



Australian Government  
Australian Public Service Commission

# Capability Review

Department of the Prime Minister and Cabinet



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# APS Commissioner's foreword

The Australian Public Service Commission coordinates and supports the delivery of capability reviews of all Commonwealth departments and large agencies every 5 years, a legislative requirement under the *Public Service Amendment Act 2024*.

Capability reviews are independent, forward-looking and assess an agency's ability to meet current and future objectives and challenges. They aim to facilitate discussions around an organisation's desired future state, highlight organisational capability gaps and identify opportunities to address them.

I thank the Secretary, Dr Steven Kennedy PSM, the leadership team and staff of the Department of the Prime Minister and Cabinet for their engagement and willingness to ensure a collaborative and constructive review process.

I also thank the senior reviewers – Helen Silver AO, David Tune AO, David Mackay and Celia Street PSM – for leading the review, and the support team from the APSC.



**Dr Gordon de Brouwer**

**Australian Public Service Commissioner**

# Senior review team's foreword

The senior review team is pleased to present the capability review of the Department of the Prime Minister and Cabinet (PM&C).

PM&C has a unique role in the Australian Public Service (APS) and will be central to the Australian Government's efforts to address complex national challenges over the next 4 years. This review considered the department's capabilities and operating context, both in the present and for the future, and provides findings regarding its strengths, opportunities, and areas for improvement. The purpose of this review is to help PM&C enrich its capability so it can achieve its goals, meet the challenges of the future, and continue to deliver for the Australian people.

We thank the Secretary of PM&C, Dr Steven Kennedy PSM, and his senior leadership team for their support throughout the review process. We also thank all those who provided us with honest feedback and diverse perspectives about the department's existing capability and future opportunities. Testament to PM&C's importance, this review saw significant engagement from a very large number of senior external stakeholders and deep engagement from departmental staff at all levels. The feedback from all these sources generated valuable and honest insights, without which this review could not have been completed.

We appreciate the support provided by the review sponsor, Mr Martin Hehir, and his agency liaison team. We also thank the Australian Public Service Commission (APSC) review team. The guidance, research and analysis they provided during this review was invaluable.

We trust this review will help PM&C's leadership team as they position the department to respond successfully to future challenges and opportunities. We are confident they can.



**Helen Silver AO**



**David Tune AO**



**David Mackay**



**Celia Street PSM**

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# Executive summary

This review assesses the organisational capability of PM&C to meet the challenges of the next 4 years. The department sits at the centre of government and plays a unique role in supporting the Prime Minister, the Cabinet and its portfolio ministers to deliver on government priorities. As the Prime Minister's department, PM&C provides strategic leadership, coordination and advice across the APS, including by convening and guiding the system on complex, cross-cutting national issues.

Over the next 4 years, the department's ability to lead from the centre, provide cohesive advice, and coordinate action across portfolios will be essential to ensure the government can respond effectively and deliver outcomes for the Australian people. As cross-cutting issues expand in scope and complexity, PM&C will increasingly need to lead and orchestrate coordinated, multi-portfolio responses. This will require a genuinely collaborative and joined-up department that can integrate expertise, align and communicate a clear set of priorities, engage and influence widely, and act with unity across its diverse functions and the APS.

The department's central position enables it to influence and support line agencies, monitor delivery of government commitments, and respond to emerging risks, crises and opportunities. The department also plays a stewardship role for the APS by helping to maintain trust in public institutions and promote integrity across government. This central role brings distinct challenges. PM&C is expected to lead, manage its day-to-day business, and provide advice for decision-making, while also anticipating emerging issues, trends and opportunities over the longer-term. The department's dynamic operating environment demands adaptive approaches and a focus on ensuring delivery of outcomes.

PM&C's leadership in times of crisis, its convening power across jurisdictions, and its support for the Cabinet as government's ultimate decision-making body, make it a cornerstone of Australia's public administration. Harnessing the energy and motivation of its workforce and strengthening its organisational capability is vital to ensure it continues to fulfil this role with confidence, clarity and impact.

## Priority areas for capability uplift

The review has completed a detailed assessment of organisational capability across the 5 domains and 18 elements under the Capability Review Framework (**Appendix A**). PM&C demonstrates strong foundations, including an enthusiastic, informed and committed workforce, a culture of integrity, and areas of excellence in delivery and collaboration. The department is respected for its specialist functions and expertise, and its ability to attract high-calibre staff.

In the context of the next 4 years, there are clear opportunities for improvement. The ratings are assessed against the department's *Excellence horizon*, which sets an appropriately high bar for the capabilities that PM&C will need to meet the challenges and opportunities over the next 4 years. The review assessed many of PM&C's organisational capabilities as 'developing' or 'emerging'. The department has initiated reforms to address many of these gaps, and the review recognises this positive progress. With focused investment and committed leadership throughout the department, PM&C is well placed to further strengthen its capability to serve the government and the Australian people.

Across the Capability Review Framework, the review identified 4 priority areas for improvement that are critical to PM&C's success over the next 4 years.

### **Empower leaders, set direction and embed effective governance**

Strong leadership and governance are the foundation of PM&C's effectiveness. The department attracts high-calibre leaders and has recently introduced new governance structures to support decision-making. However, staff and stakeholders report inconsistent communication of priorities and limited delegation of authority. To lead the APS effectively, PM&C must genuinely empower its leaders at all levels, clarify its strategic direction, and ensure new governance arrangements are embedded and effective. The department is on a positive trajectory to achieve this, although further work will be required.

### **Define and communicate priorities, and strategically 'lean in'**

A clear and coherent strategy guides leadership, drives impact, and aligns the department's efforts and resources with government priorities. PM&C provides high-quality advice but is regarded as reactive and unclear in its approach to strategic prioritisation. To address this, the department has established a new Strategy and Delivery Branch, but there is a high risk that the delivery function will inadvertently be prioritised at the expense of medium-term to longer-term strategy. PM&C needs to more clearly define and share its strategic priorities – clarify when, how and why it will 'lean in' on specific issues, and lead the APS on complex national challenges.

### **Present an integrated view and genuinely collaborate**

PM&C's diverse functions, taskforces and policy areas require robust internal collaboration for effective strategy and leadership. While the department promotes collaborative principles and has a culture of information sharing, the review finds that internal collaboration (as distinct from consultation) is an area for improvement, particularly given the cross-cutting challenges set out in the *Excellence horizon*. Consultation across teams is often risk-driven rather than strategic, and internal collaboration can be inconsistent. Improving internal collaboration will enable PM&C to speak with a unified voice, deliver integrated advice and operate more efficiently and influentially.

### **Lead and support the APS on cross-cutting issues and crises**

PM&C's ability to lead from the centre depends on how it collaborates across the APS. The department maintains strong relationships with APS agencies through forums such as the Secretaries Board and some department areas, like the Office for Women, are recognised for their effective collaboration. However, public sector collaboration is an area for improvement. Stakeholders told the review they are seeking more proactive leadership and clearer coordination on the most significant cross-cutting issues. A strategic, focused and influential approach will allow PM&C to lead and support whole-of-government responses, ensure the system is delivering on complex issues, and respond effectively during crises.

## **Conclusions**

Strong leadership sets the tone and direction for the department. A clear strategy ensures that the department is focused and forward-looking. Internal collaboration enables teams to act cohesively and deliver integrated advice. Public sector collaboration amplifies PM&C's influence and effectiveness across the APS. These 4 organisational capabilities are mutually reinforcing and collectively essential to PM&C's ability to lead, convene and support the APS on complex, whole-of-government issues over the next 4 years.

# Summary of ratings

## Leadership and culture

Element	Maturity rating
Integrity and values	Embedded – Integrity and values Developing – Risk and innovation
Leadership and governance	Developing

## Collaboration

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

## Delivery

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

## Workforce

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

## Enabling functions

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

See **Appendix A** for an explanation of these 5 domains and the maturity ratings.

# 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 11th review since the program re-commenced in 2022 and the second 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 PM&C'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 A** has more information on the Capability Review Framework.

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, PM&C 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, between August and November 2025 the review conducted:

- over 40 interviews with internal and external stakeholders, including PM&C senior leaders, ministers and their staff, other Australian Government agencies, state government agencies and non-government organisations
- 7 workshops with over 140 staff across nearly all staff classification levels
- an all-staff survey, with over 500 staff responses (around 37% of the department)
- a site visit to PM&C's Canberra office and the Australian Parliament House to better understand the work of more specialised functions of the department.

The evidence collected by the reviewers was supported by desktop research and best practice analysis of the latest APS workforce datasets, including the APS Employee Database, the APS Employee Census and the APS Agency Survey. The quotes highlighted in the report reflect consistent views and evidence captured during the review. Quotes are de-identified to protect the privacy of individuals and organisations.

# About the agency

## Overview of roles and responsibilities

PM&C holds an important position at the centre of government as 1 of 3 central APS agencies. The department's role is to provide advice and support to the Prime Minister, the Cabinet, portfolio ministers and assistant ministers on matters at the forefront of public policy and government administration. This is echoed in PM&C's Corporate Plan 2025–26, which describes the department's purpose as: 'To support the Prime Minister, the Cabinet and our portfolio ministers to improve the lives of all Australians, advance Australia's interests, and keep our country safe and prosperous'.

In addition, PM&C has an important leadership role for the broader APS. The department provides a whole-of-government and whole-of-nation perspective and helps coordinate government activities through collaboration with a wide range of stakeholders, such as state and territory governments, Commonwealth agencies, the international community, civil society, and the private sector.

The Portfolio Budget Statements 2025–26 record the principal responsibilities of PM&C as:

- providing advice to the Prime Minister on policy and implementation across government
- assisting the Prime Minister in managing the Cabinet and National Cabinet programs
- ensuring high-quality and evidence-based analysis is provided to decision makers
- convening and supporting taskforces to coordinate and drive government policies
- driving women's policies, leadership and development strategy, to support women's equality, safety, economic security, and health and wellbeing
- assisting with international and national security policy coordination
- supporting intergovernmental relations and communications with state and territory governments
- coordinating government administration
- managing Australian honours and symbols policy
- providing official and ceremonial support
- supporting official establishments, including through ownership and property management of the Prime Minister's official residences
- setting policy for whole-of-government crisis coordination arrangements as outlined in the Australian Government Crisis Management Framework.

In addition, the department supports the Secretary of PM&C in his role as the chair of the Secretaries Board – which brings together all departmental secretaries, the Australian Public Service Commissioner, and the Chief Executive Officer of the National Indigenous Australians Agency – to uphold the stewardship of the APS and identify issues and strategic priorities for the APS to consider.

# Performance, assessment and reporting

PM&C's Corporate Plan 2025–26 identifies 4 drivers that influence its performance. These are summarised as:

- People – PM&C aims to have the right mix of people with diverse skills, capabilities and life experiences.
- Culture – PM&C aims to promote a culture of integrity by seeking diverse perspectives, emphasising ethical leadership, and fostering psychological safety in the workplace.
- Risk management – PM&C aims to engage with risk while remaining accountable in a complex and dynamic environment.
- Information and communication – PM&C aims to have information and communications capability that facilitates the internal and external collaboration necessary to support government priorities.

PM&C measures, assesses, monitors and reports on its performance through a performance reporting framework that outlines what the department intends to achieve over a 4-year period. The department identifies its projected outcomes in the Portfolio Budget Statements each year. It outlines the key activities designed to meet these outcomes and its approaches to measuring performance in its annual corporate plan. For 2025–26, PM&C's key activities are to:

- provide informed, impactful and timely advice
- provide coordination and support for government priorities and initiatives
- enable Cabinet operations.

PM&C reports on its performance in its annual report, which assesses the department's performance against its established key activities, performance measures and targets. PM&C uses both qualitative and quantitative metrics in its assessment. An independent provider conducts an annual stakeholder survey for the department to seek views on PM&C's effectiveness, timeliness and responsiveness.<sup>1</sup>

## Structure

The accountable authority and Secretary of PM&C is Dr Steven Kennedy PSM (from 1 July 2025). The secretary provides overall strategic leadership to the department, supported by a governance structure comprising several committees. The most senior of these is the Executive Board, which determines PM&C's risk appetite and tolerance, to provide guidance to PM&C officials on the level of acceptable risk for the nature of its business. The Board is supported by 3 sub-committees: People and Culture Committee; Digital, Data and Security Committee; and Performance and Risk Committee. Further support to the Board is provided by the Major ICT Program Board and the Audit and Risk Committee. The 3 sub-committees and the Major ICT Program Board report to the Executive Board. The Audit and Risk Committee reports directly to the Secretary of PM&C.

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<sup>1</sup> Further information about the department's Stakeholder Research Survey, including methodology, is available from page 55 of the PM&C Annual Report 2024–25, <https://www.pmc.gov.au/about-us/accountability-and-reporting/annual-reports>

The structure of the department comprises 6 areas: Social Policy Group; Economy, Industry and Resilience Group; International and Security Group; AUKUS Group; Governance and Corporate Group; and the Office for Women. Each group is led by a deputy secretary and made up of several divisions led by first assistant secretaries. In turn, each division has multiple branches led by assistant secretaries. The Office for Women is led by an executive director and consists of 1 division with 3 branches.

As at 30 June 2025, the ministers appointed to the Prime Minister and Cabinet portfolio were:

- The Hon Anthony Albanese MP, Prime Minister of Australia
- Senator the Hon Katy Gallagher, Minister for the Public Service, and Minister for Women
- Senator the Hon Malarndirri McCarthy, Minister for Indigenous Australians
- The Hon Patrick Gorman MP, Assistant Minister to the Prime Minister, and Assistant Minister for the Public Service
- The Hon Rebecca White MP, Assistant Minister for Women
- The Hon Dr Andrew Charlton MP, Cabinet Secretary.

The department sits at the centre of the larger PM&C portfolio. This portfolio contains several Commonwealth entities and companies under the *Public Governance, Performance and Accountability Act 2013*. A list of these entities, along with further details, can be found on PM&C's website and in the Australian Government Directory.

This capability review covers the department only.

## 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 and locations

<b>State</b>	<b>Headcount</b>	<b>Percentage of total employees</b>
ACT	1,362*	96.9%
NSW	43	3.1%
QLD	1	0.1%
VIC/SA/WA/TAS/NT/Overseas	0	0.0%
<b>Total number of employees</b>	<b>1,406</b>	

\* Most roles at PM&C are based in the Australian Capital Territory (ACT). However, employees may have flexible work arrangements in place to work 100% from a location based outside the ACT.

## Distribution of classifications

Classification	Percentage of total employees
APS 1–3, including Graduate	2.7%
APS 4	4.4%
APS 5	13.2%
APS 6	23.3%
EL 1	35.1%
EL 2	15.2%
SES 1	4.2%
SES 2–3	1.9%

## Diversity

Characteristic	Percentage of total employees
Women	67.8%
Men	31.9%
Gender X <sup>2</sup>	0.3%
First Nations	2.1%
Employees with disability	5.5%
Culturally and linguistically diverse	17.2%

## Budget<sup>3</sup>

Description	2025–26 budget (\$m)	2026–27 budget (\$m)	2027–28 budget (\$m)	2028–29 budget (\$m)
Departmental operating expenses	253.0	164.5	166.5	169.8
Departmental capital	13.6	5.1	5.2	5.3
Administered operating	44.0	27.1	27.1	27.6
Administered capital	3.2	2.4	1.9	1.9
<b>Total</b>	<b>313.8</b>	<b>199.1</b>	<b>200.7</b>	<b>204.6</b>

<sup>2</sup> Gender X refers to any person who does not exclusively identify as either male or female (clause 20, Australian Government Guidelines on the Recognition of Sex and Gender, <https://www.ag.gov.au/rights-and-protections/publications/australian-government-guidelines-recognition-sex-and-gender>)

<sup>3</sup> Budget figures supplied by PM&C, as at the passage of the Appropriation Act (No. 1 & No. 2) 2025–26 on 29 October 2025

# Excellence horizon

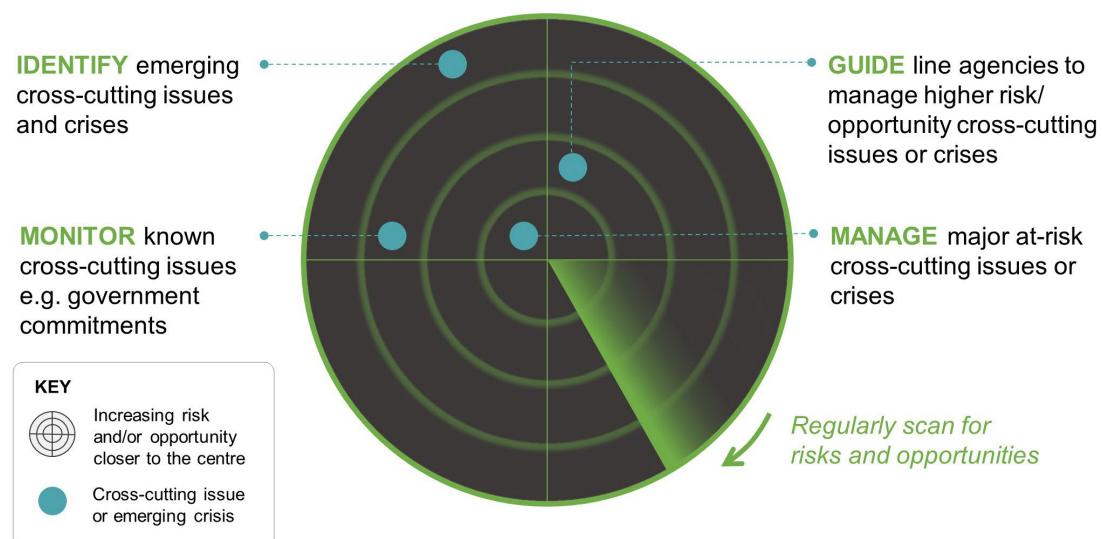
The excellence horizon is a 4-year outlook describing how the department's operating context may change and the areas of organisational capability it will likely need to best meet the challenges and opportunities ahead.

## Articulating a clear approach to engagement

The department is uniquely positioned at the centre of government and the APS. This enables it to convene and lead the APS on complex, cross-cutting issues, and to augment, guide and support the role and function of line agencies, which have primary policy responsibilities.

To provide greater delivery assurance to government in a complex decision-making environment, PM&C's leaders need to be agile when agreeing on priorities and clear in their communication. Stakeholders and departmental staff must understand where, when, why and to what extent PM&C will 'lean in' or engage with priority issues – both for cross-cutting policy and implementation matters, and during crises. A clearer approach is needed to signal when and how the department will manage risks and opportunities before and as they arise.

This approach should provide guidance on how and when the department deploys its full spectrum of powers, including proactively scanning and identifying emerging issues, monitoring known cross-cutting issues, helping and guiding from the centre and, where necessary, taking temporary carriage of major at-risk issues (Figure 1). Clear communication about its approach ensures that stakeholders understand PM&C's priorities and empowers staff to act with confidence on emerging issues.



**Figure 1 – Spectrum of ways PM&C can 'lean into' or engage with priority issues**

The department also has a leadership role when responding to acute crises because it can use its convening power and influence to unite government and APS efforts. The COVID-19 pandemic demonstrated the value of central coordination to support timely, consistent decision-making during emergencies and disasters.

To fulfil its stewardship of the APS, the department will need a clearly articulated future-focused strategy, good leadership and governance, strong relationships across all levels of government, and a reputation for integrity that builds trust and confidence in public institutions.

## Building trust to influence and support government

PM&C is central to the relationship between the elected government and the public service. Departmental staff need to be skilled at building trust with the Prime Minister and ministers through maintaining high standards of timely, impartial and evidence-based advice, and by operating with a mindset of continuous improvement.

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*'At its best, Cabinet is the genius of the system: the time and place which links everything across government – public institutions, ministers, advisers, public servants – in focused deliberation on what matters.' Professor Glyn Davis AC, former PM&C Secretary<sup>4</sup>*

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The department has an integral role in providing support, effective administration and strategic oversight of the Cabinet as the ultimate decision-making body for the Australian Government.

This requires PM&C to have expertise, capability and influence in governance and implementation. It also requires investment in technology and data capabilities to maximise the value of the rich data and knowledge the department holds.

## Engaging holistically with, and leading on, interconnected challenges

Over the 4-year focus of this review, the Australian Government will operate in an increasingly complex environment. This will require PM&C to respond dynamically to the needs of the government of the day and provide a stable centre for the system.

Macro trends in socio-economic, environmental and international issues, shifting public expectations and rapidly evolving technology will affect the Australian people, the government and the role of the department over the next 4 years. These include:

- Challenging economic circumstances, including housing affordability, cost of living, limited productivity growth, inflation and the increasing frequency of natural disasters.
- Growing social inequality and threats to social cohesion, including violence against women, racism, religious discrimination and poor outcomes for First Nations people.
- Continuing global geopolitical unrest, weakening of the global rules-based order and rapidly evolving national security threats.

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<sup>4</sup> Institute of Public Administration Australia (IPAA) ACT, *Valedictory: Glyn Davis AC, Secretary of the Department of Prime Minister and Cabinet (IPAA ACT, 2025)*, <https://act.ipaa.org.au/valedictory-glyn-davis-ac-secretary-of-the-department-of-prime-minister-and-cabinet/>

- Increasing global mobility of people driven by factors such as economic opportunity, labour shortages and conflict.
- Shifting public expectations among constrained state and federal budgets. While recent evidence indicates increasing trust in the Australian Government,<sup>5</sup> PM&C should be an active leader to maintain this trend. The department will need to consider how it can maintain and increase confidence in public institutions by demonstrating fiscal discipline, integrity and transparency, particularly in a changing media landscape.
- Increasing use of disruptive technologies (e.g. artificial intelligence, quantum computing) with opportunities and risks for the Australian economy as well as the department's workforce.
- Changing demographics, including an ageing population, shifts away from traditional family structures, declining birth rates, and growing demand for health and aged care services.
- Increasing frequency and severity of natural disasters as a result of climate change.
- A heightening focus on energy security and economic stability in the transition to a net zero economy.

The increasing convergence of complex issues will require the department to work and lead in a way that ensures the government addresses issues holistically, rather than within individual policy domains. The department will therefore need to have a strong culture of internal and public sector collaboration, and appropriate mechanisms (organisational structure, policies and processes) to produce well-rounded advice to government and ensure delivery, despite complexity. A mature capability in data analytics and a widespread appreciation for the value of data will be important to ensure the department's advice is consistently evidence-based and comprehensive. Cultivating this capability will require a dedicated focus on performance and development for all policy staff as well as recruitment and retention strategies to ensure a pipeline of data specialists.

## Balancing delivery alongside a long-term policy view

The government has a clearly stated focus to deliver on its commitments and reform in its second term.

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*'Our Government's vision and ambition for Australia's future was never dependent on the size of our majority. But you can only build for that future vision if you build confidence that you can deliver on urgent necessities ... That is why so many of our election commitments for our second term built on reforms we had introduced and were implementing in our first term.' The Hon Anthony Albanese MP, Prime Minister of Australia<sup>6</sup>*

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<sup>5</sup> Australian Public Service Commission, *Trust in Australian public services: 2025 Annual Report* (APSC, 24 October 2025), <https://www.apsc.gov.au/publication/trust-australian-public-services-2025-annual-report#key-insights>

<sup>6</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, *Address to the National Press Club* (National Press Club, 10 June 2025), <https://www.pm.gov.au/media/address-national-press-club-0>

The department's focus for the government's current term is leading and guiding the implementation of the government's significant reform agenda in priority areas.

Reform priority areas include navigating the economic transition towards net zero, promoting gender equality, improving outcomes for First Nations peoples, bolstering national defence, and mitigating the impacts of global tensions.

At the same time, the department must balance its capability to deliver on government priorities with long-term strategic policy acumen, enabling it to anticipate and respond to emerging issues. Sustaining a perspective beyond electoral cycles is essential to effectively serve both current and future governments, as well as the Australian public. Achieving this will require robust engagement and collaboration with public sector and non-government stakeholders, underpinned by a more proactive approach to PM&C's involvement in cross-cutting matters. Enhancing review and evaluation capabilities will support ongoing improvements in the department's immediate delivery focus and its long-term policy effectiveness.

## Supporting the workforce in the face of emerging technologies and new ways of working

Over the next 4 years, the department must keep pace with the rapid evolution and uptake of artificial intelligence (AI). If used appropriately, this emerging technology could transform the operational efficiency of public administration and augment the cognitive function of the public service and government. While staff interest in AI is high, the department will need a clear understanding of the risks and potential opportunities in order to invest in staff capability and develop robust governance frameworks. This will help the department to safely and ethically use AI.

Building on recent investments in its technology and infrastructure, the department will need mature data and information governance to integrate new technologies and support core PM&C work. Similarly, the department will need to ensure it has a culture that embraces data, AI and new technologies, and ensure that the digital and data literacy skills of staff align with PM&C's ambition for new ways of working enabled by technology.

The department will need to improve its strategic workforce planning capability to attract and retain both specialists and generalists with appropriate skillsets to thrive in an AI and digitally enabled work environment. This will require a tailored approach across different areas of PM&C's operations.

To sustain a high-calibre workforce, the department should consider moving beyond its traditional Canberra-centric model to respond to the competitive labour market.<sup>7</sup> This will require enhanced technological and managerial capability to support a dispersed workforce.

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<sup>7</sup> Data and Digital Government Strategy, *Digital Workforce Insights Report 2025*, <https://www.dataanddigital.gov.au/actions-underway/digital-insights-report>

# Detailed assessment of agency capability

## Leadership and culture

### Integrity and values

<b>Maturity rating</b>	Embedded – Integrity and values Developing – Risk and innovation
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency ensures third party providers also embed integrity and APS values in their work for the agency</li><li>• Leaders model the APS values</li><li>• Staff are committed to the APS values</li><li>• Staff balance risk and opportunity in a way that is consistent with the agency's risk appetite</li></ul>

As a central department working closely with the Prime Minister and the Cabinet, PM&C has a leadership role across the system and must uphold and embed the APS values and maintain a strong culture of integrity. This capability supports the department to engage appropriately with risk, and to ensure work aligns with legal, ethical, government and public expectations. It also underpins the delivery of impartial advice and promotes a culture of transparency and accountability. The review found that PM&C's 'integrity and values' capability is 'embedded'.

PM&C's leaders are committed to upholding and promoting the APS values and visibly modelling behaviour consistent with APS standards and policies. During workshops, staff highlighted the department's high-quality and accessible leaders, who engage with staff professionally and amicably. The APS Employee Census 2025 found 87% of staff agree that 'the culture in my agency supports people to act with integrity'. A survey conducted for the review also found that 92% of staff feel 'their workgroups uphold the APS values'. Regarding the recently added APS value of stewardship, 84% of staff agree that 'people in their workgroup demonstrate stewardship', 7 percentage points higher than the APS average (APS Employee Census 2025). The review also found that PM&C has robust systems and processes in place to ensure third party providers embed integrity and the APS values in their work for the department.

However, this capability currently relies on individual staff commitment because PM&C has yet to formalise an integrity framework. The review acknowledges that the department is developing its own integrity framework and has embedded mandatory integrity training for staff. Formalising the framework will provide staff with defined and consistent departmental expectations and standards. This will be important for leaders and staff to confidently and consistently engage with the risks associated with the cross-cutting issues detailed in the *Excellence horizon*. It will also be important for the department to develop a clear plan to implement its integrity framework, and to carefully monitor and continually improve implementation over the coming 4 years.

The department will similarly need to foster a more mature and balanced risk and innovation culture over the next 4 years (discussed in *Staff culture and inclusion* under the *Workforce* domain). Staff and external stakeholders report a sense of urgency that drives risk aversion and excessive caution, creating an environment in which it does not feel safe to make mistakes and learn from them. This leads to reliance on historical patterns and processes rather than innovation. It will be imperative for the department to challenge the status quo and innovate to manage increasing complexity, in order to maintain its leadership of the APS and its delivery role.

While PM&C's APS Employee Census 2025 results in this area have improved, a culture of risk aversion persists in the department, driven by a fear of failure. While 62% of staff agree PM&C 'inspires them to come up with new or better ways of doing things' (a 7 percentage point increase from 2024), only 47% of staff feel the department 'recognises and supports that failure is a part of innovation' (a 9 percentage point increase from 2024). Furthermore, a survey conducted for the review found 43% of staff view 'a culture of innovation' as an area they would like the department to improve. Only 11% consider the department's 'culture of innovation' as something it does well (survey conducted for the review). PM&C needs to maintain a continued focus on improving its innovation culture.

The review found stakeholders feel PM&C would benefit from its leaders defining and explicitly communicating risk tolerances. This would enable staff to appropriately engage with risk and innovation while upholding the highest standards of integrity, even in demanding circumstances. The review supports this view and considers this an area for capability uplift.

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*'From the angle of urgency, instead of thinking things through and being open to different, potentially better answers, different analysis – [we do default to] what we have on hand [or] what has the minister said ... sometimes the outcome is not as good.' Internal stakeholder*

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PM&C has recently updated its risk management policy and framework, which includes new risk appetite and tolerance statements, revised risk escalation thresholds, and monitoring and reporting protocols to inform decision-making. It defines roles and responsibilities in assessing, managing and documenting risk. While this is a positive step, the potential of the new policy and framework to uplift the department's risk and innovation capability will only be achieved through successful implementation in the coming years. This requires raising staff awareness, providing targeted training, and showcasing what 'good' looks like. Crucially, leaders must actively encourage and empower staff at all levels to innovate and engage with risk in a balanced way. The review found that PM&C's risk and innovation capability is 'developing'.

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*'[Risk and innovation] comes down to leadership. You can have the foundation, framework there. But if the leader is not willing to accept failure as part of innovation, then people will adopt behaviours to work harder or do everything and not engage.' Internal stakeholder*

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Integrity and values are the foundational principles that guide the conduct and performance of employees in the APS. As stewards and leaders of the APS, the department should continue to uphold a high standard of integrity in order to lead by example and maintain trust in public institutions.

## Leadership and governance

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Leadership team is of a high quality</li><li>• Leadership team works together effectively</li><li>• Leadership effectively communicates agency priorities and direction</li><li>• Staff understand the purpose of the agency and can link their work to the agency priorities</li><li>• Agency has effective and efficient organisational structures, including optimal management structures for the agency's needs</li><li>• Effective governance is in place (including cadence of meetings, membership, meeting discipline and documentation)</li></ul>

Effective leadership and strong governance are essential for the department to effectively support the Prime Minister, the Cabinet and ministers in delivering government priorities, planning for the future, and improving the lives of all Australians. As a central agency, PM&C's leadership directly shapes how well it brings together people and information, manages risks, and sets a clear direction, both for itself and for the system. Strong governance means the department makes informed decisions, is accountable and adapts to challenges.

Owing largely to its reputation, one of PM&C's standout strengths is its ability to attract high-calibre senior executive service (SES) and executive level (EL) leaders. These leaders offer deep subject matter expertise, strategic insights and leadership capability from across the APS.

The review found both internal and external stakeholders compliment PM&C's specialist government functions such as managing caretaker conventions, incoming government briefings, official appointments, protocols and international visits.

Staff sentiment towards their immediate supervisor is positive, averaging 2 percentage points higher than the APS overall in 2025 and broadly similar to 2024 results (APS Employee Census 2025). Positive staff sentiment towards their SES manager averages 4 percentage points higher than the APS overall, however, it has dropped from 2024 results (APS Employee Census 2025).

While this suggests that leadership in PM&C is of higher quality than the APS average, the department cannot be complacent. In response to a survey conducted for this review, nearly 30% of staff consider 'quality of the leadership team' to be one of the areas the department should focus on improving in the future. Proactive steps are needed to continue to attract, retain and model the high-calibre leadership.

Staff and external stakeholders, as reflected in review interviews and the APS Employee Census 2025, consider that the department's leadership could improve prioritisation and direction. The review heard from stakeholders that PM&C is spread too thin, covering too many issues and not focusing on the highest priority matters. This appears to be partly a symptom of a 'developing' strategy capability.

Internal staff highlighted that ‘there is inconsistent communication, clarity and direction from the department’. Only 67% of staff feel the SES clearly articulates the direction and priorities of the department (APS Employee Census 2025). This matches the APS overall but, as a central agency, PM&C should excel in leadership capability.

External stakeholders want PM&C to demonstrate greater focus on the most important cross-agency issues. This will require clearer communication of the department’s priorities and direction to its staff and external stakeholders.

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*‘PM&C has a massive convening power. When PM&C turns up, everyone else turns up. And if they don’t turn up, that is also useful … it means it’s a strategic call – when they un-deploy themselves in the system. [However,] their focus on where they deploy themselves makes noise and can cause inefficiencies in the Public Service. Instead of focusing on where they make a difference, we are all focused on letters, process, meetings.’ External stakeholder*

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The review heard from internal and external stakeholders that PM&C is struggling to effectively delegate work in line with optimal management principles. There does not appear to be an authorising environment for staff below the SES Band 1 level to make substantive decisions.

Staff below this level appear to rely on escalating issues up the leadership chain for resolution. According to the APS Employee Census 2025, 24% of staff feel that ‘multiple levels of decision-making in the agency’ impede their performance and 19% feel that ‘authority for decision-making is at a higher level than required’. Staff below the SES level should be more empowered to take calculated risks and make decisions within their scope. The review recognises that complex or highly sensitive issues may require senior leadership involvement, but there should be clarity about when this is needed. As mentioned in the *Excellence horizon*, clear guidance and delegated authority enable staff to act with greater confidence.

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*‘PM&C delegates up too high, that takes too long. Don’t seem to have that [ability to trust people at lower levels].’ External stakeholder*

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PM&C has recently updated its governance arrangements and says senior leaders regularly reinforce their expectation for decision-making at the lowest appropriate level (APS Agency Survey 2025).

However, the department could consider additional actions to better enable decision-making at all levels. This may include having more junior staff attend stakeholder engagement, lowering clearance levels for some types of recurring work, and articulating PM&C’s risk tolerance to all staff and explaining how to apply it, as discussed earlier in *Integrity and values* (as highlighted in the APS Agency Survey 2025).

Such changes would enhance the efficiency and effectiveness of decision-making, improve internal collaboration at lower levels (discussed under the following *Collaboration* domain), and build the confidence of less experienced PM&C staff to lead.

Despite these challenges, there is a positive trajectory for the department's leadership and governance capability. Governance structures and processes have recently been reinvigorated including through weekly Executive Board meetings (including the Secretary and all deputy secretaries) and the establishment of 3 new sub-committees of the Executive Board: People and Culture; Digital, Data and Security; and Performance and Risk.

External stakeholders also express optimism about the new Secretary, who they find to be highly engaged in driving the government's agenda across the APS.

The review recognises that time is needed to embed and gauge the effectiveness of these new leadership and governance arrangements. These reasons are why the review has rated the maturity of this capability as 'developing'. The senior review team is confident that the department is on the right track with these foundational steps.

# Collaboration

## Public sector collaboration

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency identifies and acts on opportunities to collaborate with local, state, Commonwealth and international bodies</li><li>• Agency has mechanisms in place to ensure relationships are sustainable</li><li>• Consultation with public sector agencies is systemic and built into standard processes</li><li>• Agency's collaboration reflects agency strategy</li><li>• Agency's collaboration supports the public sector to operate more effectively and efficiently</li><li>• Agency has a track record of delivering outcomes in partnership with other public sector agencies</li><li>• (for departments of state) Department has clear lines of communication and works collaboratively with portfolio agencies</li></ul>

The department's central position within government enables it to lead strategically across all portfolios. Collaboration with public sector agencies in the Commonwealth, states and territories is essential to PM&C's leadership and whole-of-government role because it enables unified and effective policy development and implementation. Productive, enduring relationships ensure that complex, cross-portfolio priorities and crises are addressed efficiently, effectively and in line with government strategy.

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*'We are open to ideas from business, from unions, from civil society, from academics, right across the board. The other thing that I hope defines our Government is a newfound respect for the public service, and that we actually want to encourage ideas to come forward.'*

*The Hon Anthony Albanese MP, Prime Minister of Australia<sup>8</sup>*

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Commonwealth agencies actively support PM&C's leadership role through the Secretaries Board, which is chaired by the Secretary of PM&C. Leaders value this forum for its productive approach to cross-cutting issues and peer engagement. One external stakeholder commented that the Board is 'very collegiate, very important. I enjoy it. I rarely miss one, I go out of my way to be there. For me it's about my colleagues and being able to get a sense of a lay of the land'. However, some stakeholders suggest that the collegiality and professionalism of the Secretaries Board may obscure some of PM&C's areas for capability uplift in public sector collaboration below the secretary level.

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<sup>8</sup> The Hon Anthony Albanese MP, Prime Minister of Australia, *Opening remarks – Economic Reform Roundtable* (Prime Minister of Australia, 19 August 2025), <https://www.pm.gov.au/media/opening-remarks-canberra>

PM&C staff report effective collaboration with external agencies. The review found positive evidence and examples of partnerships across the public sector that supported this view. Results from a survey conducted for this review show that 88% of staff feel that their workgroups collaborate effectively with other government organisations. PM&C's annual independent Stakeholder Research Survey also highlighted strengths in the department's public sector collaboration capability. This is discussed in *User focus* under the *Delivery* domain.

Collaboration capability is clearly embedded in pockets across the department. For example:

- The Office for Women collaborates with other agencies and non-government organisations to advance gender equality, including through delivering *Working for Women: A Strategy for Gender Equality*.
- The Australian Government Consulting Division partners with APS agencies delivering strategy, policy and organisational performance.
- The Behavioural Economics Team of the Australian Government (BETA), a multi-disciplinary team, partners with a broad range of Australian Government agencies conducting research, designing, testing and evaluating solutions (e.g. BETA recently partnered with the Australian Energy Regulator to help Australian customers obtain the best deal on their energy bills).
- The Office of Impact Analysis works with departments and agencies to undertake evidence-based assessments of policy issues and coach them through an impact analysis process. It does this to ensure policy and decisions are supported by the best possible evidence.
- The Governance and Corporate Group works with other departments to support the core operations of government. Its functions include providing advice on caretaker conventions, overseeing protocols and international visits, and coordinating the government legislation program (discussed further in *Ministers and parliament* under the *Delivery* domain).

The department also provided the review with positive case studies illustrating its public sector collaboration capability on cross-cutting issues. Examples include the Net Zero Plan, Future Made in Australia agenda, Care and Support Economy Reform, and collaboration on G20, G7 and Asia-Pacific Economic Cooperation (APEC) multilateral forums.

Close to half of the department's staff are based in policy teams (referred to as 'shadow teams' within PM&C) that span all portfolios across the APS. Their function is to provide policy advice to the Prime Minister and work with departments to drive key policy priorities. Despite pockets of embedded capability, positive sentiments from PM&C staff, and positive examples provided by the department, external stakeholders report inconsistent experiences in this area. The review heard that many external stakeholders are seeking a more unified and coordinated view from across the department's shadow teams, as discussed in the following section on *Internal collaboration*.

The department recognises the need to strengthen its 'one PM&C' view across all areas of the organisation, including its shadow teams as well as its delivery, enabling and secretariat functions.

The review found that stakeholders across the public sector, both at the Commonwealth and state-level, are keen for PM&C to play a more effective and proactive leadership role, particularly on cross-cutting priority issues and during crises. Many public sector stakeholders currently perceive PM&C as process-driven rather than impact-focused and as needing greater proactivity and leadership on important national issues. Internally, the review found over 80% of a representative sample of SES staff agree that other agencies want PM&C to play a much more active leadership role on cross-cutting priority issues. As discussed in *Strategy* under the *Delivery* domain, the review recognises that the extent of PM&C's involvement depends on the relative strategic priority of each cross-cutting issue as well as other risk-based considerations.

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*'Agencies are left to their own devices to solve problems, or to come together to solve problems. That's fine but PM&C never exercised the sort of directive power that it could. Agencies were left to fend for themselves.'* External stakeholder

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The department needs to be more strategic, proactive and joined-up on cross-cutting issues and make this clear to public sector partners into the future.

These matters are discussed in the following section on *Internal collaboration* and in *Strategy* under the *Delivery* domain.

PM&C supports and delivers National Cabinet meetings, enabling the Prime Minister and state and territory First Ministers to progress and make decisions on priority cross-jurisdictional issues. It also convenes and chairs the officials-level First Secretaries Group and First Deputies Group beneath the National Cabinet. Despite positive interpersonal relationships, state government officials seek earlier conversations and more collaborative partnerships with PM&C on key policy issues.

These stakeholders 'find a lot of engagement happens once the announcement has been made, and funding agreements need to be sorted out'. Consequently, they perceive that they have 'often missed [the] opportunity to influence and shape much better outcomes'. State government officials also believe the department could share information more effectively. Recognising the complex dynamic between the Commonwealth and states and territories, state government officials want the opportunity 'to be more forthright with drafts, concepts at earlier stage' and feel this 'would be really helpful'.

The review found evidence that PM&C's current approach to public sector collaboration is limiting its effectiveness across the Commonwealth and with other jurisdictions. Across the 4-year horizon of this review, there are significant opportunities for PM&C to take a more active leadership role on important cross-cutting priorities. While there are areas of strength, the importance of PM&C's capability to collaborate across the public sector has led the review to rate the overall maturity of the department's public sector collaboration capability as 'developing'.

## Internal collaboration

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency presents a whole-of-agency view that reflects cooperation across different functions</li><li>• Agency teams share their expertise to benefit the whole organisation</li><li>• Consultation with internal partners is systemic and built into standard processes</li><li>• Staff report it is easy to find help or the answers they need internally</li><li>• Agency encourages innovation through systems that enable engagement at all levels</li></ul>

As the *Excellence horizon* highlights, Australia is facing an increasing number of interconnected trends and opportunities. For the department, effective internal collaboration is critical to responding proactively to cross-cutting and emerging issues. A strong internal collaboration capability enables PM&C to leverage its full expertise, encourage innovation, and enable staff to access the support and information they need.

A principles-based guide for staff, 'PM&C Craft: A guide to how PM&C achieves excellence in all that we do', outlines why and how the department adds value to the Australian Government and the APS. Updated in February 2025, the 2-page document is embedded in the department's corporate plan. The document highlights the following principles for collaboration: 'through partnership – we are consultative, responsive and supportive'; and 'consult within PM&C and across government and present a whole-of-department view that integrates all policy interests and perspectives'. The document is available to new staff at induction and reinforced for existing staff through ongoing training in applying the craft and other core departmental work such as handling the Budget process. SES leaders contribute to training as guest speakers and apply the principles as part of day-to-day work.

Despite this, there appears to be a gap between some of the principles in the 'PM&C Craft' and the experience of staff and stakeholders. The review found evidence that the department's current approach to internal collaboration, while systemic and built into standard processes, often amounts to light-touch, untargeted consultation rather than genuine collaboration. This approach results in inefficiencies, staff frustrations and missed opportunities for more integrated and higher quality policy advice.

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*'Internal coordination is a core element of PM&C's operating model but there is room for improvement. Some of these are linked to external constraints e.g. timeframes, reactive nature of the work.' Internal stakeholder*

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*'Consultation is good, but it's rarely genuine. People are often scattergun emailing every man and his dog without clearly saying what they want from people, so there's time wasted on irrelevant work.' Internal stakeholder*

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The review found internal consultation mechanisms tend to be used to mitigate risk instead of genuine collaboration to make improvements or to reach an integrated 'one PM&C' view. This leads to staff receiving large volumes of unfocused, urgent consultations. In some circumstances, this results in token engagement and advice. Staff report feeling stretched across multiple issues. External stakeholders also observe that the department is overextended, without 'enough horsepower to cover the field'. The need for greater prioritisation is discussed in *Strategy* under the *Delivery* domain.

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*'There are different messages from different parts ... there isn't a united voice. They should be speaking one voice, connecting the dots ... and coming back to us with a solution.'*  
*External stakeholder*

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External stakeholders are seeking 'one PM&C voice' and indicate that internal collaboration between some SES leaders is inconsistent and not as linked-up as it could be across groups. The review found evidence of an apparent lack of trust between groups. For example, multiple staff from across the department attend the same external meetings. The lack of consistent whole-of-agency views being presented to external stakeholders further indicates there is room to improve the department's internal collaboration.

Staff feel that there is a positive culture of providing information on request. Access to information and data is a key attribute of a strong internal collaboration capability. The 'PM&C Craft' guide highlights the importance of sharing and having access to information, and results from a survey conducted for this review indicate 86% of staff strongly agree or agree that 'my workgroup encourages sharing of information and data'.

However, the review found that inconsistent knowledge management and high staff turnover creates challenges for maintaining corporate knowledge. This is reflected in a survey conducted for this review, where staff rank 'corporate knowledge transfer' as 2nd out of 28 options for 'what the department should focus on improving'.

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*'[There's a] risk of past knowledge being lost, particularly due to poor or inconsistent record keeping practices. Most people rely on their emails to track past work.'* Internal stakeholder

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The department lacks an effective, systemic way to retain and share corporate knowledge. Instead, it relies on individuals passing on information. This is exacerbated by a high degree of turnover (particularly in the 'shadow teams') constantly requiring the remaining staff to retrain and reshare knowledge with new team members (discussed further in *Strategic workforce planning* under the *Workforce* domain). For example, one staff member reflected 'when we're frequently losing that knowledge, the staff that have been there for a while have to do an education piece to bring people up to speed when we don't actually have that time'.

Some staff also pointed out that the information and record systems across the department are ‘not great and significant time can be spent to locate historical documentation often needed to progress their work’. The review also found the absence of effective corporate knowledge transfer systems is partially obscured by the efforts of high performing individuals who have corporate knowledge, rather than a structured, department-wide approach to knowledge transfer and access.

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*‘PM&C gets by because of good people, not because of good systems.’ Internal stakeholder*

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The department has an opportunity to strengthen corporate knowledge transfer systems to better support internal collaboration and mitigate the risk of information being held by individuals or within teams. For example, a potential untapped area for uplift is the capability to systemically capture and curate qualitative data and information about the past handling of cross-cutting policy issues. The review found new staff often find it hard to identify who to talk to or where to find more information. Given PM&C’s central advisory role to the Prime Minister, the Cabinet and the wider APS, the department would benefit from an enhanced system of information management as well as processes to capture what happened, lessons learnt (e.g. what worked and areas for improvement), and who to talk to for more information about how past cross-cutting policy issues were handled.

One of the most significant challenges PM&C faces is that areas recruit subject matter experts from relevant portfolio agencies. For example, International Division often draws on staff from the Department of Foreign Affairs and Trade (DFAT). This means that each area of PM&C effectively represents a microcosm of the public service with different cultures and working styles. This arrangement can be a strength but also poses challenges. Overcoming institutional cultural barriers between groups will be central to achieving the goal of a strong ‘one PM&C voice’.

Although the review has rated the department’s internal collaboration capability as ‘developing’, there is strong potential for it to become ‘embedded’ over the next 4 years.

## Non-government partnerships and engagement

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to establish successful collaborative relationships with non-government entities to support agency and government priorities.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency identifies and acts on opportunities to collaborate with business, not for profit organisations, academia and peak bodies</li><li>• Agency can engage with a diverse range of perspectives to inform policy and program development</li><li>• Agency has mechanisms in place to ensure relationships are sustainable</li><li>• Agency assesses the value of collaboration on an ongoing basis</li><li>• Agency's collaboration reflects agency priorities</li><li>• Agency's engagements and partnerships are pursued through inclusive, accessible, culturally appropriate and psychologically safe means</li><li>• Agency's engagement with non-government entities is open and honest about expectations, roles and responsibilities, limitations, objectives and processes from the outset</li><li>• Agency takes responsibility for commitments made and informs people and communities about how they have contributed to the final decision</li><li>• Agency has processes in place to ensure all interested parties receive the same information</li></ul>

Effective partnerships with non-government organisations provide PM&C with diverse perspectives and expertise. These relationships help ensure evidence-based policy advice reflects the needs and views of a broad range of Australians. As a central agency, PM&C has less direct engagement with non-government stakeholders compared with other APS departments. However, a few key areas maintain regular and highly professional relationships with businesses, academia and the wider community.

The review found some positive examples of areas that have regular and direct engagement with non-government partners. For example:

- The Office for Women regularly engages with stakeholders in academia, service delivery, philanthropy, industry and community services. It prioritises engaging women from diverse backgrounds to inform policymaking and program delivery. It has also established the refocused National Women's Alliances, bringing together 5 civil society organisations to work collaboratively to develop solutions to address the issues affecting women in Australia. An independent survey of government and non-government stakeholders involved in the *Working for Women: A Strategy for Gender Equality* found that 89% feel the Office for Women works effectively and collaboratively with others.

- The First Nations Policy Branch has monthly engagement with the Coalition of the Peaks to discuss key issues in First Nations policy as well as any issues the Peaks are experiencing in whole-of-government engagement. An external stakeholder reflected on the importance of this partnership, noting that ‘Closing the Gap is one of those agendas that I don’t think we can do without PM&C involvement. All of those priority reform challenges we wouldn’t be able to do by ourselves’.

PM&C shadow teams carefully manage their direct relationships with non-government stakeholders, recognising that the agencies they shadow maintain their own established relationships to inform policy development and evaluation processes. The review noted that shadow teams appropriately avoid undermining those relationships.

The department’s current engagement with non-government stakeholders is not widespread. Efforts are underway to broaden participation across more areas of the department. The review found that this is a positive initiative driven largely by the Office for Women, which has drawn together different areas of PM&C on cross-cutting issues. External stakeholders report high-quality relationships with the Office for Women and feel they are driving a strong policy agenda. These stakeholders are also supportive of the work being done to map stakeholders to the delivery of priorities for government.

Despite this, the department’s ability to work in genuine partnership with non-government stakeholders is sometimes not present or consistent across PM&C. The review found that partnerships with non-governmental organisations are driven by individuals rather than the department’s embedded culture.

The Australian Government’s Charter of Partnerships and Engagement is a relevant guide that could assist PM&C to embed a core set of principles for engaging with non-government stakeholders. The review found PM&C’s capability to be ‘developing’ in this area.

# Delivery

## Ministers and parliament

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to meet the needs of ministers and the parliament.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency sustains effective working relationship with ministers and offices</li><li>• Agency demonstrates an understanding of the different roles of the APS, government and parliament</li><li>• Agency provides impartial, evidence-based advice and information that is responsive to the needs of government and the parliament and consistent with APS values</li><li>• Agency engages effectively and appropriately with parliamentary processes (Senate Estimates, Questions on Notice, inquiries, legislative processes, reporting etc.)</li></ul>

Providing responsive, impartial and high-quality support to the Prime Minister, the Cabinet and parliament is at the core of PM&C's purpose. Effective engagement with parliamentary processes builds confidence in the department's advice, supports the government to deliver on its priorities, and underpins robust democratic decision-making.

The review found that the department maintains trusted, professional and productive working relationships with the Prime Minister and his office. Evidence indicates that the department is responsive and has channels in place at senior levels to ensure effective briefings for the Prime Minister, his office and portfolio ministers.

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*'In all endeavours, [PM&C staff] try to support what [the] Prime Minister and Cabinet are looking for [and] have a good understanding across [the] Commonwealth about what's needed.' External stakeholder*

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The review found that there is an opportunity to further strengthen communication channels with the Prime Minister's Office to improve PM&C's agility and impact when handling emerging and urgent matters. This will be particularly important as issues are becoming increasingly complex and require greater stakeholder expertise. Increased agility, combined with an enhanced strategy capability (discussed below in *Strategy*), will help the department identify systemic challenges earlier, clarify its role and act accordingly.

When there is a shift in the Prime Minister's focus, stakeholders expect PM&C to actively lead that change and convey this to agencies. The review found that currently this is not always the case. Therefore, a strong collaborative relationship with the Prime Minister's Office, and the confidence to clearly communicate priorities to the broader APS, is important. When asked about the skills and capabilities the department needs to develop over the next 4 years, an internal stakeholder responded that 'having more regular and open communication with the Prime Minister's Office to understand direction and priorities is needed'.

The review found that some of the department's specialist functions provide strong support to the Prime Minister, particularly in relation to managing official visits by guests of government, delivering ceremonies and state occasions, and coordinating the Prime Minister's overseas travel. Similarly, Government Division's expertise in the operations of government is well regarded (e.g. caretaker conventions, support to the Prime Minister on matters of legal policy, processes for significant appointments). PM&C has robust processes in place to engage effectively and appropriately with parliamentary processes. For example, embedded Parliamentary Liaison Officers help to guide the flow of documents through the House of Representatives and the Senate.

Despite these strengths, many internal and external stakeholders feel there is an opportunity to strengthen the department's capability to effectively support Cabinet and its committees. Working in close partnership with the Cabinet Secretary, PM&C needs to be the 'engine room' for the Cabinet, ensuring the system works efficiently. Stakeholders are looking for PM&C to provide strategic support for the oversight and curation of the Cabinet's agenda, support well-informed decision-making, and progress the government's agenda.

In 2025, overall satisfaction with PM&C's support to the Cabinet and its committees dropped to 79%, down from 91% in 2024.<sup>9</sup> Ministerial staff report lower levels of satisfaction at 67%.<sup>10</sup> This is reflected in what internal and external stakeholders told the review about a lack of rigour in Cabinet processes. Stakeholders expect PM&C to provide a higher level of coordination, improve the timeliness of advice, and strengthen its capability to look across the agenda to prioritise, plan and sequence items more effectively.

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*[PM&C needs to act in a way] that is not heavy handed but keeps [line agencies] aligned with government agenda and the PM's agenda.' Internal stakeholder*

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Stakeholders report that key functions formerly delivered by Cabinet Division have 'splintered off' to other areas of PM&C, leading to poor coordination and inconsistent processes when bringing items to the Cabinet and its committees for decision. Instead of providing strategic oversight, Cabinet Division has defaulted to a compliance role. The review found these problems have been compounded by higher-than-average staff turnover for the division. There is a clear opportunity for PM&C to uplift the capabilities needed to better support Cabinet operations.

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*'Cabinet Division became a post box and lost power.' Internal stakeholder*

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PM&C recognises the need to improve the leadership and quality of its service supporting the Cabinet process across the APS. The department has commissioned a review of Cabinet Division and has already made a strong start in improving the quality of its support to the Cabinet process. In particular, timeliness of advice, compliance with rules, and collaboration with departments have all measurably improved. PM&C anticipates implementing further changes in early 2026. These positive early-stage moves will take time to become embedded, and will require careful ongoing monitoring and refinement. For these reasons, the review found the maturity of this capability to be 'developing'.

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<sup>9</sup> PM&C, *Stakeholder Research Survey* (2024); PM&C, *Stakeholder Research Survey* (2025)

<sup>10</sup> PM&C, *Stakeholder Research Survey* (2025)

## User focus

<b>Maturity rating</b>	Developing
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency regularly engages with the people and organisations it serves in an open and authentic way</li><li>• Those affected by or engaged through the agency's work have a genuine and equitable opportunity to have their say</li><li>• Agency understand the needs of the people and organisations it serves, including at the cohort level</li><li>• Agency designs and updates services and policies to reflect feedback and research into user needs</li><li>• Agency anticipates and responds to changing needs of users</li><li>• Agency considers the views and needs of a diverse range of stakeholders</li></ul>

Although PM&C does not directly deliver services to the public, user focus remains essential given its primary service users, namely the Prime Minister, the Cabinet and APS agencies. The department also supports distinct user groups. For instance, the Office for Women engages extensively with non-government stakeholders, while specialised Corporate and Governance teams tailor services to ministers and dignitaries. Regardless of the user, PM&C's effectiveness relies on understanding the needs and experiences of those affected by government policy and programs, and ensuring advice and services are fit for purpose.

The review found positive feedback from users regarding the services provided by specific areas of the department.

For example, stakeholders consistently commend the Office for Women for its focus on users of its services. Similarly, annual survey results for the Australian Government Consulting Division indicate that, overall, clients are extremely satisfied or very satisfied with the services offered. PM&C's Behavioural Economics Team of the Australian Government (BETA) regularly receives high satisfaction ratings following the completion of projects, with project partners strongly agreeing that BETA's research improved the quality of evidence for their policies. Agencies rate highly the training programs provided by the Office of Impact Analysis. They also consider its impact analyses to be useful and of high quality, although sometimes provided too late in the process. Overall, the review found that these results indicate user focus is mostly 'embedded' in these areas.

The department also administers a suite of bespoke 'digital first' applications used by ministers' offices, departmental staff and other agencies. These digital applications include the 'Live Briefing System', 'Legislation Tracker' and 'Commitments Modules', which support the core functions of government. The review observed positive feedback from some internal stakeholders about these applications, including the Digital First Team's user-centred approach to design and implementation.

The review found mostly positive feedback from external non-ministerial stakeholders in PM&C's independent Stakeholder Research Survey 2025. For example, of external non-ministerial stakeholders:

- 80% are satisfied with the effectiveness and efficiency of the coordination and support provided by PM&C in the delivery of government priorities
- 78% are satisfied with the effectiveness and efficiency of the coordination and support provided by PM&C for international engagements
- 75% are satisfied with the effectiveness and efficiency of PM&C's support for Commonwealth-state relations.<sup>11</sup>

The survey results also highlighted areas for improvement, for example:

- Approximately 1 in 4 external non-ministerial stakeholders selected either 'disagree' or 'neither agree nor disagree' when asked if PM&C's advice 'added value in informing decision-making' (26%), or if PM&C's advice 'considered the views of relevant stakeholders and experts' (25%). Approximately 1 in 6 selected 'disagree' or 'neither agree nor disagree' when asked if PM&C's advice 'took a whole-of-government perspective' (17%).
- Overall satisfaction with PM&C's services declines further when a broader range of external stakeholders are considered including ministers, ministerial staff, Australian Government officials and a small sample of state and territory government and non-government officials. Only 67% of these stakeholders expressed satisfaction with PM&C's coordination and support in the delivery of government priorities, below the department's Corporate Plan 2024–25 target of 77%.
- Only 64% of all external stakeholders expressed satisfaction with PM&C's coordination and support for international visits, below the department's target of 77%.<sup>12</sup>

A particular challenge for the department to overcome in this area is a mindset that PM&C is not a provider of advice and services to 'users', which has been a recurring theme in discussions with senior leadership. This reflects a culture that places responsibility on users to navigate PM&C, rather than on the department to better understand, educate and engage with users. This is further supported by a survey conducted for this review, which found that only 35% of staff agree that 'engaging with stakeholders and users to inform policy and program development and improvement' is something the department does well.

In another example, the review found that the department has not consistently engaged with users of the CabNet+ system – the primary digital system to coordinate and submit Cabinet submissions across the APS, administered by PM&C. At an operational level, there is good engagement with CabNet+ users to support Cabinet operations. However, the last CabNet+ stakeholder satisfaction survey was completed in December 2023, close to 2 years ago. Cabinet Division is establishing mechanisms to drive more strategic and systematic engagement with departments on Cabinet and committee matters.

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<sup>11</sup> PM&C, *Stakeholder Research Survey (2025)*

<sup>12</sup> PM&C, *Stakeholder Research Survey (2025)*

Overall, PM&C needs to adopt a more systematic, department-wide approach to addressing users' needs. While PM&C does conduct an annual independent Stakeholder Research Survey, the review did not find evidence that it actively responds to user feedback in a coordinated or organised way to drive improvements. The department agrees 'overall results have not been leveraged to make systematic improvements in stakeholder experience'. Similarly, as discussed previously in *Ministers and parliament*, the department acknowledges that its service to Cabinet has weakened in recent years and not responded to the changing needs of this key user of its core service offering. In this case, as mentioned earlier, a review of this area is underway with reforms expected to be implemented from 2026. As part of this review, improvements to the CabNet+ system are to be considered. This represents a positive step to improve the department's user focus capability. However, broader efforts are needed to respond effectively to user feedback, particularly from the annual Stakeholder Research Survey.

This combined evidence indicates there is scope to uplift user focus across the department. PM&C has pockets of strength and is taking positive steps to understand its users (such as through the annual Stakeholder Research Survey). But the department needs to translate this awareness into concrete action. This may require a cultural change and a more systematic approach to meeting user needs and improving the department's advice and services. The review has found PM&C's user focus capability to be 'developing'.

### **Case study: Protocol and International Visits Branch**

PM&C's Protocols and International Visits Branch administers and implements the State Occasions and Official Visits program. This involves managing official visits by guests of government, delivering major events, ceremonies and state occasions, and coordinating the logistical and administrative arrangements for the Prime Minister's overseas travel. In the context of growing geopolitical uncertainty, delivering such events is becoming more complex but increasingly important for Australia's international diplomacy and global reputation. The branch has shown the capability to adapt in a dynamic environment.

The branch's implementation of this program demonstrates its high-level capability in internal and external collaboration, as well as user focus. For example, an overseas visit or international summit meeting by the Prime Minister requires the branch to effectively coordinate and collaborate with a wide range of diverse stakeholders, including the Prime Minister's Office, DFAT and other APS agencies, the media, non-government institutions, and relevant embassies, airports and hotels. An overseas visit may also require the branch to support spouse programs, official ceremonies and gifts of state. The branch achieves this by working closely with other areas of PM&C, including the High Office Support Team and the International Branch.

The review found evidence that Protocols and International Visits Branch implements the State Occasions and Official Visits program skilfully and with a high level of attention to its users' needs.

## Strategy

<b>Maturity rating</b>	Developing
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency understands the system/s it participates in, including trends and likely changes, the levers for reform, and the government's vision</li><li>• System participants, roles and responsibilities are clearly articulated and understood by staff and stakeholders</li><li>• Agency's advice is timely, clear, well-reasoned, forward-looking and provides relevant context</li><li>• Agency provides advice on different delivery options (e.g. technologies, engagement models, uses of data), including assessing risks</li><li>• (for departments of state) Portfolio has the strategic policy capability to consider complex, whole-of-government issues</li></ul>

As cross-cutting challenges are likely to become more prominent over the next 4 years, PM&C must establish and communicate a clear, forward-looking strategy to guide its work. As a central agency, PM&C should not only understand its unique roles and responsibilities and leverage its position to deliver high-quality, impactful advice. It should also anticipate emerging issues, set priorities and take an active leadership role across the APS to drive action on complex national issues.

This capability allows the department to fulfil its stated purpose to provide advice and support to the Prime Minister, the Cabinet, portfolio ministers and assistant ministers on matters at the forefront of public policy and government administration.<sup>13</sup>

PM&C has an established record of providing high-quality, well-informed policy advice to its stakeholders. Evidence from the PM&C's Stakeholder Research Survey 2025 found that 83% of external stakeholders are satisfied with the effectiveness of PM&C's advice and 77% are satisfied with the efficiency of that advice.<sup>14</sup> Further, the review found that PM&C staff take pride in the quality of their advice. Staff feel that the department engages effectively with other APS agencies to produce considered, coordinated advice on national priorities. Senior leadership within the department recognises the capability of staff to create advice and briefing material. This is a clear strength of the department and suggests it has the potential to generate impactful advice.

However, most external stakeholders (and some PM&C staff) report that the department is too passive and reactive in its engagement with the APS on complex national issues. They describe the department as 'presiding over the APS' and absorbing information from other agencies without effectively using its central position to drive government. More than one stakeholder likened this approach to 'watching traffic move around rather than directing or engaging with it'.

<sup>13</sup> PM&C, *Portfolio Budget Statements 2025–26* (Commonwealth of Australia, 2025)

<sup>14</sup> PM&C, *Stakeholder Research Survey* (2025)

These claims are echoed in comments reported to PM&C's Stakeholder Research Survey, which suggest the department should provide more active leadership, support and influence, and proactive stakeholder engagement, as well as greater communication with and responsiveness to other agencies.<sup>15</sup>

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*[PM&C has] a culture of observation rather than action.' Internal stakeholder*

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External stakeholders, and some internal stakeholders, reported to the review that PM&C's tendency for passivity and observation rather than decisive action is evident in national crises. The department is responsible for policy setting for whole-of-government crisis management arrangements and for maintaining the Australian Government Crisis Management Framework. These are important frameworks to guide others' responses, but external stakeholders report that PM&C's practical support during crises is limited. Several reported feeling that the department came to an issue too late, was unable to provide useful support, or was simply absent.

Stakeholders acknowledge that PM&C is not expected to take over from line agencies that may be better placed to address the crisis. However, they do consider that the department should be visibly on hand and prepared to provide support when needed. Stakeholders suggest that PM&C should maintain an active monitoring role that engages across the system to provide quick advice and updates as events unfold. They also consider that PM&C could better support the system by working more closely with agencies to understand likely areas of risk and ensure that the system is well prepared to address emerging crises. This would give stakeholders confidence in PM&C during a crisis, even when direct action from the department is not required.

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*'Too often I think we find ourselves taking a problem to PM&C, trying to explain the context, the background etc., and we expect the world of PM&C. But they are coming at it cold ... because they never come at these things before it becomes a crisis.' External stakeholder*

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Although the department considers that it 'leans in' on key issues (e.g. by convening interdepartmental committees to enable conversations across the broader APS), the review found that PM&C could use its positional authority more effectively. External stakeholders expect PM&C, as the Prime Minister's department, to provide strategic leadership and clarity on the government's principal priorities. External stakeholders recognise PM&C's authority to start and moderate difficult conversations, ask hard questions, and proactively facilitate collaboration between agencies. PM&C's position means it has a unique ability to resolve disputes between line agencies with competing priorities, and drive a cohesive APS-wide agenda on delivery and advice.

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<sup>15</sup> PM&C, Stakeholder Research Survey (2025)

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*'I don't see PM&C leaning in ... [they] use their conferring powers, but they don't resolve stuff. It feels like they just spend a lot of time in interdepartmental committees.' External stakeholder*

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Overwhelmingly, external stakeholders want PM&C to 'lean in' and take a more active leadership role on complex, whole-of-government issues. One external stakeholder reported, 'there's frustration building in a whole range of areas with [PM&C]'s lack of drive – it's the drive we really want to see'. This does not mean that PM&C needs to (or that other agencies want it to) involve itself in detail on every issue. Other agencies can and should manage issues limited to their own portfolio responsibilities. Rather, stakeholders expect guidance and clarity from PM&C regarding the government's overall priorities and for the department to lead on cross-cutting issues that affect multiple departments or portfolios.

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*'[I do not want] PM&C to be overly directive, [sending] inflexible messages from the centre. [I want] a more muscular Department of the Prime Minister and Cabinet' [which will take action when] things start flashing red or amber on their risk register.' External stakeholder*

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Staff recognise that the department's reactive approach is hindering its ability to proactively drive a strategic agenda across the APS. The review found that a majority of a sample of senior PM&C leaders agree the department is more reactive than proactive and could play a stronger leadership role on cross-cutting priority issues. An internal stakeholder expressed frustration, observing that the department 'should be driving, not just waiting for strategic direction' and that 'it doesn't feel like we are strategic. It feels like we are a big mailbox, kind of shifting [letters] around'.

Staff also feel that there are significant challenges to adopting a more proactive stance. During review workshops, departmental staff emphasised the 'unrelenting' volume of high priority, urgent work and little time for longer-term strategic work as key barriers for them to doing their job well. They also feel that the need to maintain good relationships with other agencies limits their ability to 'lean in' due to concerns about overstepping boundaries. While these concerns are genuinely held internally, the review's engagement with external stakeholders demonstrates that such apprehensions are not shared by the department's stakeholders.

Staff are seeking clarity from senior leaders on what 'leaning in' means as well as more explicit articulation of the department's priorities. External stakeholders also recognise the challenges PM&C faces in balancing management of short-term issues with longer-term strategic planning. This highlights the need for effective strategic prioritisation to ensure that PM&C's involvement in an issue is targeted, deliberate and impactful. Effective prioritisation will also enable more efficient use of the department's resources.

The review has seen evidence that PM&C does have the internal capacity to set priorities and think strategically. For example, the department's Australian Government Consulting Division has an established record helping other agencies solve problems related to strategy, policy and organisational performance. Similarly, the department produced the 'Policy Fit for the Future: The Australian Government Futures Primer', which guides APS agencies on using future-focused methods to inform policy, strategy and decision-making.

While these examples demonstrate an ability to provide strategic thinking as a service to other agencies when asked, the review has not found evidence that PM&C uses these strategic resources internally in a regular, consistent and systematic way. This creates an opportunity for the department to actively draw on its existing internal strategic capability to embed this capability department wide.

The review found that PM&C's strategic capability is currently 'developing'. The department must establish and clearly communicate its roles and responsibilities so it can prioritise what is important, provide advice that drives action, and coordinate and lead the APS to address key issues. PM&C is aware of these capability gaps and is taking steps to address them through a newly established Strategy and Delivery Branch. Internal stakeholders report that the department intends to learn from past examples to ensure the new branch effectively undertakes delivery planning, tracking, risk assessment and 'foresighting'. The Strategy and Delivery Branch also plans to build a new implementation and delivery plan architecture to increase cross-APS coordination on key issues. These are clear and positive steps to uplift the department's capability, but there is a high risk the delivery function will inadvertently be prioritised at the expense of longer-term strategy.

## Implementation

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to deliver efficient and effective services, programs and other initiatives.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency implements government policy, programs and services effectively and efficiently</li><li>• Agency designs performance indicators to track progress for any services or programs</li><li>• Agency routinely improves implementation methods</li><li>• (where relevant) Agency can efficiently and effectively use third party providers to deliver outcomes for the Commonwealth</li></ul>

Effective implementation in PM&C requires capability across 3 areas of delivery. Firstly, the department directly delivers specialised services for high-profile stakeholders. Secondly, certain branches and teams directly implement government policies or provide specific programs and services to other APS agencies. Thirdly, the department maintains strategic oversight of the implementation of government commitments across the APS.

With the current government's focus on delivery, PM&C's capability in all 3 areas is essential to ensure services are delivered, policies achieve outcomes, progress is monitored and tracked, and the Australian public receives the benefits intended by government initiatives.

Besides the notable exception of delivering support to Cabinet and its committees (discussed earlier in *Ministers and parliament*), PM&C consistently delivers its specialist delivery functions effectively.

These roles are largely handled by specific areas with unique functions and responsibilities, such as the Parliamentary and Government Branch, Protocols and International Visits Branch, High Office Support Team, Ministerial Correspondence Unit, and PM&C Library. The review found these areas require staff with specialised, technical skills to provide these services with professionalism and a delivery mindset. For example, the Ministerial Correspondence Unit manages more correspondence than any APS agency and the Parliamentary and Government Branch is the leading area for advice on caretaker conventions.

While these specialist areas are not high profile, the review found that external stakeholders compliment the services they provide. Senior internal stakeholders also commend the specialist areas as supporting the essentials of good government.

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*[The] work they do with Australia day, honours and symbols, that is good. It's not a sexy part of government, but they do it well. I like that.' External stakeholder*

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The review found evidence of ‘embedded’ capability within select areas of PM&C to implement government policies or deliver programs and services to the wider APS. For example:

- The Office for Women effectively implements policy across the APS through its leadership of *Working for Women: A Strategy for Gender Equality*, released in March 2024. PM&C’s Stakeholder Research Survey 2025 found that 89% of stakeholders are satisfied with the Office for Women’s efforts to drive the implementation of the strategy.<sup>16</sup> The review also found that the Office for Women has a clear purpose, mission and set of priorities that enable it to deliver commitments and policies, track outcomes and influence implementation across the APS.
- The Australian Government Consulting Division collaborates with others to implement government policies, programs and services. This team has helped deliver over 28 projects since November 2023. In a survey of its clients, the vast majority reported that they were ‘extremely satisfied’ or ‘very satisfied’ with Australian Government Consulting’s contribution to the quality of the final deliverable.
- The Office of Impact Analysis and the Behavioural Economics Team of the Australian Government (BETA) both provide services to other agencies, including evidence-based research, policy analysis and coaching. Agencies that work with BETA consistently ‘strongly agree’ its research improves the quality of evidence for policies and indicate they would work with BETA again. Agencies report that the Office of Impact Analysis training courses improve participants’ knowledge and its impact analysis service is useful but could be more impactful if it was provided earlier in the decision-making process.
- PM&C’s taskforces lead and coordinate implementation of work on high-priority issues when existing structures are not set up to deliver the required outcome quickly, effectively or with the right level of authority. Stakeholders praise PM&C’s Taskforce Coordination Support Team, which rapidly forms and provides ongoing support to these taskforces. The department also showed the review evidence that it collects feedback on its support for these taskforces and works to improve implementation methods.

Despite areas of strength, PM&C is not providing the level of oversight or support for implementing government commitments needed to meet future challenges. PM&C’s Stakeholder Research Survey found that only 67% of all external stakeholders are satisfied overall with the department’s coordination and support for the delivery of government priorities.<sup>17</sup> This falls 10 percentage points short of the department’s performance measure target.<sup>18</sup>

For external non-ministerial stakeholders specifically, satisfaction with PM&C’s support and coordination are lowest for the statements: ‘PM&C supported our organisation to deliver on government priorities’ (24% selected either ‘disagree’ or ‘neither agree nor disagree’), and ‘PM&C worked effectively to coordinate and support the delivery of government priorities’ (21% selected either ‘disagree’ or ‘neither agree or disagree’). Several internal stakeholders acknowledged this gap, observing that the department’s ‘capability [for implementation] has drifted away’.

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<sup>16</sup> PM&C, *Stakeholder Research Survey* (2025)

<sup>17</sup> PM&C, *Stakeholder Research Survey* (2025)

<sup>18</sup> PM&C, *Corporate Plan 2024–25* (2024)

The review heard from stakeholders that the department should better track and proactively drive delivery outcomes, especially for priority projects spanning different APS portfolios and jurisdictions. Several stakeholders report frustration that ‘delivery in PM&C’s mind just means ticking off the contract’ rather than overseeing a project to its end point. Some also report a tendency for PM&C to take an overly risk-averse and process-driven approach, which obstructs implementation and distracts from delivery outcomes. External stakeholders suggest, including in response to PM&C’s Stakeholder Research Survey 2025, that the department needs increased awareness of and focus on outcomes, government priorities and the practical implications of its advice. As discussed previously in *Strategy*, however, stakeholders want PM&C to prioritise oversight and support for key projects rather than micromanaging the implementation of all projects.

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*‘The delivery capability needs to be refocused and rebuilt … [We have] spent a lot of time thinking about what this function needs to look like – PM&C influencing and facilitating instead of tracking rigid milestones.’ Internal stakeholder*

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PM&C’s gaps in this capability may stem from an internal perspective that does not view implementation as a primary function of the department. The department defines implementation as implementing policy, and states that PM&C ‘has not typically held responsibilities for directly implementing policy outcomes’. Similarly, in response to a survey conducted for this review, although staff rank the department’s effectiveness in ‘implementation of policy, programs and services’ 15th out of 28 options, they regard it to be the lowest priority for improvement (28th out of 28 options). One external stakeholder reported to the review that the department ‘is not great at delivery, largely because it doesn’t pride itself on delivery – it is not something it celebrates’.

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*‘Implementation was always part of PM&C, but this government has a really clear agenda of following through and delivering on … commitments [in its] second term. To be successful, [the department] will need to nail this version of implementation.’ Internal stakeholder*

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Reflecting the need to take a wider view of its role, PM&C is taking steps to strengthen its implementation capability. It has established a new Strategy and Delivery Branch and plans to build a new implementation and delivery plan architecture to strengthen prioritisation, escalation, tracking of progress and delivery of outcomes. Nevertheless, these initiatives will take time to achieve, and it will be essential for this new branch to effectively balance and undertake both ‘delivery’ and ‘strategy’. To be effective and targeted in implementation, PM&C will need to uplift both its ability to prioritise and its strategy capability (as discussed previously in *Strategy*).

PM&C will need to further build its implementation capability to better support the Prime Minister, the Cabinet and portfolio ministers, as well as the wider APS. The review recognises that PM&C has areas of ‘embedded’ capability as well as plans for future development. However, these strengths are moderated by the current gaps and the time it will take for the improvements to mature. Therefore, the review found overall PM&C’s implementation capability to be ‘developing’.

### **Case study: Taskforces**

PM&C has a strong track record in quickly establishing and managing cross-government taskforces to deliver complex, whole-of-nation priorities. Taskforces within PM&C are temporary, purpose-driven teams established to lead, coordinate or deliver on high-priority issues, for example via a defined body of work, summit or major event. Taskforces typically support the Prime Minister, the Cabinet or senior ministers by providing policy advice, coordination and implementation capability. The department successfully supports several key taskforces. A notable example is the taskforce supporting the design and delivery of the Critical Minerals Strategic Reserve – a national strategic initiative announced during the 2025 federal election. Other recent taskforces include the ASEAN-Australia Special Summit Taskforce, the 2024 Independent Intelligence Review, the COVID-19 Response Inquiry Taskforce, and the Royal Commission into Defence and Veteran Suicide Implementation Taskforce.

PM&C enables success by providing structures such as clear terms of reference, coordinating the necessary expertise, gaining support from corporate services, and ensuring direct channels to senior decision-makers. PM&C's expertise in establishing taskforces is recognised as a critical enabler, helping government respond quickly and effectively to priority issues.

## Review and evaluation

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to use review and evaluation activities to maintain performance and drive improvement.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency routinely reviews and evaluates policy advice and implementation</li><li>• Review and evaluation findings inform policy advice and implementation</li><li>• Review and evaluation practices are embedded in agency processes and are sustainable</li></ul>

Regular review and evaluation activities enable PM&C to continuously improve performance and maintain best practice. Using evidence and lessons learnt from these processes strengthens policy development, delivers better outcomes, improves services and operations, and ensures accountability. As a busy central department, there is a risk that time will not be set aside to reflect and improve on established processes because immediate and urgent matters take priority. A strong capability in review and evaluation would ensure this does not happen and will be critical for PM&C to develop over the next 4 years. The review has rated this capability as 'developing'.

The review identified strengths in certain areas of the department. For example, the Office for Women has established a baseline report, including the data that will be monitored to assess the impact of the *Working for Women: A Strategy for Gender Equality* over the next 10 years. In addition to regular reporting cycles, there are periodic review points to assess progress and identify opportunities to improve policy outcomes.

The review found that staff across the department feel encouraged to review and evaluate their work within their teams. In the APS Employee Census 2025, 85% of staff agree that their supervisor encourages their team to regularly review and improve their work. This is 2 percentage points above the APS overall, but 2 percentage points lower than PM&C's 2024 results.

At a foundational level, the department measures stakeholder satisfaction through mechanisms such as its annual independent Stakeholder Research Survey. This gathers feedback from 3 stakeholder groups: PM&C's portfolio ministers; other ministerial stakeholders; and non-ministerial stakeholders. The survey provides a valuable benchmark to measure key stakeholder perceptions of the department's performance over time. Further, PM&C advised the review that its Governance, Performance and Audit Branch will work with relevant areas to determine strategies to improve performance results over the next 12 months. Areas of concern are to be incorporated into business plans. However, as outlined earlier in *User focus*, the department acknowledges that it does not have a systematic approach to evaluating and responding to the informative findings of the survey.

Overall, the department recognises its current approach to review and evaluation is an 'organic and adaptive process' rather than a systematic, department-wide approach. PM&C is yet to establish a formal review and evaluation framework or dedicate staff to support evaluation across the whole department. Instead, individual business areas undertake their own evaluation. In another example, the review found evidence that while PM&C does hold retrospectives to determine lessons learnt after taskforces finish, this is not done consistently.

PM&C highlights that major barriers to embedding a culture of evaluation include 'limited staff time, insufficient financial resources, shortage of time to complete evaluation and interventions being too difficult to evaluate'.

There is an opportunity for PM&C to uplift this capability by systematically responding to areas where stakeholder satisfaction is identified as lower than expected. In a survey conducted for this review, only 63% of staff agree (42%) or strongly agree (21%) with the statement 'my workgroup regularly reviews and evaluates our performance to improve outcomes'. This indicates many staff believe there is scope to improve capability in this area. In the same survey, 27% of staff agree 'review and evaluation' is an area the department should focus on improving. Addressing this will ensure continuous improvement in PM&C's core functions such as policy advice and delivery of services and operations.

In positive signs, the department recognises the need to significantly uplift its review and evaluation capability and is taking steps to do this. For example, PM&C has recently established new enterprise-level governance arrangements to better support review and evaluation within the department. The review understands that the new Performance and Risk Committee will assist PM&C's Executive Board with 'setting, implementing and reviewing and evaluating the department's activities, enterprise risk management, internal controls, financial management and workplace operations in the achievement of the department's objectives'. The department also plans to establish a formal evaluation framework and build staff expertise in review and evaluation. The review agrees that this will be valuable to guide, encourage and enable review and evaluation at every stage of the policy cycle. Sharing learnings from review and evaluation activities across the department, including with unrelated policy areas, will be a critical to improving this capability.

The review considers that there is also scope to better leverage existing internal functions to improve the department's overall review and evaluation capability. PM&C's Australian Government Consulting Division already assists other agencies to review and evaluate policy and program implementation and has strong practices for evaluating its own projects, which could be adopted by the broader department. The Behavioural Economics Team of the Australian Government also has expertise in review and evaluation. Likewise, the department's Central Analytics Hub is a valuable existing function that could be better used to support uplifted capability by providing access to data. The department also recognises the value of embedding evaluation planning early in the policy process, and the department's Office of Impact Analysis could be better used to support this.

Uplifting the department's review and evaluation capability could be supported by its Governance, Performance and Audit Branch and the Australian Centre for Evaluation in the Department of the Treasury.

### **Case study: Behavioural Economics Team of the Australian Government**

Established in 2016, PM&C's well regarded Behavioural Economics Team of the Australian Government (BETA) generates and applies evidence from behavioural and social sciences. This enables teams across the APS to better understand complex policy problems and design evidence-based solutions. To achieve this, BETA effectively partners with agencies to conduct research, design and test interventions and evaluate the impact of policies and programs.

For example, BETA recently collaborated with the Department of Climate Change, Energy, the Environment and Water to understand the motivations behind home energy upgrade decisions. This research provides useful insights and may inform how the Australian Government will drive uptake of home energy upgrades, a high-impact way to reduce greenhouse gas emissions and energy bills.

BETA boosts capability across the APS to apply insights and techniques from behavioural and social sciences to public policy. The team supports a Behavioural Insights Practitioners Network and hosts an annual conference, 'BI Connect', attended by around 1,000 public servants each year. BETA also delivers e-learning modules to around 2,000 public servants each year, and publishes guides and tools on research methodologies and data analytics.

In addition to capability building, BETA does critical work supporting data sharing. For example, the team partners with the Australian Bureau of Statistics to support integration of data assets between government and non-government organisations on priority policy areas. BETA also makes some of its own data assets publicly available through the Australian Data Archive Platform for use by other researchers.

# Workforce

## Strategic workforce planning

<b>Maturity rating</b>	Emerging
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Workforce planning activities are consistent with agency's vision, purpose and strategy</li><li>• Agency understands the expertise of its workforce at individual and whole-of-organisation levels and applies them effectively</li><li>• Agency understands its future skill needs and strategically uses recruitment, retention, succession management, mobility, reskilling and other activities to meet those needs</li><li>• Agency proactively manages the talent pipeline for the agency</li></ul>

Proactive and coordinated workforce planning will be needed to ensure that PM&C maintains the required skillsets across the 4-year horizon of this review. The review found PM&C's strategic workforce planning capability to be 'emerging', noting it does not demonstrate the sophistication expected of a department of its size and the unique workforce challenges arising from its diversity of functions. Although PM&C is a large policy department with just over 1,400 staff, it does not have a department-level workforce plan.<sup>19</sup> Rather, business areas are advised to conduct their own workforce planning and evaluate workforce planning initiatives through annual division planning and regular monitoring of the Resource Management Dashboard, which captures employee data such as turnover rates and acting arrangements.

While relevant templates and tools are available through PM&C's Operational Workforce Planning Toolkit, the department does not track the uptake of these resources, making it unclear whether workforce planning is consistently applied. The department also acknowledges that it does not have pipelines for leadership roles and succession planning is not centrally managed (APS Agency Survey 2025). As discussed in *Leadership and governance* under the *Leadership and culture* domain, PM&C largely relies on its reputation to attract the leadership talent it needs.

As a result, PM&C acknowledges it does not have a comprehensive assessment of its workforce expertise and capability requirements, despite identifying some immediate and future skill needs in the APS Agency Survey 2025. Some needs are common across the APS (e.g. data, digital, artificial intelligence, cyber security), while others are more specific to PM&C's unique role (e.g. protocol visit and event coordination, ad-hoc specialist skills for taskforces and reviews).

<sup>19</sup> APS Employment Database 30 June 2025

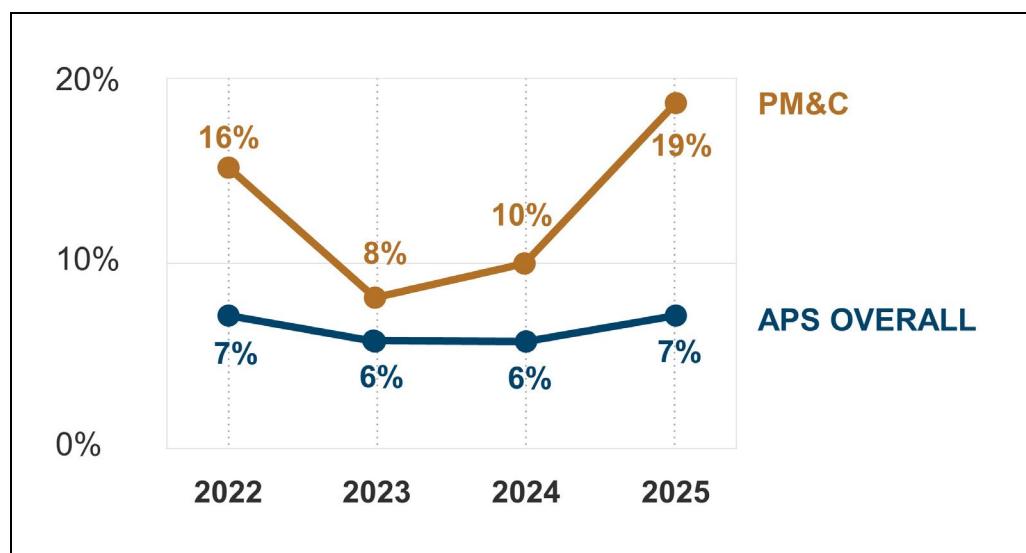
Staff are concerned about workforce planning. While 86% agree that their workgroup has the appropriate skills, capabilities and knowledge to perform well (7 percentage points higher than the APS overall), 35% say that there are currently skill or capability gaps in their immediate workgroup (APS Employee Census 2025).

In a survey conducted for this review, staff rank workforce planning as 3rd out of 28 options for what PM&C should focus on improving. This is a particularly strong sentiment for EL 2 and SES Band 1–2 level staff, who rank ‘improved workforce planning’ equal 1st and 2nd respectively.

*‘We don’t understand our functions and how they should be performed – it inevitably flows that we don’t know how to plan for the workforce’. Internal stakeholder.*

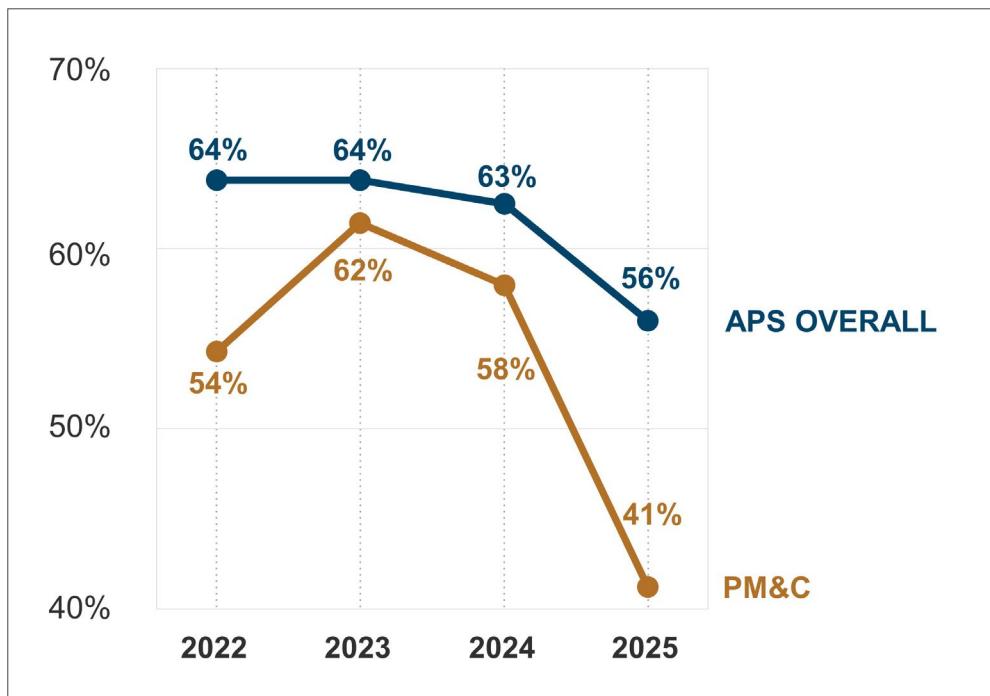
The review also found that workload management is inconsistent across the department and affecting more efficient use of resources. Staff are feeling the impacts of budget constraints and are increasingly concerned that there are insufficient resources for a growing workload.

However, this is at odds with APS Employee Census results over the past 4 years, which indicate differences in use of staff capacity in PM&C compared with the APS average overall. PM&C has a greater proportion of staff self-reporting as ‘under capacity’ (see Figure 2) and a smaller proportion self-reporting as ‘over capacity’ (see Figure 3) than the APS overall. While the review recognises that PM&C’s workload fluctuates across the federal electoral cycle, these differences suggest there is an opportunity to allocate resources more effectively across the department.



**Figure 2** – Proportion of ‘under capacity’ staff<sup>20</sup>

<sup>20</sup> APS Employee Census 2022, 2023, 2024 and 2025



**Figure 3** – Proportion of ‘over capacity’ staff<sup>21</sup>

When asked what the department needs to succeed in the future, staff say the ability to ‘better match resourcing with need [on] a more real-time basis’ and ‘sustainable surge capacity processes [to enable] flexibility for staff to move to divisions where more hands are needed’. More frequent and consistent monitoring of workload will support agile staff redeployment across the department (not just teams), improving workload balance and surge response. Further, given the budgetary constraints (discussed in *Financial management* under the *Enabling functions* domain) and the significance of under-capacity staff, being able to better identify how resources can be shifted to high-priority, under-resourced areas is an immediate priority for senior management.

Additionally, staff turnover in the department is relatively high. As of 30 June 2025, the rate of ongoing staff leaving the department (to pursue another opportunity in the APS or leave the APS) was 24.3%, compared with the APS average of 10.5%.<sup>22</sup> This is in line with PM&C’s historical exit rates, which have ranged from 23% to 27%.

Given PM&C’s unique role and operating environment, this level of mobility is not necessarily an issue for dynamic policy functions where highly competent staff are typically expected to enter the department at level and leave after 2 years. This ensures PM&C continuously updates and renews its subject matter expertise while providing policy staff with greater exposure and developmental opportunities, which ultimately benefits the wider APS as well as the department itself.

However, the department’s specialist areas will require greater stability and staff continuity in future, to build expertise and authority. Staff in these areas told the review that high turnover hampers knowledge retention, disrupts stakeholder relationships, and increases the burden of onboarding and training new staff. These challenges put pressure on staff and distract them from other priorities.

<sup>21</sup> APS Employee Census 2022, 2023, 2024 and 2025

<sup>22</sup> APS Employment Database 30 June 2025

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*'Churn and burn culture ... does not support [staff] development, good decision-making, or enable us to work to our best.' Internal stakeholder.*

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The department's overall annual exit rate of 24% masks widely varied rates within work areas. Turnover in divisions ranges from as low as 8% to as high as 55%.<sup>23</sup> PM&C should develop a targeted workforce strategy for the next 4 years that reflects the context and skill requirements for different types of work. The strategy should set appropriate target exit rates for different business areas, supported by different management approaches.

The review found the department's approach to staff resourcing tends to be reactive and may overly rely on its brand to secure talent. PM&C often recruits staff from other APS agencies, using secondments or temporary transfer when specific skill sets or experiences are required. The department also brings in staff through entry level programs (e.g. Australian Government Graduate Program, School Leavers Program, Indigenous Apprenticeship Program) and Affirmative Measure recruitment rounds.

However, internal stakeholders indicate the department recruits for immediate needs and sometimes lacks a systematic approach to recruitment. PM&C will benefit from a more deliberate approach to workforce planning and management, given that 35% of staff say that they want to leave their current position within the next 12 months (14 percentage points higher than the APS overall) and 11% want to leave as soon as possible (APS Employee Census 2025).

PM&C attracts staff because of the chance to gain exposure to the centre of government, and to become familiar with Cabinet and government processes. The value of this experience was reaffirmed by external stakeholders who describe PM&C as a useful training ground for public servants.

There is an opportunity for PM&C to enhance its employee value proposition by expanding its base of employment outside Canberra. With over 90% of staff currently located in Canberra, alternative work locations are the exception.<sup>24</sup> PM&C could consider recruiting staff in non-Canberra locations. This will enable the department to remain competitive with other employers, while keeping up with new ways of working and contemporary staff expectations. Strategically accessing labour markets across Australia could also help PM&C fill critical specialist skills, such as data and digital. This may require upskilling managers, who may not be confident in leading and supporting geographically dispersed teams.

The department will need to build its strategic workforce planning capability with a long-term view and at the whole-of-department level to continue delivering in an environment with constrained resources. It will need to ensure workforce planning activities in business areas align with the department's vision, purpose and overall strategy, and that it proactively manages the talent pipelines for both policy and specialist functions. This will help PM&C to maintain a highly skilled workforce that can adapt to increasingly cross-cutting challenges, as discussed in the *Excellence horizon*.

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<sup>23</sup> Data provided by the Department of the Prime Minister and Cabinet

<sup>24</sup> APS Employment Database 30 June 2025

## Staff performance and development

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency identifies and supports high-value staff development activities based on workforce planning activities and individual needs</li><li>• Managers understand, value and enable staff development as a core responsibility</li><li>• Agency measures the effectiveness of skills development</li><li>• Agency effectively encourages high performance and remedies low performance</li><li>• Managers encourage and enable staff development and learning relevant to their role and the future needs of the APS</li></ul>

A mature staff performance and development capability involves effectively encouraging high performance, remedying low performance and supporting high-value staff development. This ensures the department builds and maintains the skills of its staff while engaging and retaining them. While PM&C has foundational structures in place, there are several opportunities for improvement. The review therefore found the department's staff performance and development capability to be 'developing'.

PM&C provides staff with a range of development opportunities. This includes an extensive corporate training catalogue (mainly self-paced e-learning modules), learning events run by business areas and coaching services. A total of 81% of staff feel that their supervisor is invested in their development, 3 percentage points above the APS overall (APS Employee Census 2025).

However, the review heard that, for many staff, time and budget get in the way of training. For example, one staff member said '[we need] genuine support and space for training and development. This is impossible with demands on time'. Another said, 'we've been told over and over again that there is no budget for training'. PM&C may need to explore ways to prioritise and embed staff development into day-to-day operations, even during periods of high workload (discussed further in *Staff safety and wellbeing*).

Staff also consider that the department could provide more tailored learning opportunities that better support the needs of its experienced workforce. Only 55% of staff agree that the formal learning they accessed in the last 12 months improved their performance (APS Employee Census 2025). This is 5 percentage points below the APS overall. Furthermore, only 44% of EL staff agree that formal learning improved their performance, an 8 percentage point drop from 2024. As discussed in *Strategic workforce planning*, PM&C recruits experienced subject matter experts (typically EL staff) from other APS agencies. PM&C will need to offer more than generic skill training and, for example, deepen staff's policy expertise or understanding of Cabinet and budget processes.

PM&C acknowledges it faces some limitations in providing better development offerings, such as competing priorities, inconsistent practices across the department, and lack of learning and development capability. The department does not have a capability framework and, despite tracking some factors such as attendance and learner satisfaction, it does not evaluate staff behaviour (that is, performance improvement in the workplace).

There is opportunity for PM&C to improve the way it delivers and evaluates its staff development offerings. The department could also harness the experience of leaders joining at level to provide in-house training for less experienced members of staff.

Career progression is a particular concern for staff, who say that there is no structured process to identify or support progression below the SES levels. ‘Pursuing a promotion opportunity’ is the top reason staff give for wanting to leave their current position (APS Employee Census 2025). In a survey conducted for the review, overall, staff rank ‘career progression and mobility’ 7th out of 28 options for what the department should focus on improving. Notably, this was ranked 3rd for the APS 5–6 cohort.

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*‘Career progression here is my biggest concern. Compared to the rest of the APS, we’re very top heavy … and it means for junior staff it’s hard to stay here and progress.’*

*Internal stakeholder*

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A clear stance on mobility versus stability in the different areas of the department (discussed in *Strategic workforce planning*) will clarify career progression pathways and opportunities for mobility. This approach will likely bring additional benefits, including furthering staff development, filling skill gaps and improving internal collaboration.

PM&C has a range of policies, frameworks and tools to support consistent management of staff performance. Performance discussions are guided by the PM&C Performance Model and SES Performance Model, which set out expected behavioural standards at each classification level, from APS 3 to SES Band 3. Managers are also guided by materials on how to establish what effective performance looks like, identify and reward high performance, and manage underperformance.

Despite these resources, it is unclear whether the department has the capability to effectively or proactively manage performance in practice. The review found that there is an opportunity for PM&C to increase the completion rates of staff performance agreements, particularly at the SES level. Although staff consistently describe their colleagues as highly capable, professional and dedicated to their work, a small number feel that underperformance needs to be better managed. In 2024–25, no PM&C employees were placed on a formal underperformance process (APS Agency Survey 2025). This is below the median for similarly sized agencies (2 employees). There is an opportunity for PM&C to investigate this further and ensure staff are putting aside time to have regular performance discussions and are addressing performance-related concerns. The high-pressure nature of PM&C’s operating environment makes it particularly important that staff see their managers leading by example in this area.

The review heard that leadership and managerial capability is highly varied across the department and requires capability uplift. PM&C has recently updated its SES Performance, Leadership and Development Framework and implemented a range of supports to facilitate SES performance discussions. Staff report that ‘people management’ is the top skill or capability missing in their immediate workgroup (APS Employee Census 2025). Staff told the review that poor leadership and people management can make it hard for them to do their job well. The review also heard that people are promoted for their technical expertise but often lack managerial experience. The department acknowledges that uplifting management and leadership capability will be a key area of focus in 2025–26, including procuring learning and development offerings.

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*'Investing in soft skills like active listening, constructive feedback and emotional intelligence will strengthen trust within teams and lead to better outcomes under pressure.'*

*Internal stakeholder*

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PM&C will need to prioritise staff time for learning and development and ensure its offerings meet the department's workforce requirements.

Embedding its performance and development capability and investing in building leadership skills will equip PM&C with high-performing and skilled staff, promote a continuous learning culture, and strengthen attraction and retention of staff.

## Staff culture and inclusion

<b>Maturity rating</b>	Embedded
<b>Description</b>	The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency recruits, retains and values a diverse workforce</li><li>• Agency encourages diverse ideas, cultures and thinking</li><li>• Agency staff are empowered to take risks and experiment</li><li>• Staff engagement is high</li></ul>

A supportive and inclusive workplace culture promotes employee engagement and innovation by fostering a sense of belonging and empowering staff. The review has rated PM&C's staff culture and inclusion capability as 'embedded'.

The review found that PM&C staff are highly engaged and committed to their work. The APS Employee Census 2025 results signal a high level of employee engagement, with PM&C regularly scoring above the APS overall. For example, 91% of staff are proud to work in their agency (10 percentage points higher than the APS overall) and 85% would recommend their agency as a good place to work (9 percentage points higher than the APS overall).

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*'PM&C is typically very friendly and motivating. Most teams have [a] great culture that focus[es] on working hard but also enjoying your colleagues' company.' Internal stakeholder*

*'I have to say it's a privilege to do these uniquely PM&C roles.' Internal stakeholder*

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There are positive signs that PM&C's innovation culture is improving. The department's enabling innovation scores in the APS Employee Census improved from 2024 to 2025. For example, 68% of staff agree that people are recognised for coming up with new and innovative ways of working (6 percentage points higher than 2024) and 62% agree their agency inspires them to come up with new or better ways of doing things (7 percentage points higher than 2024).

However, risk aversion and excessive caution (as discussed in *Integrity and values* under the *Leadership and culture* domain) can stifle innovation, and internal stakeholders feel that the department can do more. Only 47% of staff agree that 'their agency recognises and supports the notion that failure is a part of innovation' (APS Employee Census 2025). Although this is a 9 percentage point improvement from 2024, it is 4 percentage points below the APS overall score. Modelling this behaviour through leadership and implementing the department's new risk management policy and framework (also discussed in *Integrity and values*) will be important to improve the culture of innovation.

PM&C has a range of initiatives that support workplace inclusivity. Most staff (89%) agree the department supports and actively promotes an inclusive workplace culture. This is 5 percentage points higher than the APS overall (APS Employee Census 2025).

For example, internal stakeholders commend PM&C's 6 staff-led networks, SES Champions and diversity initiatives (such as events and training), which encourage peer connection, community celebration and awareness-raising.

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*'I have been very heartened by how genuinely and consistently leaders extend acknowledgements of country, engage with networks, and speak about staff wellbeing.'*  
*Internal stakeholder*

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Other examples of inclusion initiatives are disability awareness training provided for managers and senior leaders, and reasonable adjustments and tailored support for employees with disabilities.

The *PM&C Inclusion and Diversity Strategy 2023–26* and the *PM&C Reconciliation Action Plan 2024–27* also promote inclusion in the department. The People and Culture Committee provides governance oversight and assists with planning, implementing and evaluating related initiatives.

PM&C's workforce diversity statistics compare favourably to the rest of the APS, particularly for gender, but the department acknowledges an opportunity to improve the representation of culturally and linguistically diverse (CALD) and First Nations staff. PM&C surpasses gender representation in the overall APS, with women making up 58.3% of SES staff and 67.8% of all staff in PM&C (compared with 55.7% and 60.5% in the APS respectively).<sup>25</sup> However, CALD representation in PM&C (17.2%) is significantly below CALD representation in the APS (26.8%), and First Nations representation in PM&C (2.1%) is below representation in the APS (3.4%).<sup>26</sup>

Diversity group	PM&C	APS
Women	67.8%	60.5%
CALD	17.2%	26.8%
First Nations	2.1%	3.4%
Employees with disability	5.5%	5.8%
LGBTIQA+ <sup>27</sup>	16%	10%
Neurodiversity <sup>28</sup>	11%	11%

PM&C can do more to assess and improve the effectiveness of its initiatives to ensure it makes tangible progress on inclusion and diversity. For example, the department's 2023 Cultural Diversity Sprint Project found that PM&C is inclusive of CALD staff but needs to improve CALD-related recruitment and cultural competency. This project's recommended actions include a target of 20% CALD at the EL 2 and SES Band 1–3 levels by 2029.

In March 2023, CALD representation was 11.1% at the EL 2 level and 5.3% at the SES Band 1–3 level.<sup>29</sup> By 2025, this has increased to 13.4% and 10.1%, but almost all recommended actions from the project have already been completed.<sup>30</sup>

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<sup>25</sup> APS Employment Database 30 June 2025

<sup>26</sup> APS Employment Database 30 June 2025

<sup>27</sup> APS Employee Census 2025

<sup>28</sup> APS Employee Census 2025

<sup>29</sup> Data provided by PM&C

<sup>30</sup> Data provided by PM&C

It is unclear to the review whether these initiatives have substantively strengthened the department's staff culture and inclusion capability. There may be value in revisiting the initiatives to understand where further work is needed.

PM&C has made progress on improving cultural capability of its staff and advancing reconciliation. The department has implemented mandatory cultural competency training for all employees and, from 2024 to 2025, there has been a 10 percentage point increase in staff (59%) who agree they actively seek to advance reconciliation in their role (APS Employee Census 2024 and 2025).

However, the department has an opportunity to improve representation of First Nations peoples at all classification levels. PM&C ran 17 Affirmative Measure – Indigenous recruitment rounds between November 2023 and June 2025 and participates in APS-wide First Nations entry level programs (such as the Indigenous Apprenticeship Program). Despite these efforts to achieve 5% First Nations representation at the APS and EL levels, and 3% at the SES level by 2024, representation remains lower at every level. Providing greater flexibility in employment locations beyond Canberra (as discussed earlier in *Strategic workforce planning*) may help the department recruit more First Nations employees.

Given its role at the centre of government in shaping and influencing policies that affect all Australians, it is critical that PM&C's workforce and cultural competency reflect the community it serves. Greater cross-cultural capability and diversity of perspectives will enable a more holistic understanding of how various regions and diverse groups are significantly more affected by public policy.

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*'We cannot represent Australia or improve/understand issues ... when we aren't representative. We need more CALD, [people with disability], First Nations and low socioeconomic background staff.' Internal stakeholder*

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### **Case study: Indigenous Staff Liaison Officer and Indigenous Liaison Officer**

PM&C has strong capabilities in developing and maintaining an inclusive working environment. An example is the 2 dedicated positions to support First Nations employment, cultural capability and workplace culture. The Indigenous Staff Liaison Officer and Indigenous Liaison Officer have a broad program of work, and require proven culturally appropriate engagement and communication skills and an understanding of issues affecting Aboriginal and Torres Strait Islander peoples.

These officers work with business areas to promote employment of Aboriginal and Torres Strait Islander staff through targeted attraction strategies and by providing candidate care. For example, for some candidates, providing documentation to prove their heritage can be a significant barrier to employment. The officers support candidates and aim to make recruitment and onboarding processes easier to navigate.

Once First Nations staff enter the department, the officers provide valuable ongoing support for their wellbeing and a culturally safe channel to raise ideas, feedback or issues affecting their employment. This may include supporting staff who are adjusting to the workplace, seeking learning and development opportunities, or are interested in advancing their career.

The officers also contribute to the department by promoting a safe workplace culture and embedding inclusive practices by intentionally uplifting department-wide cultural capability. This includes overseeing the development and delivery of initiatives outlined in *PM&C Inclusion and Diversity Strategy 2023–26* and the *PM&C Reconciliation Action Plan 2024–27*.

Additionally, the officers provide strategic advice to business areas on First Nations matters, build and maintain relationships with local communities, Traditional Owners and Elders, and deliver events during NAIDOC Week and Reconciliation Week.

## Staff safety and wellbeing

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to maintain a physically and psychologically safe working environment for staff.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency meets its work health and safety obligations</li><li>• New policies and initiatives consider the health and wellbeing of staff in their design</li><li>• Staff consider their workplace to be physically and psychologically safe</li><li>• Agency takes proactive measures to improve safety</li><li>• Responses to incidents are effective in reducing risk</li></ul>

Maintaining a physically and psychologically safe working environment enables staff to perform at their best. Every APS agency has legislative responsibilities for managing the health, safety and wellbeing in workplaces in accordance with the *Work Health and Safety Act 2011*, Work Health and Safety Regulations 2011 and associated Codes of Practice. The review found PM&C's capability to be 'developing,' while recognising some early-stage initiatives to improve in this capability (discussed below).

The department has appropriate structures in place to meet its work health and safety (WHS) obligations. Its Work Health and Safety Committee is made up of management and employee representatives and meets quarterly to discuss WHS issues in the workplace. The committee works with the People Branch to develop and maintain the WHS Management System and associated policies and procedures. The department provides mandatory WHS e-learning modules (completed by over 85% of staff) as well as additional training for specific WHS and wellbeing topics (e.g. managing virtual/remote teams, mental health conversations). Staff safety and wellbeing is further supported by the department's network of Health and Safety Representatives, Workplace Respect Officers and First Aid Officers.

PM&C is working to improve its reporting of WHS risks, specifically psycho-social hazards (e.g. inappropriate workplace behaviour, extended working hours, prolonged remote or isolated work and domestic/overseas travel). The department is reviewing its policies and procedures to ensure comprehensive coverage of psycho-social hazards, upgrading its incident and hazard reporting forms, and educating staff to improve reporting.

This is timely, as the APS Employee Census 2025 results indicate an underreporting of discrimination and bullying and harassment. The proportion of PM&C staff who experienced discrimination (8%) or bullying and harassment (8%) in the last 12 months is equivalent to the APS overall. However, 60% of PM&C staff who experienced bullying and harassment did not report their experience, slightly more than the overall APS (55%) and significantly more than in 2024 (51%). The proportion of PM&C staff who experienced discrimination but did not report their experience (72%) was slightly less than the overall APS (77%).

PM&C will need to ensure that, as it refines reporting mechanisms, it also actively supports a psychologically safe culture where people feel able to speak up.

While the department takes a comprehensive approach to WHS risk assessment, it will need to continue to ensure its specific risk controls effectively reduce WHS risks and proactively improve staff safety. The high levels of PM&C staff who experience discrimination or bullying and harassment but do not report it is highly concerning. The department needs to actively review why this is happening and treat this as an unacceptable situation that must be improved.

PM&C has wellbeing policies in place and provides a range of support to its staff. Examples include the Employee Assistance Program, leave provisions, flexible working arrangements and reasonable adjustments. Staff have access to a wide range of resources on mental health and wellbeing through the Employee Assistance Program provider. They are also supported by the Wellbeing Network and SES Champion, who advocate for a healthy workplace, promote mental wellbeing and inform relevant workplace policies.

These wellbeing initiatives may have contributed to an increase in positive staff sentiments from 2024 to 2025 in the APS Employee Census. For example, the proportion of staff who are satisfied (78%) with the policies and practices in place for health and wellbeing has increased by 8 percentage points from 2024. Similarly, the proportion of staff who agree (74%) that PM&C does a good job at promoting health and wellbeing has increased by 7 percentage points. This is reflected in results from a survey conducted for this review, where staff rank 'staff safety and wellbeing' 3rd of 28 options for what the department does well.

Despite this, staff continue to feel the pressure of high-priority and urgent work and describe a culture where burnout and high turnover is normalised. Although this has improved slightly from 2024, 23% of staff feel that they 'have unrealistic time pressures' and 23% of staff feel they 'are expected to do too many different tasks in too little time' (APS Employee Census 2025). These challenges especially impact EL staff, of whom 30% experience unrealistic time pressures and 29% feel they are expected to do too much in too little time.

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*'When you are achieving more with less, the reward is they say: "you should sprint all the time". You may pull a rabbit out of a hat once, but you can't keep delivering miracles and depending on miracles.' Internal stakeholder*

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Although burnout rates have decreased from 2024, almost half (48%) of all staff strongly agree or agree that they feel burnt out by their work (APS Employee Census 2025). One staff member reports that in their division, 'burn out is quite high ... in the past, they'd just say "it's a privilege to work here", then burn you out [and] bring the next lot in'. Reports of burnout are particularly prevalent among APS level staff (53%) and vary significantly across business areas, with a 10 percentage point difference between policy areas (53%) and non-policy areas (43%) (APS Employee Census 2025).

Improving workload monitoring and management is a priority for staff (as discussed in *Strategic workforce planning*), with 43% of staff saying PM&C should focus on improving workload management, in a survey conducted for this review. The department is developing a workload management policy, which may help to ensure workloads are sustainable and not detrimental to staff safety and wellbeing.

# Enabling functions

## Financial management

<b>Maturity rating</b>	Developing
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Investment and resourcing decisions are aligned with agency priorities</li><li>• Financial planning is effective and appropriate across all parts of the agency</li><li>• Agency can provide a single source of truth on budget and spending</li><li>• Agency understands its economic environment and likely financial trajectory</li><li>• Resources can be adapted and shifted as priorities change</li><li>• Agency can identify, investigate, report on and address financial issues</li></ul>

Financial management capability underpins the department's ability to respond flexibly to changing priorities in an increasingly dynamic operating context. This capability is important as the department navigates a constrained fiscal landscape over the coming years, as discussed in the *Excellence horizon*.

PM&C's centralised budgeting system provides an important platform for managing a constrained operating budget into the future. In recent years, the department has renewed its financial operating model to support a sustainable budget. Historically, the department relied on underspends from temporary measures, such as time-limited taskforces, to fund overspends in its ongoing functions. However, in 2022–23 the government decided that taskforce funding should be quarantined, preventing PM&C from relying on taskforce underspends to offset core functions. This change was the catalyst for an independent financial sustainability review, which highlighted the need for greater prioritisation, tighter resource management and an examination of the shared services arrangement as discussed later in *Corporate operating model*. The department's implementation of these recommendations is ongoing and supports this review's finding that PM&C's financial management capability is 'developing'.

The renewed financial discipline enables the department to respond quickly to emerging government priorities by rapidly establishing taskforces as required. However, PM&C's lack of a strategic workforce planning capability and limited financial forecasting capability hinders its ability to be flexible in allocating its resources in response to changing priorities. With around 70% of the department's total budget allocated to staff-related costs, employees are both the department's greatest asset and largest expense. Accordingly, improved staff resource management and workload management (discussed in *Strategic workforce planning* under the *Workforce* domain) are key to improving the department's future financial agility.

Improved financial management capability will depend on improving financial literacy across the department. The review found that while financial management has improved in recent years, more work is needed, particularly the department's forecasting capability.

The department's current approach to building financial literacy focuses on strengthening its business partner model, with financial specialists working alongside business areas to provide tailored support and capability development. The department recognises all leaders need to have shared accountability and understanding of their budgets as financial management cannot rest solely with the central Finance branch.

PM&C has begun a 12-month project (due to finish in August 2026) to uplift its financial systems and business processes. This is another positive sign that will support the continued improvement of the department's financial management capability. The project aims to streamline processes and improve the timeliness of reporting. The efficiencies gained through the new system are intended to offset the slightly more resource-intensive business partner model. If successful, the project should assist the department to build a more mature financial management function, leveraging technology to reduce repetitive tasks and freeing up staff for higher-value work.

Procedural efficiencies gained through new financial systems and improved financial literacy through targeted support may go some way to elevate the department's 'developing' financial management capability over the next 4 years. However, at the same time PM&C will need to lift its capability in strategic workforce planning and strategic prioritisation, to more effectively manage its fluctuating workforce demands. This will be particularly important in a constrained budgetary environment expected to persist over at least the forward estimates.

## Technology

<b>Maturity rating</b>	Developing
<b>Description</b>	The capability to make efficient, effective and forward-looking use of technology to support the work of the agency.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Technology capability meets staff needs</li><li>• Agency maintains and monitors the use of technologies</li><li>• Agency has mechanisms to ensure a pipeline of contemporary digital and technology expertise</li><li>• Agency makes strategic decisions about the comparative value of different technologies, including when to use whole-of-government or in-house solutions</li><li>• Agency proactively improves the agency's technologies and considers emerging technologies to meet future needs</li><li>• Agency ensures the security of agency systems</li></ul>

Efficient, effective and forward-looking use of technology will enable PM&C to deliver its objectives into the future and realise opportunities from emerging technologies such as AI. Maintaining up-to-date technology and digital capabilities ensures the department can adapt quickly, generate insights and advice from data, protect sensitive information, and deliver its functions securely and efficiently. The department's information and communications technology (ICT) environment supports the Prime Minister, the Prime Minister's Office, Cabinet Secretary's Office, portfolio ministers, shared service partner agencies, and 35,000 users across 39 agencies and 41 ministerial office locations who access a variety of PM&C ICT services including the CabNet+ application.

Given the sensitivity of its stakeholders and work, the department has a strong focus on information security. It operates a secure ICT environment guided by well-established processes, and information management policies for handling classified records. This is overseen by the Executive Board and supported by a security framework and policies, including a cyber security policy. The continuous uplift of security remains paramount for PM&C as cyber threats grow in sophistication. The department is committed to providing staff with security training and continuously improving its secure environment to achieve its purpose. The review found that security behaviours and practices are extensively modelled by leaders and staff.

Staff say that the quality and responsiveness of ICT services is 'second to none'. However, the review found that the current ICT environment does not meet staff and external stakeholder needs. Staff feel they are restricted by outdated and 'clunky' ICT systems that do not support collaborative work, and force staff to find ways around the systems' limitations, rather than empowering them with technology.

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*'ICT systems not talking to each other and the constant re-working of material to suit systems. This is our greatest inefficiency and cost.' Internal stakeholder*

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The department has a clear plan and confirmed investment to uplift its ICT environment over the next 3 years, with the aim of delivering a modern and secure software suite for PM&C and its partner agencies.

By transitioning to an AI-enabled cloud environment, the department will become more efficient through automation, enhanced internal collaboration and augmented analysis capabilities. The department plans to provide staff with training and support throughout the transition.

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*'I have high confidence that in the 4-year horizon, we will have a cloud-enabled, AI-ready environment to assist the department.' Internal stakeholder*

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As part of the transition, the department is focused on ensuring the safe and effective use of emerging technologies. This includes developing an AI monitoring framework and conducting ongoing risk assessments of generative AI tools. Additionally, all PM&C staff will be required to adhere to whole-of-government requirements for the secure and ethical use of AI. Despite this, one internal stakeholder described the department's current understanding of AI as 'rudimentary', emphasising that there is more to be done to ensure that AI is applied in instances where it will be most beneficial. Improving the use of AI was the top priority for staff in a survey conducted for this review.

There is strong interest in automation to boost efficiency, streamline processes and minimise manual work, as noted in the following *Data* section. Generative AI also presents opportunities to enhance staff expertise and support cognitive tasks like research, analysis and policy development. Achieving this will require a more sophisticated approach to engaging with risk, treating security concerns as manageable challenges rather than barriers to adoption.

Finally, the department acknowledges it has an unsustainably high expenditure on contractors, driven by critical skills shortages in ICT and security. The department told the review that the division responsible for ICT has 247 staff – 133 contractors (54%) and 114 APS staff (46%). Ongoing reliance on contractors for projects and business-as-usual activities has perpetuated a decline in the department's internal capability for ICT and security. PM&C is not alone in facing this challenge. Given the Canberra-centric workforce discussed in *Strategic workforce planning* under the *Workforce* domain, the APS continues to navigate a highly competitive ICT job market while working to strengthen internal capability and reduce reliance on contractors and consultants.<sup>31</sup>

To realise its vision for a technology-enabled workforce, PM&C should continue to strengthen its ties to leaders of whole-of-government AI and digital initiatives, such as the Department of Finance and the Digital Transformation Agency. This will help avoid duplication of effort and allow PM&C to leverage work led elsewhere in the APS. Active participation and contribution to this network is essential for the department to fulfil its ambition, as described by one internal stakeholder, to be 'seen as leaders in the Commonwealth for what good looks like in a policy department'.

As technology continues to evolve, the department's success over the next 4 years will depend on its ability to deliver on its existing ICT plans and respond to the possibilities of emerging technologies. Given the department's positive trajectory in uplifting its capability, the review has assessed PM&C's technology capability as 'developing'.

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<sup>31</sup> APSC, *APS Strategic Commissioning Framework*, 2024, [https://www.apsc.gov.au/sites/default/files/2024-07/Strategic%20Commissioning%20Framework%20-%20updated%20-%20Jul%202024%20\\_0.pdf](https://www.apsc.gov.au/sites/default/files/2024-07/Strategic%20Commissioning%20Framework%20-%20updated%20-%20Jul%202024%20_0.pdf)

## Data

<b>Maturity rating</b>	Emerging
<b>Description</b>	The capability to make efficient, effective and forward-looking use of strategic data assets to support the work of the agency.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• 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</li><li>• Agency manages data ethically and confidentially</li><li>• Agency has mechanisms to ensure a pipeline of contemporary data expertise</li><li>• Agency routinely uses its data holdings in its decision-making processes</li></ul>

Effectively leveraging both quantitative and qualitative data assets enables evidence-based policy advice, informed decisions and departmental learnings. Managing and using data effectively and ethically is crucial to delivering high-quality work at the centre of government.

The review found the PM&C's data capability to be 'emerging', noting limited current and planned use of strategic data assets. Without improvement, this will limit the department's ability to address the challenges and opportunities described in the *Excellence horizon* earlier in this report.

The review found that data and analytics literacy and capability among non-specialist staff is low, with an over reliance on value judgements and experience rather than data analysis to guide advice and decision-making.

The Department of Finance's Data Maturity Assessment Tool 2024 indicates that PM&C has an 'unmanaged' data analytics capability with an aggregate score of 0.9 out of a potential 5. This is below the APS average of 1.84.

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*'PM&C is consistently below the APS average [for data maturity]. There are pockets of excellence but as an organisation, we don't have the data engagement in the way we give advice, from what I have seen in other parts of the service. In [another agency] there is a lot of focus on having data to back up decisions. We don't do that in the best way. We need to uplift the organisational data maturity.' Internal stakeholder*

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However, certain areas of the department demonstrate excellent data capability and form a separate 'data operating model'. These specialist areas demonstrate sophisticated use of data to inform policy design and advice. For example:

- The Behavioural Economics Team of the Australian Government (BETA) describes its mission as 'improving the lives of Australians with evidence-based policy development and program delivery'. BETA's service offering is to partner with Australian Government departments and agencies to understand how people interact with policies and programs, and how these can be improved to better fit the needs of the Australian people.

- The Data, Digital and Analytics Branch – consisting of the Central Analytics Hub and the Data and Digital Team – sits within the Economic Division but provides support to all divisions of PM&C. This includes providing analytical support to PM&C policy teams, urgent advice to taskforces, and data analysis for Ministers. The branch has responsibility shadowing data and digital-related agencies (Digital Transformation Agency, the Department of Finance’s Data Branch, and the Australian Bureau of Statistics) as well as overseeing all major data and digital projects in the APS.

These areas lack the scale to sufficiently service the whole of PM&C. The department should consider how it can leverage this limited but strong capability as the foundations of an enterprise-wide data capability.

A complicating factor to embedding data capability at an enterprise level in PM&C is that data is viewed as an expert function and is not common in the generalist policy skillset. The review notes the absence of any reference to ‘data’ or ‘evidence’ in the ‘PM&C Craft’ guide referred to earlier. In this guide, staff are encouraged to cultivate ‘integrity, judgement and partnership, linking our efforts to the big picture’ as the key tenets of the department’s way of working.

While PM&C may not have the same requirements to hold or manage large datasets as a typical large policy agency, staff should have the capability to confidently engage with data and use analytics to inform the advice given to the Prime Minister and the Cabinet. External stakeholders say that PM&C’s data capability does not meet their expectations.

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*‘What it really came down to [is] they had skills to record data but not to transform or represent data.’ External stakeholder*

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It appears the department’s view of data management disproportionately focuses on technology and information security rather than maximising the strategic value of data assets. This is partly because data responsibilities sit within an established information management function in the Digital Security and Workplace Operations Division. Although this consolidation of the 2 functions makes sense given the department’s ‘emerging’ data capability, internal stakeholders recognise that this approach may be a barrier to achieving PM&C’s data goals over the next 4 years.

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*‘It needs to be driven from a data lens, not the tech end. The data piece is more important.’ Internal stakeholder*

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*‘I am excited and confident we will have the tools, but we don’t have the culture of [data].’ Internal stakeholder*

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The department needs to consider ways to mature its data operating model (how it manages, governs and leverages its data to achieve its aims). This needs to include establishing an accountable data authority that is distinct from technology, to champion data as a strategic asset. Further, the department’s low ‘data quality’ maturity does not support its ambition to engage with emerging technologies such as AI. Although PM&C has a project underway to integrate automation into repetitive corporate processes to create efficiencies, the Department of Finance’s Data Maturity Assessment Tool 2024 indicates that the department

has an ad-hoc approach to fixing issues related to the data quality and usability of data assets. Without the capability to ensure high-quality data, the department risks exacerbating the current issue of high workloads, as automated processes may inadvertently require significant human intervention to correct errors stemming from incomplete and/or low-quality datasets.

The department recognises these data capability gaps and has a roadmap that may go some way to address them in the future. Investing in and delivering on these plans will be important, given an increasingly constrained operating budget. The recent technology uplift, as described in *Technology*, will provide an essential foundation for PM&C's data capability over the next 4 years. However, the department will also need to drive a considerable cultural shift and recruit staff with data capabilities to maximise the opportunity of a technologically enabled workforce.

Embedding data analytics capability as a core enabler is essential for the department's key activity to 'provide informed, impactful and timely advice' to the Prime Minister and the Cabinet (PM&C Corporate Plan 2025–26).

## Corporate operating model

<b>Maturity rating</b>	Developing
<b>Description</b>	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.
<b>Characteristics</b>	<ul style="list-style-type: none"><li>• Agency actively decides which staff-facing functions will be delivered centrally (e.g. finance, legal, research, procurement, ethics, technology, property)</li><li>• Agency manages the tension between centralised, distributed and outsourced functions effectively</li><li>• Functions are adequately resourced and supported by leadership</li><li>• Functions meet staff needs</li></ul>

An effective corporate operating model ensures PM&C's internal shared functions are well designed and resourced, and meet staff needs. This enables the department to focus on core priorities and support high performance across all areas.

PM&C is supported by a centralised corporate and enabling services model, which is managed by the Governance and Corporate Group reporting to the Chief Operating Officer. The department describes this fully in-house model as a strength because it enables greater control over service quality and allows for cohesive and responsive support functions. Staff describe corporate services as responsive and attuned to their requirements. In particular, the department's ICT service support is highly regarded by staff, with onboarding support cited as a notable strength.

While PM&C staff largely feel their needs are being met, staff in the Governance and Corporate Group report escalating operational demands, driven by workforce churn and the need to rapidly establish and support taskforces. The review found that high staff turnover in PM&C (just over 24%) results in higher workloads in recruitment, training, payroll, security assessments and on-boarding/off-boarding. The department's ability to rapidly establish taskforces is commendable. However, staff have noted that the associated impacts and costs on corporate areas are often overlooked, particularly when taskforces require complex procurements that place significant demands on these support functions.

The review heard from senior leaders that the department needs to improve its corporate functions. Senior leaders appreciate the helpful assistance from staff in the corporate areas and their efforts to provide a high standard of customer service. However, inconsistent staff capability and inflexible corporate systems contribute to the expectations of senior leaders not being met. The review acknowledges recent efforts by PM&C to strengthen its corporate functions, such as finance and legal counsel, as well as updating governance arrangements for the Executive Board and its supporting committees.

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*'Corporate area needs ... [a] rethink ... making sure it is fit for purpose.' Internal stakeholder*

*'We do good work in spite of [corporate systems], but we are not supported by them. They take a lot of time in a time-constrained environment.' Internal stakeholder*

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The review found evidence that the department's role as a shared services provider is no longer fit for purpose and holds it back from delivering its core functions. PM&C delivers shared services (such as ICT, human resources and finance) to other APS agencies through formal service level agreements. Its primary shared service users are the National Indigenous Australians Agency (NIAA) and the APSC. Stakeholders consider that the department's systems and processes lack the scale and maturity to effectively deliver shared services. For example, given NIAA is significantly larger than PM&C, and has a distributed network of sites across Australia, stakeholders question whether PM&C is best placed to provide shared services to NIAA. PM&C acknowledges that it may be stretching limited resources across a model it is unable to sustain and is currently examining its role as a shared services provider.

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*'More than 50% of services we provide are not for PM&C.' Internal stakeholder*

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The department will benefit from investing in and modernising its enabling services to ensure corporate services are efficient, solutions-oriented and aligned with PM&C's core business needs. While efforts are underway to strengthen the corporate operating model, further improvements are needed. By improving these areas, the department will be better equipped to meet government priorities and respond to changing needs. The review assesses this capability as 'developing'.

# The agency's response

The Department of the Prime Minister and Cabinet (PM&C) has a critical role in supporting the Prime Minister, Cabinet, and our portfolio ministers. We improve the lives of all Australians by delivering the Australian Government's priorities. We have a unique position at the centre of the public service, and must provide leadership on the most significant issues affecting government. This relies upon our organisation operating at its best.

This Capability Review (the review) presents a valuable opportunity to consider PM&C's strengths, gaps in organisational capability, and to identify opportunities for action. We welcome and share the Senior Review Team's vision for PM&C and are ready to put it into action.

The review acknowledges work already underway to strengthen our capability across a range of critical areas. It also identifies priority areas for us to focus our efforts on: leadership and governance; strategy and priorities; and internal and public sector collaboration.

I would like to thank the Senior Review Team – Helen Silver AO, David Tune AO PSM, David Mackay, and Celia Street PSM – for their collaborative and constructive approach. Thank you to the team at the Australian Public Service Commission (APSC) for their work in supporting the reviewers, and to the PM&C's liaison team, who worked in partnership with the APSC to progress the review.

PM&C's strong relationships with stakeholders across the Commonwealth, states and territories, and internationally are critical to delivering on our objectives. I would like to acknowledge and thank our stakeholders for participating in the review, and their open and constructive feedback that will shape PM&C's future.

Our people are our greatest strength and our success delivering for government relies on our staff. I admire their commitment to serving the Australian community, and would like to thank them for their willingness to engage and their insights during the review. I look forward to working together to develop our action plan and strengthen our capability for the future.



Dr Steven Kennedy PSM  
Secretary  
Department of the Prime Minister and Cabinet

# Appendix A: Capability Review Framework

To view the full Capability Review Framework: <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-program/capability-review-framework>

## Maturity ratings

Maturity rating	Description
<b>Leading</b>	<ul style="list-style-type: none"><li>Excellent current capability</li><li>Strategic and systematic approach to forecasting future capability challenges and opportunities</li><li>Widespread environmental scanning identifies opportunities to learn from others</li><li>Continuous improvement is an agency-wide priority</li><li>Capability uplift activities are highly likely to equip the agency for challenges identified in the excellence horizon</li></ul>
<b>Embedded</b>	<ul style="list-style-type: none"><li>Good current capability</li><li>Widespread activity to forecast future capability challenges and opportunities</li><li>Some environmental scanning identifies opportunities to learn from others</li><li>Widespread evidence of continuous improvement activities</li><li>Capability uplift activities are mostly likely to equip the agency for challenges identified in the excellence horizon</li></ul>
<b>Developing</b>	<ul style="list-style-type: none"><li>Inconsistent current capability</li><li>Limited forecasting of future capability or opportunity gaps</li><li>Early-stage activities to improve in areas of future and current capability gaps</li><li>Limited environmental scanning or evidence of learning from others</li><li>Limited focus on continuous improvement</li><li>Capability uplift activities are limited and will not fully equip the agency for challenges identified in the excellence horizon</li></ul>
<b>Emerging</b>	<ul style="list-style-type: none"><li>Capability does not meet the agency's current needs</li><li>Little or no evidence of forecasting future capability or opportunity gaps</li><li>Little or no awareness of current capability gaps</li><li>Little or no evidence of environmental scanning or learning from others</li><li>Little or no evidence of continuous improvement</li><li>Agency is unlikely to be ready to meet the challenges identified in the excellence horizon</li></ul>

## Domains and elements

Domains	Elements
<b>Leadership and culture</b>	<ul style="list-style-type: none"><li>• Integrity and values</li><li>• Leadership and governance</li></ul>
<b>Collaboration</b>	<ul style="list-style-type: none"><li>• Public sector collaboration</li><li>• Internal collaboration</li><li>• Non-government partnerships and engagement</li></ul>
<b>Delivery</b>	<ul style="list-style-type: none"><li>• Ministers and parliament</li><li>• User focus</li><li>• Strategy</li><li>• Implementation</li><li>• Review and evaluation</li></ul>
<b>Workforce</b>	<ul style="list-style-type: none"><li>• Strategic workforce planning</li><li>• Staff performance and development</li><li>• Staff culture and inclusion</li><li>• Staff safety and wellbeing</li></ul>
<b>Enabling functions</b>	<ul style="list-style-type: none"><li>• Financial management</li><li>• Technology</li><li>• Data</li><li>• Corporate operating model</li></ul>

## 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
APSC	Australian Public Service Commission
BETA	Behavioural Economics Team of the Australian Government – a branch within PM&C’s Economy, Industry and Resilience Group
CabNet+	The main digital system used to coordinate and submit Cabinet submissions from across the APS
CALD	Culturally and linguistically diverse
Central agency, or agencies	Any or all of the 3 APS agencies with ‘whole-of-government’ responsibilities: PM&C, Department of Finance, and the Department of the Treasury
DFAT	Department of Foreign Affairs and Trade
EL	Executive Level – refers to staff employed at the EL 1 and EL 2 classifications
ICT	Information and communications technology
Line agency, or agencies	Any APS department or agency not considered a ‘central agency’
NIAA	National Indigenous Australians Agency
PM&C, the department	Department of the Prime Minister and Cabinet
SES	Senior Executive Service – refers to staff employed at the SES 1 to SES 3 classifications
WHS	Work Health and Safety