed and outsourced functions effectively • Functions are adequately resourced and supported by leadership • Functions meet staff needs