



Australian Government
Australian Public Service Commission

Capability Review Framework

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Capability Review Framework

Context

Capability reviews are independent, forward-looking and assess an agency's ability to meet future opportunities and challenges. They aim to encourage discussions and prioritisation of future opportunities to uplift organisational capability by highlighting current strengths and gaps. Reviews are led by a team of senior reviewers and are supported by interviews with internal and external stakeholders, staff workshops, surveys, examination of agency documents, and research.

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

About the Capability Review Framework

The Capability Review Framework is made up of 2 parts:

- A **forecast** of the future operating environment establishes the capabilities an agency may need over the next 5 years
- The **analysis of organisational capability** identifies an agency's capability gaps and opportunities against the forecast, including an organisational capability rating assessment across 5 domains and 20 elements.

The forecast

The forecast describes how the agency's operating context may change over the next 5 years. It is an important part of assessing the capabilities the agency is likely to need to be successful in the future, and whether it is on track to develop these capabilities.

The forecast may consider:

- Global megatrends
- Geopolitical patterns and disruptions
- Domestic and global economic outlook
- The Australian Government's forward policy agenda
- Changes in public attitudes towards government
- Changes to the needs and expectations of users of government services
- Workforce trends and changes to employee expectations
- Changes to the agency's financial circumstances
- Changes to the tools and technologies available to the agency

Reviewers should use the forecast as a frame for their analysis of organisational capability and assessment against the maturity rating scale.

Analysis of organisational capability

The Capability Review Framework sets the scope of the analysis of organisational capability across 5 domains and 20 elements.

Table: Domains and elements

Domain	Element
Leadership and culture	Integrity and values
	Risk and innovation
	Leadership and governance
Collaboration	Public sector collaboration
	Non-government partnerships and engagement
	First Nations partnerships
	Internal collaboration
Delivery	Ministers and Parliament
	User focus
	Strategy
	Implementation
	Review and evaluation
Workforce	Strategic workforce planning
	Staff performance and development
	Staff culture and inclusion
	Staff safety and wellbeing
Enabling functions	Financial management
	Technology
	Data
	Corporate operating model

More detail on each element is at the end of this document.

Organisational capability is the combination of:

- Expertise – the combined abilities of staff, including organisational knowledge, skills and human capital.
- Capacity – how the organisation applies this expertise, including through processes and systems.

Reviewers assess the agency's capability against each element and present their findings in a detailed report. The report includes an analysis of the agency's strengths, capability gaps and opportunities to improve. This analysis will result in a maturity rating for each element of capability.

Maturity rating scale

Each element is rated against a 4-point maturity rating scale. Reviewers look at the agency's current organisational capability and consider how it is likely to develop if no further action is taken beyond what is already planned; this is then compared to the expected capabilities required to meet the challenges described in the forecast. The insights are based on evidence collected through the review process.

Ratings are assigned based on the agency's:

- current capability
- capacity to identify future capability challenges and opportunities, then responding accordingly
- understanding of the system/s in which they operate
- support for continuous improvement
- plans for capability uplift.

Maturity ratings provide 2 main benefits:

- Agency heads receive a clear indicator of the state of organisational capability in their agency and can use the ratings to prioritise capability uplift.
- Central agencies and the government can use the ratings to see where whole-of-APS capability building initiatives might have the most impact.

Reviewers should consider the following when making their assessment:

- Ratings are forward looking and should not be a reflection of the agency's past performance.
- A lower rating may not mean an agency has poor capability. Rather, it may suggest that greater focus is needed in that area of capability to meet changed operating conditions.
- If there is insufficient evidence to support assessment of an element, reviewers will apply a default rating of **Emerging**.

Capability rating scale

In circumstances where an agency exhibits characteristics across more than one rating, the rating where **most** characteristics align will apply.

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

Detailed description of Capability Review Framework domains and elements

Leadership and culture

Element: Integrity and values

The capability to embed integrity and APS values in the work of the agency.

Characteristics

- To what extent does the agency monitor and address integrity issues?
- To what extent does the agency ensure third party providers demonstrate integrity and APS values in their work for the agency?
- To what extent do agency leaders model integrity and the APS values?
- To what extent do staff demonstrate integrity and the APS values in their behaviours and actions?

Element: Leadership and governance

The capability to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective.

Characteristics

- To what extent do internal and external stakeholders consider agency leadership to be of a high quality?
- To what extent do the agency leaders work together effectively?
- To what extent do agency leaders effectively communicate agency priorities and direction to staff?
- To what extent do staff understand the purpose of the agency and can link their work to its priorities?
- To what extent do management structures meet the agency's needs?
- To what extent do the agency's governance arrangements support the agency to achieve its purpose?

Element: Risk and innovation

The capability to balance risk and opportunity in way that is consistent with a fit-for-purpose risk appetite.

Characteristics

- To what extent is the agency's risk appetite appropriate for its current and future operating context?
- To what extent is the agency's risk appetite clearly communicated, well understood by staff and readily applied?
- To what extent does the agency identify, manage and escalate emerging risks?
- To what extent does the agency's decision-making balance risk and innovation?
- To what extent do leaders model and reward a balanced approach to risk and innovation?
- To what extent does the agency's culture enable open and safe conversations about risk and opportunities?
- To what extent does the agency identify and trial potential innovations, and scale what works?

Collaboration

Element: Public sector collaboration

The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities.

Characteristics

- To what extent does the agency identify and act on opportunities to collaborate with local, state, Commonwealth and international bodies?
- To what extent does the agency build relationships that are sustainable?
- To what extent is consultation with public sector agencies systemic and built into standard processes?
- To what extent is collaboration built into the agency's strategy?
- To what extent does the agency's collaboration support the public sector to operate more effectively and efficiently?
- To what extent has the agency demonstrated success delivering outcomes in partnership with other public sector agencies?
- (For departments of state) to what extent does the department have clear lines of communication and work collaboratively with portfolio agencies?

Element: Non-government partnerships and engagement

The capability to establish successful collaborative relationships with non-government entities to support agency and government priorities.

Characteristics

- To what extent does the agency identify and act on opportunities to collaborate with business, not for profit organisations, academia and peak bodies?
- To what extent does the agency engage with a diverse range of perspectives to inform policy and program development?
- To what extent does the agency build relationships that are sustainable?
- To what extent does the agency evaluate the value of its collaboration?
- To what extent does collaboration reflect the agency's priorities?
- To what extent are the agency's engagements and partnerships pursued through inclusive, accessible, culturally appropriate and psychologically safe means?
- To what extent is the agency's engagement with non-government entities open and honest about expectations, roles and responsibilities, limitations, objectives and processes?
- To what extent does the agency take responsibility its commitments and share feedback with people and communities about how they have contributed to a final decision?
- To what extent does the agency ensure all interested parties receive the same information?

First Nations partnerships

The capability to engage and establish partnerships with Aboriginal and Torres Strait Islander people, communities and organisations to meet shared priorities.

- To what extent does the agency identify and act on opportunities to engage and partner with Aboriginal and Torres Strait Islander people?

- To what extent does the agency ensure engagements and partnerships with Aboriginal and Torres Strait Islander people are pursued through inclusive, accessible, culturally appropriate and psychologically safe means?
- To what extent does the agency build relationships that are sustainable and enduring?
- To what extent does the agency monitor the health and effectiveness of partnerships with Aboriginal and Torres Strait Islander people?
- To what extent do the agency's systems and processes support staff to share accountability, data and decision-making where appropriate?
- To what extent does the agency encourage and support staff to develop cultural capability?

Internal collaboration

The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities.

Characteristics

- To what extent does the agency present a whole-of-agency view that reflects cooperation across different functions?
- To what extent do individuals and teams share their expertise to benefit the whole organisation?
- To what extent is internal consultation systemic and built into standard processes?
- To what extent do staff find it easy to find help or the answers they need within the agency?

Delivery

Element: Ministers and parliament

The capability to meet the needs of ministers and the parliament.

Characteristics

- To what extent does the agency sustain effective working relationships with ministers and their offices?
- To what extent does the agency demonstrate an understanding of the different roles of the APS, government and parliament?
- To what extent does the agency provide impartial, evidence-based advice and information that is responsive to the needs of government and the parliament and consistent with APS values?
- To what extent does the agency engage effectively with parliamentary processes? (Senate Estimates, Questions on Notice, inquiries, legislative processes, reporting etc.)

Element: User focus

The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them.

Characteristics

- To what extent does the agency engage with the people and organisations it serves in an open and authentic way?
- To what extent do those affected by the agency's work have a genuine and equitable opportunity to have their say?
- To what extent does the agency demonstrate an understanding of the needs of the people and organisations it serves, including at the cohort level?
- To what extent does the agency design and update services and policies to reflect feedback and research into user needs?
- To what extent does the agency anticipate and respond to the changing needs of users?
- To what extent does the agency consider the views and needs of a diverse range of users?

Element: Strategy

The capability to understand the system/s the agency operates in, the government's agenda, and to develop high quality advice to deliver outcomes for Australians.

Characteristics

- To what extent does the agency understand the system/s it participates in, including trends and likely changes, the levers for reform, and the government's vision?
- To what extent do staff demonstrate an understanding the system the agency operates in, its participants and their respective roles and responsibilities?
- To what extent does the agency provide advice that is timely, clear, well-reasoned, forward looking and provides relevant context?
- To what extent does the agency provide advice on different delivery options (e.g. technologies, engagement models, uses of data), including assessing risks?
- (For departments of state) To what extent does the agency support the portfolio to consider complex, whole-of-government issues?

Element: Implementation

The capability to deliver efficient and effective services, programs and other initiatives.

Characteristics

- To what extent does the agency implement government policy, programs and services efficiently and effectively?
- To what extent does the agency monitor and measure the performance of services or programs?
- To what extent does the agency routinely improve its implementation methods?
- To what extent does the agency use third party providers efficiently and effectively to deliver outcomes for the Commonwealth?

Element: Review and evaluation

The capability to use review and evaluation activities to maintain performance and drive improvement.

Characteristics

- To what extent does the agency review and evaluate policy advice and implementation?
- To what extent do the findings of review and evaluation inform policy advice and implementation?
- To what extent are review and evaluation practices embedded in agency processes?

Workforce

Element: Strategic workforce planning

The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs.

Characteristics

- To what extent are workforce planning activities consistent with agency's vision, purpose and strategy?
- To what extent does the agency understand the expertise of its workforce at individual and whole-of-organisation levels and apply skills effectively?
- To what extent does the agency strategically use recruitment, mobility, reskilling and other capability levers?
- To what extent does the agency proactively manage a pipeline of talent?

Element: Staff performance and development

The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams.

Characteristics

- To what extent does the agency identify and support high value staff development activities based on workforce planning activities and individual needs?
- To what extent do managers understand, value and enable staff development as a core responsibility?
- To what extent does the agency measure the effectiveness of skill development?
- To what extent does the agency effectively encourage high performance and remedy low performance?
- To what extent do managers encourage and enable staff development and learning that is relevant employee's duties and the future needs of the APS?

Element: Staff culture and inclusion

The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued.

Characteristics

- To what extent is the agency able to recruit and retain and value a diverse workforce?
- To what extent does the agency encourage diverse ideas, cultures and thinking?
- To what extent are staff engaged with the culture and activities of the agency?

Element: Staff safety and wellbeing

The capability to maintain a physically and psychologically safe working environment for staff.

Characteristics

- To what extent does the agency meet its work health and safety obligations?
- To what extent does the agency consider staff health and wellbeing when designing policies and initiatives?
- To what extent do staff consider their workplace to be physically and psychologically safe?
- To what extent does the agency take proactive measures to improve safety?
- To what extent is the agency's response to work health and safety incidents effective at reducing future risk?

Enabling functions

Element: Financial management

The capability to deliver financial plans that support the agency's strategic objectives, and to ensure the use of public funds is transparent, accountable, and fit for purpose.

Characteristics

- To what extent are investment and resourcing decisions aligned with strategic priorities?
- To what extent is financial planning effective and appropriate across all parts of the agency?
- To what extent can the agency present a single source of truth on budget and spending?
- To what extent does the agency understand its economic environment and likely financial trajectory?
- To what extent can the agency's resources be adapted and shifted as priorities change?
- To what extent can the agency identify, investigate, report on and address financial issues?

Element: Technology

The capability to make efficient, effective and forward looking use of technology to support the work of the agency.

Characteristics

- To what extent does technology meet staff needs?
- To what extent does the agency maintain and monitor the use of technology?
- To what extent does the agency maintain a pipeline of contemporary digital and technology expertise?
- To what extent does the agency strategically consider the value of different technologies, including when to use whole-of-government or in-house solutions?
- To what extent does the agency proactively improve its technologies and consider emerging technologies that could meet future needs?
- To what extent does the agency ensure the security of its systems?

Element: Data

The capability to make efficient, effective and forward looking use of strategic data assets to support the work of the agency.

Characteristics

- To what extent does the agency ensure the quality of information and data it holds?
- To what extent does the agency enable the use of its data internally and share it appropriately with external stakeholders?
- To what extent does the agency manage data ethically and confidentially (where appropriate)?
- To what extent does the agency maintain a pipeline of contemporary data expertise?
- To what extent does the agency use its data holdings in decision making processes?

Element: Corporate operating model

The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work.

Characteristics

- To what extent does the agency make strategic decisions about which staff-facing functions will be delivered centrally (for example finance, legal, research, procurement, ethics, technology, property etc.)?
- To what extent does the agency effectively manage tension between centralised, distributed and outsourced functions?
- To what extent does the agency effectively manage the balance of resourcing across corporate and business functions?
- To what extent do shared and corporate functions meet staff needs?