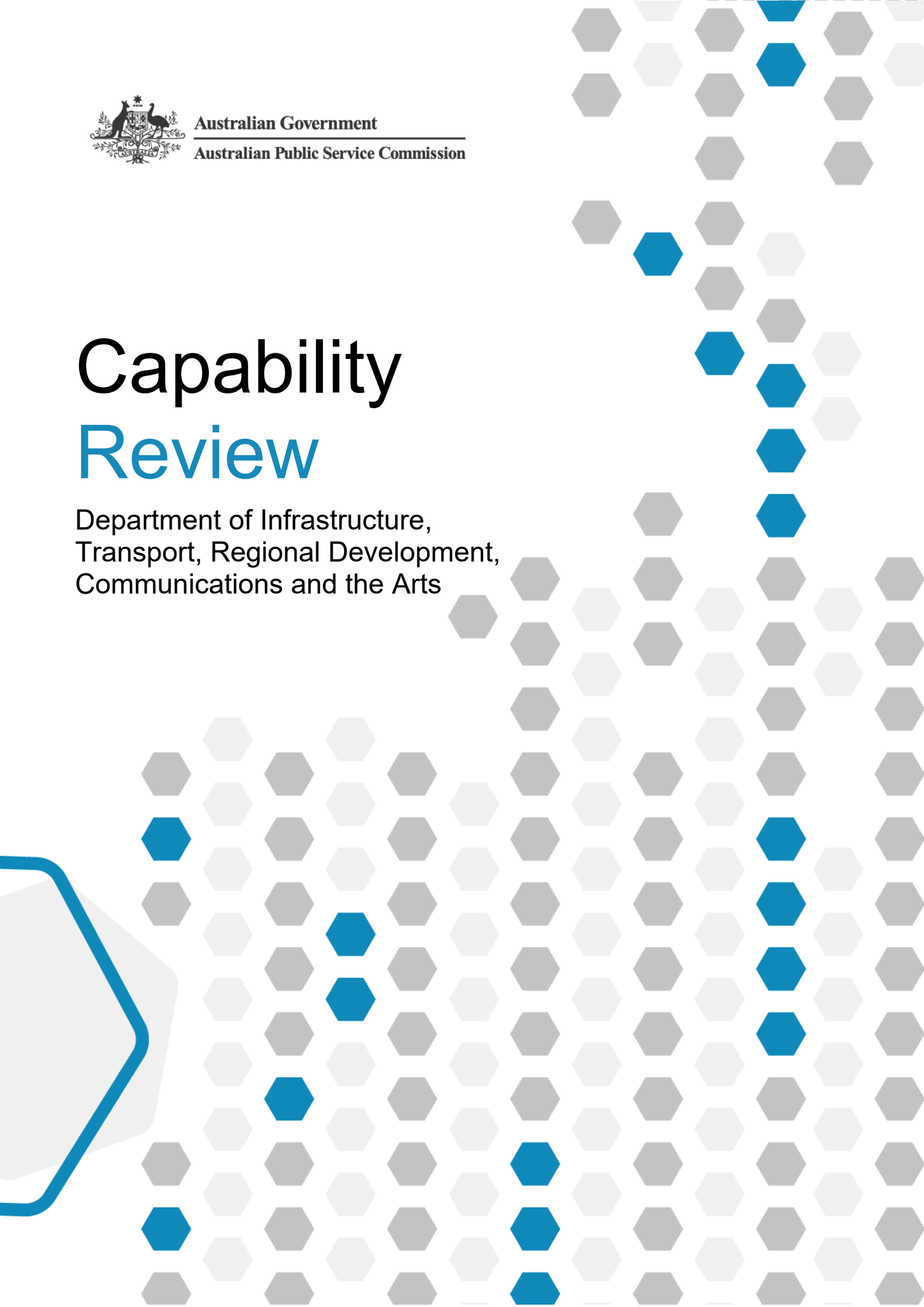


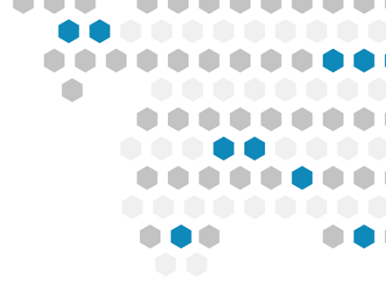


Australian Government  
Australian Public Service Commission

# Capability Review

Department of Infrastructure,  
Transport, Regional Development,  
Communications and the Arts





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Capability Review of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

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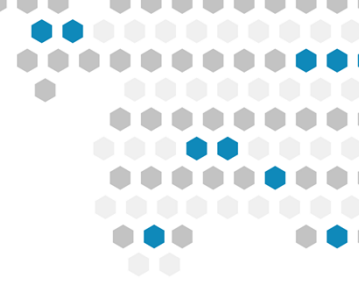
# APS Commissioner's foreword

The Australian Government has committed to a pilot Capability Review program as a part of its plan for Australian Public Service Reform. Capability Reviews are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. The aim of the review is to facilitate discussion around an organisation's desired future state, highlight organisational capability gaps and identify opportunities to address them.

My thanks to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for volunteering to be one of the first agencies to participate in a capability review. The willingness of staff at all levels to engage with the review team made for a particularly constructive, collaborative and open process. Led by Secretary Jim Betts, department staff have seen the review as an opportunity to capitalise on the department's strengths built over time under the stewardship of previous secretaries and talk frankly about areas for development. The department's open and collaborative approach bodes well for changes coming out of this report.

I would like to thank Robyn Kruk AO, Professor Adam Fennessy PSM and Roxanne Kelley PSM for leading this review, as well as the teams that have supported them from the Australian Public Service Commission and the Department.

Dr Gordon de Brouwer  
Australian Public Service Commissioner



# Senior review team's foreword

We are delighted to have had the privilege to review the capability of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, as part of the pilot APS Capability Review Program.

Firstly, we would like to acknowledge that the department volunteered to be part of the Capability Review pilot program and we recognise the effort it made to encourage people with a wide range of views and perspectives to contribute. This allowed us a comprehensive view of the department's capability now and into the future.

We are grateful for the generous input we received from staff at all levels of the department and stakeholders across governments and industry. The review benefitted from the input of 55 individual interviews and 100 participants in 7 staff workshops.

We have identified a range of areas the department should focus on over the next 4 years (refer to [excellence horizon](#)). The department has already started to embrace several key findings, which is encouraging. The department asked us to highlight which findings are a priority to implement within the next 6 months. We suggest the following:

- **Articulate what the department is trying to achieve for Australia, taking into account changed circumstances.** The department has an opportunity to refresh its narrative and purpose statement in a way that reflects a new government and its priorities as well as future challenges.
- **Take steps to address a perception of insularity.** This includes making sure collaboration, both internally and externally, is an expected behaviour and is visibly valued and rewarded. The department can leverage instances of good practice (like those identified in this report) to form the basis of a consistent operating style across the organisation.
- **Finalise workforce plan.** This should be seen as an opportunity to set a whole-of-enterprise direction and begin work to address workforce challenges identified in this report. The plan should be a living document that is responsive to changing circumstances.

We also encourage the department to maintain focus on its critical uplift of information and communications technology (ICT), given the consistent feedback about it being a major barrier to 'feeling' like one department.

The department's contributions continue to challenge, inspire and remind us about the importance of the work it does, now and into the future, to support Australian communities, businesses and the natural environment.

It has been a pleasure to work with the department on this review and we thank all staff for their engagement, specifically the senior leadership team and support staff. We are grateful for the diligent and tireless work of Paris and Jess from the Australian Public Service Commission's review support team. Without their valuable help, we could not have developed this report and provided findings to enhance the capability of the department.

**Robyn Kruk AO**

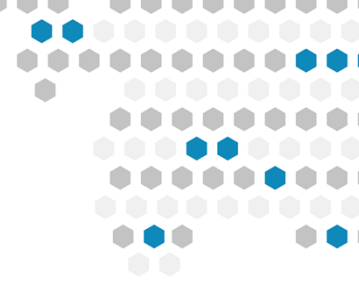
**Professor Adam Fennessy PSM**

**Roxanne Kelley PSM**



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# Context

## About the review

The pilot Capability Review Program was a recommendation in the 2019 *Independent Review of the Australian Public Service* led by David Thodey AO (the Thodey review). The aim of the program is to:

- embed a culture of continuous improvement across the APS
- ensure that APS agencies can deliver government priorities and outcomes for Australians.

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

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

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 core domains – leadership and culture, collaboration, delivery, people, and resourcing and risk.

Appendix B has more on these domains and associated elements.

The review assesses the agency's current capabilities and preparedness to deliver critical capabilities in the medium-term. It gives the agency a maturity rating against 24 capability elements to indicate the most promising areas for growth. The terms of reference for this review were changed slightly to give the reviewers a remit to pay special focus to the department's capability to achieve outcomes with First Nations communities and employees.

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

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.

The review team spoke to department staff at all levels across the organisation, as well as external stakeholders, including relevant ministers, other federal government agencies, state and territory government agencies, and industry representatives.

Reviewers interviewed 55 internal and external stakeholders and held workshops with 100 members of staff between February and May 2023. This was supported by desktop research and analysis of APS workforce data sets including the APS Employee Database, the APS Employee Census and the APS Agency Survey.



## About the agency

The department's work touches the lives of every Australian, every day. It provides strategic policy advice, administers legislation and regulations, and delivers programs and services across many areas.

During this capability review, it has been described as an 'omnibus department', 'a conglomerate' and an organisation with 'an unbelievably broad set of functions'. It has a wide remit following machinery of government changes in 2020. Its functions reach from public infrastructure like airports and stadiums, and road, rail and air safety to communications infrastructure, regional communities, media and online safety, and access to and participation in the arts. The department serves 7 ministers and is accountable for policy and operational priorities including modernising media regulation, supporting arts and culture, establishing a sovereign maritime fleet, delivering on inland rail commitments, and funding community projects across Australia's regions.

Jim Betts commenced in the role of secretary in July 2022. He leads the department and oversees 29 portfolio entities with significant delivery and regulatory responsibilities of their own.<sup>1</sup> A full list of portfolio entities is at Appendix C.

The department has 5 purposes identified in its corporate plan:

- regional development
- transport connectivity
- territories
- communications connectivity
- creativity and culture.

The department is made up of 19 divisions organised into 6 groups:

- Creative Economy and the Arts
- Chief Operating Officer
- Transport
- Infrastructure
- Communications and Media
- Regions, Cities and Territories.

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<sup>1</sup> A portfolio is a minister's area of responsibility. Within each portfolio, there are one or more departments, agencies, government appointed boards, and/or other boards and structures.

### Machinery of government changes

The department has gone through 4 major machinery of government changes since 2010 and many smaller ones adding or removing specific functions. The most recent was the merger of the Department of Infrastructure, Transport, Cities and Regional Development with the Department of Communications and the Arts in early 2020. This change came just before the onset of COVID-19 lockdowns in Australia, which delayed work to integrate the 2 organisations. Many aspects of the department's operations and capability have been impacted by the 2020 machinery of government changes as will be detailed in the body of this report. Three years on, the department still struggles to see itself as one enterprise. The fragmentation of ICT systems was consistently raised as tangible evidence of the lack of integration.

## Agency characteristics

From the Australian Public Service Employment Database as at 31 December, 2022:

<b>Number of employees</b>	1,963
<b>Full-time</b>	88%
<b>Part-time</b>	12%

Diversity characteristics	Number	% of total staff
Women	1,189	60.60%
Men	774	39.40%
First Nations	51	2.60%
Employees with a disability	114	5.80%
Non-English speaking background	286	14.60%

The department's current priorities are to:

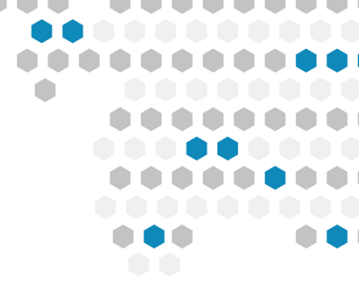
- continue its work to re-shape and reform Australia's media landscape and Australia Post in the digital era
- implement *Revive* – a new National Cultural Policy to celebrate and invest in the arts, entertainment and cultural sector
- deliver the government's commitments to a National Rail Action Plan, Heavy Vehicle Law Reform, Aviation White Paper and a Maritime Strategic Fleet
- support government to reach emission reduction targets and achieve net zero, including reducing emissions in the transport and infrastructure sectors, and the National Electric Vehicle Strategy





- improve infrastructure across Australia through a new National Partnership Agreement and place-based partnerships
- support resilient communities through the Urban Precincts and Partnerships program and Thriving Suburbs program in urban and suburban areas, and the Precincts and Partnerships and Growing Regions program in regional areas
- manage government investment in regional telecommunications, valued at approximately \$1.6 billion over the next 5 years (including new and existing funding)
- oversee NBN Co's delivery of over \$3 billion in significant upgrades to the national broadband network to better connect rural and regional areas and expand the full fibre footprint
- introduce reforms to Australia's media landscape and develop a medium term media reform program
- introduce responses to harms from digital platforms through dis and mis-information and through a review of Australia's online safety laws
- respond to community concerns around levels of online gambling in Australia
- oversee a range of nationally significant infrastructure projects including Western Sydney Airport, Inland Rail, and work with other Australian Government departments and the Queensland Government to support the Brisbane 2023 Olympic and Paralympic games.

The department aspires to uplift capability in the way it implements responsibilities under the National Agreement on Closing the Gap. It is responsible for delivering targets related to community infrastructure (9b), language (16) and digital inclusion (17), and supporting 4 Priority Reforms that aim to change the way governments work with Aboriginal and Torres Strait Islander people, communities and organisations. The department's Reconciliation Action Plan will guide practical actions under Closing the Gap Priority Reform 3, transforming the organisation so it works better for Aboriginal and Torres Strait Islander people.



# Overview

## Excellence horizon

The excellence horizon is an opportunity to map the environmental or contextual trends that will affect the agency and its resources, stakeholders and the users of its services over the next 4 years. This forecast shaped the review's assessment of the capabilities the department will need to deliver its outcomes and programs now and in the future.

## Megatrends

In 2022, Australia's national science agency, CSIRO, updated its *Our Future World* report, expanding its forecast of the geopolitical, economic, social, technological and environmental forces unfolding around the world out to 2042. It identified the following 7 'megatrends' to guide long-term investment, strategic and policy directions across government, industry, the not-for-profit sector and the broader Australian community.

While this capability review focuses on a nearer-term horizon, several of these megatrends will begin to shape the department's capability needs over the next 4 years. Trends of particular relevance include 'Leaner, cleaner and greener', 'Diving into digital' and 'Unlocking the human dimension'.

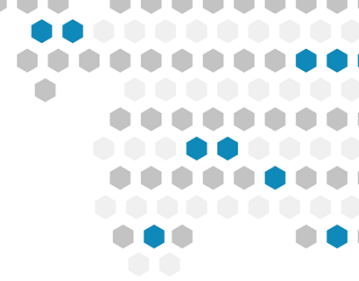
### **Leaner, cleaner and greener**

Achieving Australia's net zero transformation represents one of the most significant economic structural shifts since the Industrial Revolution. It comes with challenges, as well as significant growth opportunities for the Australian economy, and will accelerate investment in capital, people and communities. CSIRO forecasts an increased focus on potential solutions to Australia's resource challenge including advanced recycling.

Decarbonisation is already a policy priority for the department, as it will have a major role in the infrastructure and transport sectors' transition to a zero carbon future. With ambitious targets and extensive stakeholder interests, the work on the transition to net zero for infrastructure, communications and regional communities will need to prepare sectors of the Australian economy to move up the value chain and support fair transition pathways. The department will need specific skills to track, measure and model sector-wide carbon emissions, to assess the success of decarbonisation efforts. It will need well-developed engagement, collaboration and negotiation skills to support this process.

### **Diving into digital**

Data and digital technologies continue to re-shape society and, with it, the economy. Australia must have the right policy settings to harness the benefits of technological change and create more and equitably shared opportunities for Australian people. This includes putting the right enabling infrastructure in place, implementing regulation that protects consumers, and enabling dynamic and competitive markets. The nature of work is shifting, with new tools that allow workers to do more with less, and businesses demanding new skills. Employees increasingly expect to be supported to work remotely, which will increase pressure on IT and digital capability,



including digital service delivery and connection to customers. In addition, there will be increased challenges associated with data governance, artificial intelligence and cyber security.

## Unlocking the human dimension

CSIRO notes that emerging social trends have heightened the influence of human perspectives and experiences on community, business, technology and policy decisions. The government expects the APS to have a sophisticated understanding of citizens and the ability to engage meaningfully with the community it serves. This will drive a demand for new types of research and engagement capability in the department.

## Economic outlook

The next 4 years will be characterised by economic uncertainty. The 2023–24 Federal Budget noted that:

*‘The global economic outlook has deteriorated and is highly uncertain. High inflation and rising interest rates will see the weakest 2 years for the global economy in over 2 decades, outside of the Global Financial Crisis and the pandemic.’*

*Australian Government Budget Paper 1 2023–24, Economic Outlook*

The Department of the Treasury is tracking an elevated risk of recession across major advanced economies. The ongoing impact of the Russian invasion of Ukraine is unpredictable, although budget papers note the impact on skills and supply chains is beginning to subside.

The transition to a net zero future will impact the markets the department regulates. The department must consider how it will interact with a circular economy and how it will support the fair transition of economies and communities negatively affected by the decommissioning of legacy energy sources. The department will need to ensure it delivers projects that are sustainable, impactful, and drive lasting economic growth.

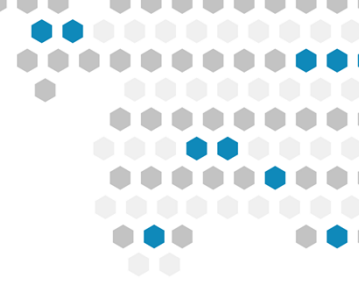
At the public sector level, the Australian Government remains focused on budget repair and spending restraint in an effort to drive down inflation.

The department’s average staffing level (ASL) will increase by 186 to 2,004 in 2023–24 due to decisions in the 2023–24 Federal Budget. However, budget restraint will demand more strategic and efficient use of existing resources over the forward estimates.

The unemployment rate is projected to remain at historical lows over the period to 2024–25, which means APS employers must remain diligent to compete in a tight market for expertise and skills in priority areas.

## ‘Radical uncertainty’

People interviewed for this review described current global conditions as ‘radical uncertainty’ and ‘polycrisis’. We are entering an unpredictable economic future with heightened risks resulting from geo-political uncertainty and strategic competition. In addition, the effects of climate change mean natural disasters will be more frequent and severe.



The department must consider the impact of these conditions on its ability to deliver on commitments to government and Australians. The global pandemic and conflict in Ukraine have already affected the supply chains the department relies on to deliver its \$120 billion forward pipeline of infrastructure investment projects.

Infrastructure, transport and communications projects will be challenged by a shortage of skilled professionals, notably in the construction sector. According to Infrastructure Australia analysis, a record level of investment in major infrastructure projects across Australia means demand for labour is forecast to exceed engineering workforce capacity in all years to 2025. Vacancies in engineering roles have remained above the economy-wide average for over a decade. This will increase the risk of project delays and budget overruns.

## Changing expectations of government

*'The APS needs to continue evolving to ensure we are always ready to deliver what the Australian people expect of us.'*

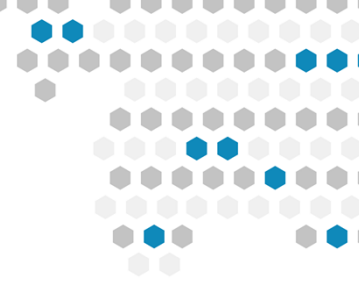
*Former Public Service Commissioner, Peter Woolcott AO in the 2021–22 State of the Service Report*

The department will need to keep up with changing expectations of how the APS will operate and meet the needs of Australians. In the coming years, government will continue to confront issues like climate change, natural disasters, inflation and converging industries that will require a coordinated response from multiple departments, jurisdictions and the impacted communities. The APS will need to work in an interconnected way with its partners and optimise the respective resources and expertise of different contributors. This will be especially important to deliver the government's priority reforms for First Nations people, particularly the ongoing focus on the Closing the Gap National Agreement. The department must make sure it has the capability profile and systematised operating principles needed to contribute to these goals. At the same time, the government is focused on reversing the ongoing decline in trust in public institutions, which will make capabilities like integrity and stewardship increasingly important.

## Agency strengths

The department's work is critical to the economic and social well-being of the nation. The government's policy agenda will create more opportunities and greater expectation that the department will contribute at a national and regional level in areas such as productivity, safety, communications, creative industries, climate change mitigation and emission reduction strategies, place-based initiatives and First Nations partnerships to meet Closing the Gap targets. Staff rightly feel proud of the tangible differences they make to the lives of Australians every day. They openly offered suggestions for how the department might realise these opportunities, acknowledging the urgency of many of its key accountabilities.

The review found strong pockets of capability in all the domains. This provides a strong foundation for the department to build on by turning separate cases of good practice into a consistent operating standard across the organisation, and leveraging existing capability.



## Leadership and culture

The leadership team demonstrated humility and openness towards this capability review, and a genuine desire to make improvements. The secretary has described the culture and behaviours he wants to see in the Executive Leadership Team (ELT) and right across the department, highlighting changed expectations of government and the community. The department is reinvigorating its confidence and technical expertise to provide policy options and ideas to ministers and the Australian Parliament. This comes in response to renewed demand for ambitious policy ideas from the APS. The department's leadership is conscious of the changed expectations of ministers and the resulting changes it must make to its operating style. It is adopting a more proactive, long-sighted approach to interactions with government and community partners, in response to policy and implementation challenges and a tightening fiscal environment. The leadership team has begun implementing purposeful integration to support cultural and behavioural change in areas like project management, integrity, risk and inclusion, and embedding a customer-focus. Specific examples of good practice include:

- establishing new, dedicated teams to drive the department's contribution to urgent national priorities like decarbonisation and achieving better outcomes with First Nations Australians
- developing a department-wide evaluation strategy that aligns with APS standards to ensure programs and policies are evaluation-ready from the outset.

## Collaboration

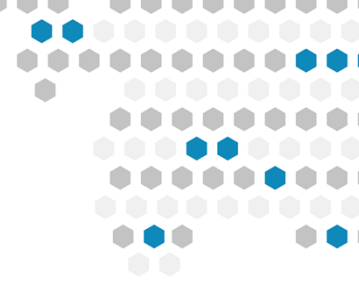
The department has strong relationships developed over many years. Several areas of the department demonstrate good practice collaborating internally and with government and non-government stakeholders. The secretary is further strengthening relationships with jurisdictions, industry and community partners. The department has demonstrated effective approaches to collaboration that can be scaled up, such as:

- the Agency Oversight Community of Practice, which demonstrates how to expand good ideas and best practice for oversight of Government Business Enterprises across the organisation
- the 2021–2030 National Road Safety Strategy, which brings all tiers of Australian governments together to deliver integrated policy and programs for safe roads, safe vehicles and safe road use.

## Delivery

The department employs subject matter experts with deep technical expertise built up over many years working in their policy areas. In many cases, staff members may be the sole authority on specific areas of regulation, industry practice and government policy. The department acknowledges it frequently does not hold all the key levers to drive outcomes. It is increasing efforts to identify and retain core competencies and build partnerships to address the policy and implementation challenges identified in the excellence horizon. It is also seeking to improve the way it measures performance against key outcomes. Examples include:

- the National Cultural Policy, *Revive*, which demonstrates how the department can reach beyond the organisation to develop policy that reflects the views of diverse stakeholders
- the department's considered, timely contribution to the National Electric Vehicle Strategy.



## People

This review has given its highest maturity rating to the quality of the department's staff engagement and experience. Staff feel valued and say their work is varied and interesting. They described the culture as warm and supportive. Many people who contributed to this review said it is their colleagues and teams who inspire them to continue working for the organisation. This sort of cultural strength is hard won and should be nurtured and leveraged at all levels. Work is underway to better understand what attracts, retains and drives people to work in the department. For example, staff value the breadth of experiences they can have at this department, which may not be available elsewhere in the APS. The department has begun important work towards an enterprise-wide workforce plan. Areas of the department have also tried new ways of working to attract, enhance and retain talent, including:

- introducing graduate-style rotations for APS-level staff and a chance to shadow the secretary for a day
- assessing enterprise-wide priority capability gaps
- recruiting flexibly in response to a changing market, for example running 'location-blind' bulk rounds to attract applicants from all over Australia.

## Resourcing and risk

The department is clear-headed about the resourcing and structural challenges it faces and the limited maturity of its corporate and enabling services. It is taking a customer-centred approach to re-designing its future operating systems and uplifting capabilities in change management, human resources, finance, and information technology areas to enhance overall efficiency and effectiveness and to mitigate enterprise risks. While these reforms are still new, they demonstrate a contemporary and customer-focused approach. Specific examples include:

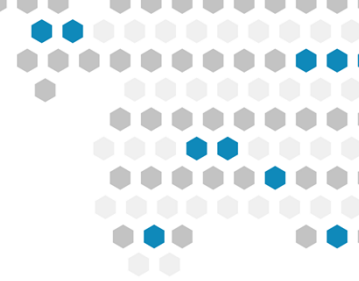
- a customer-centred approach to the Corporate Service Delivery Program, which will inform the future strategy for corporate services in the department
- greater engagement by the ELT on risk identification, mitigation and management on an enterprise basis.

## Areas for capability improvement

This capability review is deliberately forward-looking. It has considered the organisation's desired future state, capability gaps and opportunities to address them. It is not an audit of current or past performance. Rather it is an opportunity to look at the department's strengths and opportunities for improvement, drawing on feedback from ministers, departmental staff, other APS agencies, and key stakeholders from the community, industry and sector.

The review team greatly appreciated the department's self-assessment, which was a powerful, humble and honest guide to the organisation's strengths and opportunities. The department understands a business-as-usual approach is not sufficient to address current and anticipated challenges, or realise the opportunities created by bringing together all current functions into a single department.

The review has rated many of the department's capabilities as 'developing'. This reflects the fact the department is a diverse entity and, while there are pockets of excellence and new enterprise-wide initiatives, many are at a



conceptual or developmental stage and do not constitute a systematised or consistent operating style across the department. In many cases, the department can strengthen its capability by continuing to implement these enterprise-wide initiatives, with to ensure the result is consistent, embedded and enduring.

In some cases the capabilities the department needs already exist but are not visible or accessible enough to support whole-of-department objectives. There is an opportunity to build structures that will help staff identify enterprise-wide capabilities and systems. The department must drive a culture with positive attitudes – such as confidence, integrity and openness – to enable these capabilities to develop and thrive.

Machinery of government changes and fiscal constraints have had a profound impact on the development and integration of the department's enabling systems. These are not at the maturity level needed to support a department with a budget, scope, risk and geographic footprint of this scale.

Given this department's important role, we trust this review will provide the catalyst to strategically assess the way it works. This should include a common understanding of its roles and responsibilities, what needs to be centrally managed and standardised across the organisation, and where it can add value to relationships rather than overlapping with delivery partners.

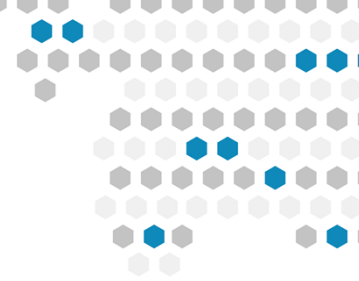
## Leadership and culture

The department needs to clearly articulate its purpose and what it is trying to achieve for Australia in a changed political and economic environment. This includes the specific role it will play responding to that change and how it will measure success. This purpose statement needs to be underpinned by an organisational structure and budget allocation processes that reflect the priorities of the current government and optimise resources. Its structure must enable purposeful integration across functions to combat silos and encourage sharing of skills and ideas. This review supports a functional review or similar process to inform this work.

The department has articulated its desired cultural reforms in areas such as integrity, risk, collaboration and diversity. However, it needs to do more to embed these reforms at the working level. Staff feedback reaffirmed the importance of leaders demonstrating the behaviours the secretary is championing, so that enterprise-wide frameworks and strategies are seen as trusted and legitimate. This will be critical for setting the organisation up to implement and embed findings of the Royal Commission into the Robodebt Scheme and to proactively respond to the operation of a National Anti-Corruption Commission.

Specifically, the department has an opportunity to:

- ensure leaders visibly model integrity and promote a pro-integrity culture with a safe reporting functionality for staff
- lift evaluation capability by leveraging recommendations of the Australian National Audit Office (ANAO) 2022–23 Performance Statements Audit Program
- ensure integrity and assurance processes conform with ANAO recommendations, requirements of the National Anti-Corruption Commission and findings of the Robodebt Royal Commission.



## Collaboration

The department must combat a perception of being insular and reluctant to accept advice and expertise from external partners and stakeholders. The review found notable exceptions to this tendency, where areas of the department were demonstrating effective and structured external engagement. The department should use these examples as models to follow more widely across the organisation. As part of its future operating model, the department must try to make good practice approaches consistent across the organisation. In a tight fiscal environment, it must leverage the collective capability of its partners to achieve common objectives.

Specifically, the department has an opportunity to:

- drive collaboration as a key behaviour in its purpose, vision, strategy, behaviours and supporting performance metrics
- use its purpose statement to inform its strategies, priorities and allocation of internal resources
- maximise its influence on whole-of-government initiatives by adopting the role of convener for major national policy priorities, including decarbonisation and First Nations outcomes
- ensure changed government expectations, priorities and risk tolerances are understood at all levels
- continue initiatives such as Communities of Practice to leverage expertise and good practice
- provide greater clarity and consistency for governance and oversight of Government Business Enterprises and other portfolio bodies
- develop, maintain and value an in-house citizen engagement and consultation capability, building upon place-based engagement expertise in its Regions, Cities and Territories Group
- conduct more face-to-face community and stakeholder engagement outside Canberra
- develop succession plans for core competencies that reflect the impact of personnel changes on stakeholder relationships and joint projects
- adopt a more systematised and inclusive approach to engaging with industry and other non-government sectors
- incorporate co-design principles into engagement to ensure new policy and regulation better reflects the needs of business and the community.

## Delivery

The department must enhance its delivery capability to meet changing expectations of the government and citizens. This means fostering an environment where staff feel inspired and confident to contribute their best ideas and expertise. Government and community expectations are moving more quickly than current departmental engagement processes. The department needs to be prepared for outcomes of the Voice to Parliament referendum, acknowledging the significant impacts this will have on its staff and the need to maintain and build momentum on key First Nations objectives.

Specifically, the department has an opportunity to:

- strengthen strategic policy capability, including its interface with regulatory and legislative processes





- emphasise its important role in supporting the national economy
- strengthen capability in APS craft such as delivering effective policy advice to ministers
- drive a customer service mindset across the organisation (for both internal and external customers)
- learn from and work with the National Indigenous Australians Agency and other community and jurisdictional leaders to deliver better outcomes with First Nations communities, by leveraging investment and delivery.

## People

The department should be commended for beginning work on an enterprise-wide workforce plan. It is critical that the workforce plan provides metrics, tools and strategies to guide the appropriate balance between generalist and specialist skills, expertise and experience on a department-wide basis. It should have a specific focus on attracting, retaining and building expertise in the department and driving a performance-based culture.

The review has identified opportunities for the department to leverage its competitive advantage, such as supporting recruitment beyond Canberra and embedding greater consistency and operational support for flexible work. There is an opportunity for the department to enhance work towards existing priorities through the workforce plan, such as increasing First Nations representation in its workforce.

Specifically, the department has an opportunity to:

- prioritise development of skills identified in this review, which align with the department's self-assessment:
  - strategic policy
  - project and program management
  - regulation and legislation
  - citizen engagement
  - data handling and analysis
  - ICT and digital
  - evaluation and benefits management
- co-design the workforce plan with input from departmental business areas
- leverage existing workforce data, such as the APS Employee Census, to build an understanding of what motivates staff to choose one employer over another to assist in attracting and retaining critical capabilities
- establish a consistent and supported approach to recruitment outside Canberra
- increase emphasis on staff development and career pathways
- embed consistent attitudes towards flexible work that reflect principles agreed by Secretaries Board
- ensure performance management is recognised as a business-wide responsibility
- clarify the role of diversity networks in relation to enabling functions such as human resources
- reward and recognise the extracurricular work of diversity network members



- acknowledge and address barriers to cultural safety for First Nations staff and provide more opportunities for First Nations staff to act in Senior Executive Service (SES) roles
- consider establishing a panel of independent experts or other means of building and enhancing in-house expertise in areas such as science, land use planning, modelling and engineering.

## Resourcing and risk

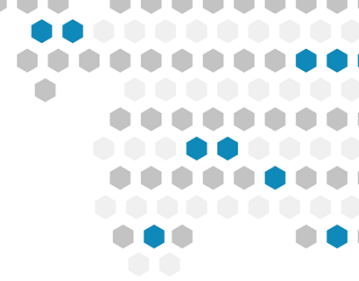
Machinery of government changes paired with a history of underinvestment has led to the department relying on legacy technologies and manual systems. As a consequence, staff spend too much time and effort on low value work. Budget constraints, including the impact of efficiency dividends, have reduced the size and capability of the corporate area, further limiting the capacity at the centre of the department.

The review heard the department can be siloed, with many comments focused on the impact of machinery of government changes. Silos are not uncommon in large, diverse organisations. To combat this tendency, the ELT needs to consider what the 'strategic centre' of the organisation needs to be. For example, what functions, processes and ways of working must be consistent at an enterprise level to optimise the department's capability? This theme reappears in several of the domains assessed for this review. It equally applies to common approaches to governance of portfolio bodies, collaboration and enterprise-wide workforce planning.

The Chief Operating Officer's Group will play a critical role in designing and embedding these central ways of working. However, to be successful, this must be led by a collegiate and supportive ELT and authentically co-owned by business areas across the department. This will involve the ELT agreeing which enabling functions are resourcing priorities for the organisation. The department needs to prioritise and accelerate modernisation of its enabling ICT tools so it does not fall behind competing employers, and staff spend time on higher value work.

Specifically, the department has an opportunity to:





- extend the scope of its Corporate Service Delivery Program to consider what functions, processes and standards need to be consistent and centrally governed
- ensure technology uplift is co-owned by members of ELT as a whole-of-organisation priority
- drive modern, cloud-based solutions to deliver capability dividends
- ensure decisions about corporate issues that impact on staff are well communicated to all staff (for example, property and information technology decisions)
- promote awareness and use of tools like the Ready Access to Data Analytics and Reporting (RADAR) system
- ensure finance systems are fit-for-purpose and enable efficient, accurate and timely budget management
- ensure the leadership team amplifies and drives the work of the Assurance, Integrity, Risk and Governance branch on centralised, coordinated risk and integrity frameworks
- consider a functional review of the organisation and its structure
- seek specialist input and guidance on uplifting the department's cyber security capability.

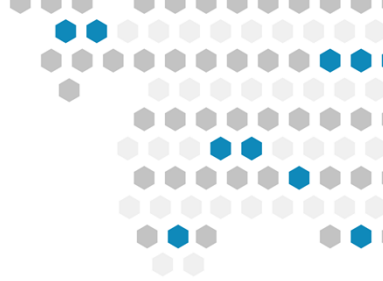


# Detailed assessment of agency capability

This section outlines the rating scale used to assess the department, summarises the department’s ratings against each element of the 5 domains assessed, and provides an assessment of the department’s capability based on the Capability Review Framework summarised at Appendix B.

## Rating scale and summary of department’s ratings

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



## Leadership and culture

Element	Department's high-level maturity rating	
Purpose, vision and strategy	✓	<i>Developing</i>
Values, culture and behaviour	✓	<i>Developing</i>
Leadership and governance	✓	<i>Developing</i>
Review and evaluation	✓	<i>Emerging</i>
Embodies integrity	✓	<i>Developing</i>

## Collaboration

Element	Department's high-level maturity rating	
Engagement with ministers	✓	<i>Developing</i>
Contribution to the public sector (federal, state/territory, local and international)	✓	<i>Developing</i>
Partnerships and engagement outside the public sector	✓	<i>Developing</i>
Putting people and business at the centre of policy and services	✓	<i>Developing</i>

## Delivery

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

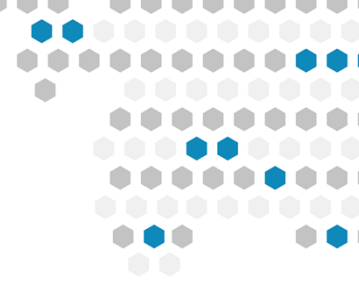


## People






Element	Department's high-level maturity rating	
Strategic workforce planning and development		<i>Developing</i>
Staff performance and capability		<i>Developing</i>
Staff engagement and experience		<i>Embedded</i>
Model employer		<i>Developing</i>

## Resourcing and risk

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



## Leadership and culture

Element	Description	Department's high-level maturity rating	
Purpose, vision and strategy	The capability to develop an appropriate purpose, vision and strategy based upon government priorities and legislative functions and successfully communicate these to staff, stakeholders and users.		<b>Developing</b>
Values, culture and behaviour	The capability to foster a culture of continuous improvement and innovation and measure the benefit of these activities to policy, programs and service delivery.		<b>Developing</b>
Leadership and governance	The capability to deliver effective leadership, including good decision-making, to identify and develop leaders, and establish organisational structures that are efficient and effective.		<b>Developing</b>
Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.		<b>Emerging</b>
Embodies integrity	The capability to promote and embed integrity and APS values across all business areas of an agency in a way that informs and influences business practices across the agency.		<b>Developing</b>

### A broad and complex organisation

During interviews, stakeholders acknowledged the challenge of framing a shared departmental purpose given the organisation's many and varied functions. This was made more challenging by machinery of government changes which created a sense of transience and caused some staff to question the longevity of the current arrangement. Responding to COVID-19 and its impact on the workforce has delayed realising the potential benefits of the aggregation and co-location of these functional areas and associated capabilities.

Some interviewees asked if a shared departmental vision is even necessary. They said as long as staff are invested in delivering for Australians, then a catch-all is not essential. As one executive suggested: 'If they're attached to public service that's a tick. It doesn't need to be [to] a certain acronym'. The review found internal stakeholders were more interested in purposeful integration to unlock a range of benefits including enabling them to better



leverage capabilities, strengthening data and analytical foundations, identifying synergies, coordinating key programs at the regional and national level, strengthening departmental integrity, risk and assurance processes, and sharing resources.

The secretary has set a clear expectation for the culture and values of the department. He wants people to be kind, inclusive, collaborative, creative, daring and fearless (as stated in his address to all staff on 18 May 2023). He has encouraged staff to seize the moment of strategic opportunity to think creatively and offer up long-term, evidence-based policy ideas.

## Focusing on collaboration and leveraging expertise

Staff described the department as a place with many cultures and subcultures – particularly across functions, but that there is value in this diversity and the cultures aren't in conflict. Some questioned whether the department is 'too nice' – a theme that is explored later in this report.

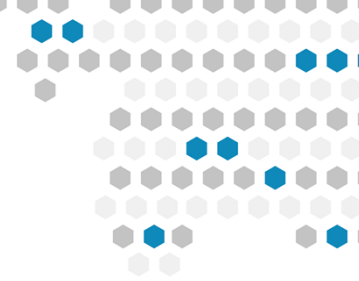
Stakeholders commented that the secretary has used his initial period of leadership to establish and strengthen relationships with jurisdictional and industry partners. This builds on his established expertise and networks in the transport and infrastructure areas at the state government level. He has implemented early organisational changes to progress First Nations priorities and net zero commitments.

Many external stakeholders were of the view that the department can be too insular and risk averse. The review found engagements were often based on existing relationships rather than a systematised way of doing business. In addition, a number of stakeholders described a tendency to rely on internal experience and technical knowledge rather than reaching outside the organisation to other areas of expertise: 'They're big so they think they can do things themselves,' said one stakeholder. Some stakeholders pointed to pockets of useful capability within their own organisations and expressed an eagerness to help. They noted that reaching out beyond the department would inject fresh thinking and broader perspectives into the policy development process. Some of these themes are explored further in the [Collaboration section](#).

## Authentic leadership

The department is trying to drive cultural change on several fronts, such as inclusion, flexible work, policy ambition, cultural safety and integrity. Changing culture can be difficult and time consuming. The review heard that staff at the department value authenticity, particularly from their leaders, and pay a lot of attention to the behaviours they model.

For the department's strategies for change to be seen as trusted and legitimate, its leaders must authentically demonstrate the kinds of behaviour the department is trying to promote. The review held workshops with 100 staff from the APS 5 to SES Band 1 levels. Facilitators asked participants to anonymously answer the question 'what piece of advice would you give the secretary?'. A major theme from the responses was ensuring the department's senior leadership team is 'walking the talk' on the department's culture and values, specifically inclusion, dismantling hierarchical cultures, flexible work and people-centric attitudes. Staff said any perceived disconnect between departmental messaging and actions damages the legitimacy of its reform initiatives.



## Structures and behaviours that support effective decisions

The ELT has already started to change key internal governance structures to prepare for a changing set of priorities. This includes amending the scope, functions and membership of the ELT and Tier 2 committees – the Enabling Committee and the Priority and Delivery Committee. An Investment Committee is being established to manage internal budget allocations and prioritisation. The decision to expand the membership of the department’s Tier 2 Committees to include SES Band 2 members has been welcomed as means of enhancing capability building and succession planning.

As budgets tighten, sharing staff and funding across group lines will be critical to making the most of the resources at hand. This will minimise duplication of efforts and set an example for the type of collaboration and purposeful integration the department, including senior leadership, seeks to model. The review supports a functional review or similar process to ensure departmental resource allocation and functional capability reflects the government’s priorities and not legacy allocations.

## Driving continuous improvement

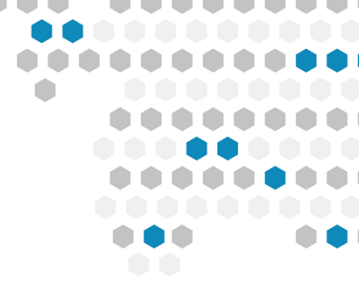
The review assessed the department’s review and evaluation capability as ‘emerging’, which matches the department’s self-assessment of this function. The department acknowledges that evaluation of policy outcomes is often treated as a ‘secondary focus’ in many parts of the department, and isn’t typically factored into the costing of new policies or projects.

Evaluation is recognised as a shortcoming right across the public service. The Thodey review found a need to rebuild the APS’s expertise in evaluation, research, and integrated social, economic and security policy advice. Research commissioned for the Thodey review found that the APS’s approach to evaluation is ‘piecemeal in both scope and quality’ and that this ‘diminishes accountability and is a significant barrier to evidence-based policy-making’. Evaluation processes are further complicated by the often indirect nature of the department’s role in delivering outcomes. This includes jointly funded transport projects delivered by state, territory and local governments, or regional development grants ultimately managed by third party recipients.

The department is taking steps to lift its evaluation capability. It has recently established a dedicated team within the Strategy, Economic Policy and Evaluation branch. This team intends to release a department-wide evaluation strategy later this calendar year. It will align the strategy to government-wide evaluation practices set by the Department of Finance and Department of the Treasury. The plan is to build evaluation into the design of new grants programs, and create program logics that will enable programs and policies to be made ‘evaluation-ready’ from the outset.

The department needs to strengthen broader capability in evaluation and performance reporting. It may have an opportunity to consider this capability in more depth as part of its involvement in the ANAO Performance Statements Audit Program. The program focuses on driving improvements in the transparency and quality of entities’ performance reporting. The department should reach out to leverage capability and best practice from other departments who have already been audited, and the Department of the Treasury, which was recently funded to establish an Australian Centre for Evaluation.





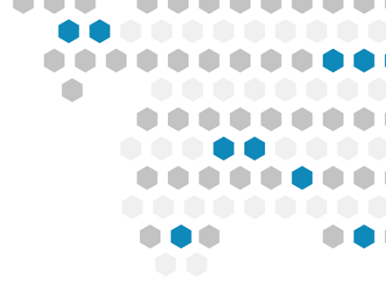
## Integrity as a priority

This government was elected with an integrity mandate including establishing a National Anti-Corruption Commission (which began operations on 1 July 2023). This mandate is reflected in the government's APS reform agenda, which strives towards the service embodying integrity in everything it does. Integrity is a multi-faceted capability requirement for this complex department. In 2021–22 it had oversight of \$13 billion worth of investments, complex grants programs, safety regulation that protects the lives of people on roads, railways and airlines, and governance of some of Australia's largest and most visible public organisations. It is also a priority for the secretary, who told staff in May 2023 about how the Robodebt Royal Commission informed his vision for a department where staff can speak up without fear or consequences.

The department's own recent experiences have provided direct insights into integrity. In September 2020, the ANAO published audit findings about a 2018 departmental purchase of land at Leppington, New South Wales for the planned Western Sydney Airport. The ANAO found the purchase price was inflated and the purchase process fell short of ethical standards. In 2021, the ANAO audited commuter car parks funded under the Urban Congestion Fund, and found grants were not awarded on merit or according to the department's investment principles. This led to public accusations that grants were directed to marginal electorates to advantage the previous government. The reputational fallout of these reports impacted staff across the organisation and the trauma of these episodes is still talked about and felt by many departmental staff. These events also mean the department is likely to face greater scrutiny of its handling of grants and major procurements, and gives it a greater impetus to rebuild public trust and social licence.

This real-life experience of publicly confronting integrity issues has helped the department develop a strong integrity focus. The ANAO findings informed the Integrity Framework and Strategy the department launched in December 2022. The strategy is underpinned by an integrity dashboard, modernised record keeping, a network of integrity advisors, and an annual integrity awareness week. The department will measure its progress against internally developed integrity metrics which appear to be consistent with broader pro-integrity initiatives being developed in the APS. In its self-assessment against these metrics, the department rated its integrity capability as between 'basic' and 'optimised', acknowledging guidance and enabling systems are still inconsistent across the organisation and sometimes out of date. It aims to achieve an optimised capability within 2 years. It is important that the focus on integrity, including implementation of the strategy, is led visibly by the secretary and the ELT as a whole-of-department priority.





This review agrees that the department's integrity capability is developing. It has built solid foundations through the Integrity Framework and Strategy and must now begin the critical and longer-term task of embedding these principles into the department's culture. As one interviewee said, 'There is a tendency to think you can teach integrity through a module. It is about explaining your decisions'. There isn't a widely understood process for staff to follow if they wish to report behaviour that falls short of integrity standards, particularly if that behaviour takes place within their own reporting hierarchy. This must be clarified as part of implementing the framework and strategy.



During workshops held for the review, most staff said they would report corruption or concerning behaviour to their immediate supervisor or intervene directly. Staff feedback suggests there would be benefit in promoting existing internal mechanisms to safely report suspected fraudulent or corrupt conduct, such as a tip-off phone number or ways to make a Public Interest Disclosure. In response to the 2022 APS Employee Census, 2% of staff in the department said they witnessed another APS employee in the agency engaging in behaviour that could be corrupt. This is consistent with whole-of-APS results. The department could move closer to the ‘fearlessness’ articulated by the secretary by making it clear to leaders that it is their responsibility to visibly model integrity, including by explaining their decision-making to staff. Taking steps to combat the perceived insularity, described elsewhere in this report, would also improve integrity capability, through greater transparency and diverse thinking that comes from a collaborative approach to work.



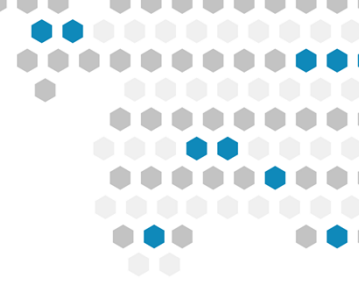
## Collaboration

Element	Description	Department's high-level maturity rating	
Engagement with ministers	The capability to maintain open, trusted and respectful relationships with minister/s and provide impartial and evidence-based advice to them.		<i>Developing</i>
Contribution to the public sector (federal, state/territory, local and international)	The capability to make productive contributions to the public sector, both domestically and internationally, and establish enduring and collaborative relationships with other public sector agencies to support government priorities.		<i>Developing</i>
Partnerships and engagement outside the public sector	The capability to engage and establish respectful and collaborative partnerships with users of government services and non-government entities to understand their experiences and needs.		<i>Developing</i>
Putting people and business at the centre of policy and services	The capability to leverage partnerships with external stakeholders, such as the public, communities, business, the not-for-profit sector and other governments to deliver policy and services.		<i>Developing</i>

### Collaboration as an ongoing priority

There are very few areas of this department's remit where it has all of the levers to deliver outcomes on its own. This makes collaboration (both internal and external) and stakeholder engagement an enduring priority. The department has a good starting foundation for stakeholder relationships. In the 2022 APS Employee Census, 81% of respondents from the department agreed their SES manager promotes cooperation within and between agencies, which is 14% higher than the APS average of 67%. This review has rated the department's capability as 'developing' across all elements in this domain. While there are pockets of excellence to draw on, it is not yet a default operating style, and there is room for improvement in moving good intentions into good practice.

Stakeholders interviewed for this review said the department has a tendency to be insular. This description touches all 4 elements in this section of the report, and is discussed in [Leadership and Culture](#). As noted in the [Excellence horizon](#) overview, the APS will be expected to deliver more outcomes that cut across state, territory and local government jurisdictions and portfolios, in areas such as natural disasters, emissions reduction and improving outcomes in partnership with First Nations people. The department is expected to engage and collaborate effectively with citizens and communities that are impacted by national reforms including the



development of just transition pathways for mitigating and responding to climate change. There is an opportunity for the department's leadership to signal the value it places on stakeholder engagement, and to prioritise and maintain the development of this capability.

## A constructive and responsive relationship with ministers

The May 2022 federal election led to a change of government and a new policy agenda, expectations, operating rhythm and associated changes to the department's profile and span of influence. Ministers expect the department to be a 'policy maker not a policy taker'. They want the department to be more proactive and deliver new ideas, policy options and recommendations across its functional areas that reflect its independent technical and policy expertise. As mentioned above, the government expects the department to understand and effectively engage with citizens as the consumers of the activities it regulates and the beneficiaries of Commonwealth investments.

This review interviewed several ministers, members of their offices and senior leadership across the department, plus a sample of portfolio entities and the wider APS. They described broadly positive and collegiate relationships with departmental executives, good access to the secretary and deputy secretaries and regular formal and informal engagement. The department has already delivered major strategies and reforms including a National Cultural Policy, a National Electric Vehicle Strategy, and changes to the National Classification Scheme.

This is a good foundation to continue developing these relationships, as is reflected in the maturity rating for this element. However feedback to the review indicates that these relationships still have room for improvement and the department should guard against complacency in this area. The department must reflect the changed political environment at all levels, not just senior leadership. Some interviewees suggested the department lacked awareness of the political context and the strategic opportunity for reform. In some instances, the department could do better at making sure changes in policy filter through to advice, processes and behaviours. At the resourcing level this means ensuring the resources and capability that are tied to functional areas reflect the current government's agenda. Ministers expect employees of the department to have technical capability and the confidence to coordinate and deliver policy and program advice in a timely and open manner. Ministers want the department's best advice and supporting rationale, and viewed this as key to enabling them to make informed decisions. Effective decisions are more likely when department staff have open conversations with ministers about risk rather than trying to minimise it or resorting to behaviours that appear defensive. The government's integrity mandate makes this especially relevant. As will be explored later in this report, the department should revisit its role in relation to citizens and consumers and make sure it is living up to government's intent to put people and business at the centre of policy and service delivery.

### **Case study: 2021–2030 National Road Safety Strategy**

The 2021–2030 National Road Safety Strategy's main purpose is to work towards zero deaths and serious injuries on Australia's roads by 2050 (Vision Zero). To meet this challenge, all tiers of government will work together to deliver an integrated program of policies and initiatives.



A 2018 inquiry into the effectiveness of the previous National Road Safety Strategy showed gaps between the national plan and individual state, territory and local government action plans.

The Commonwealth doesn't have powers to regulate road safety, which is a responsibility of states and territories. Despite this, the department has used its convening capability to align individual state and territories and agree upon 9 common priorities.

The strategy is based on the Safe System approach, which creates a holistic view of all elements of the road transport system – roads, vehicles, road users, speed, road function and planning – to make sure they all work together to prevent death and serious injury. The Safe System approach emphasises interconnections between the elements and how they interact. The strategy is an example of the department coordinating the input of all jurisdictions to enhance their collective strength.

## A mutually beneficial relationship with public sector partners

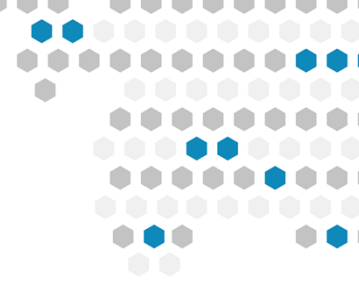
The review has rated the department's capability to leverage its relationships with other public sector organisations as 'developing'. This reflects that, while there are pockets of excellence, many of these relationships are dependent on individuals, especially at the senior executive level, and are vulnerable to staff turnover. To be considered embedded, these relationships need to become systematised as a department-wide operational approach.

The department engages with 4 sets of key public sector partners:

- portfolio agencies, including Government Business Entities and government-owned cultural institutions
- other Australian Government agencies
- state and territory governments
- local governments and other regional governance structures.

The department's legislative powers and portfolio responsibilities in the transport and infrastructure groups intersect or are interdependent with state and territory jurisdictions and portfolio entities, creating a complex governance and stakeholder environment. The Commonwealth Government uses its role as an investor and regulator or facilitator to pursue national outcomes. For example, the National Road Safety Strategy (see case study above) is jointly managed by infrastructure and transport ministers from all jurisdictions plus the Australian Local Government Association. The department's Office of Road Safety plays a coordinating role but largely relies on state legislation. However, other government and community stakeholders and the public don't see a separation of roles and responsibilities. They expect the department and its partner entities to work in seamless collaboration to benefit Australian communities, businesses, citizens and the environment. The government has modelled the behaviour it wants to see through its emphasis on National Cabinet and cooperation with the states and territories. Ministers who work closely with their state counterparts expect this exchange to be reflected in the APS, including the department.

The department has demonstrated its willingness to contribute to national, cross-cutting priorities such as achieving net zero emissions. The department says it aspires to embed a long-term, strategic approach to collaboration across the organisation, but many of those interviewed said it struggles to find the time or



resources to develop this. It does, however, have pockets of excellence in sharing and embedding best practice stakeholder engagement, such as the approach to Government Business Enterprises described in the case study below.

The review identified several ways the department could strengthen its public sector partnerships to jointly deal with an uncertain future and anticipated resource constraints.

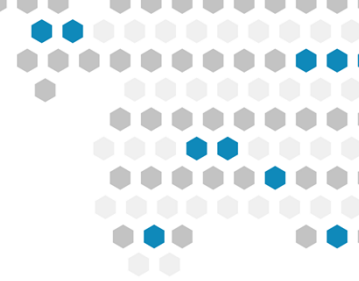
The portfolio is home to a diverse and sometimes inconsistent set of governance arrangements between the department and portfolio entities, which increases complexity for senior leaders trying to triage and work cooperatively to mitigate risk. The department has an opportunity to clarify its roles and responsibilities, particularly in relation to portfolio entities, and to focus on where it can add value to these relationships as a positive investment instead of a compliance overhead. ‘The department should work with us rather than check our homework,’ said one portfolio stakeholder, reflecting a sentiment held by a number of interviewees. It should also identify the governance arrangements that are working well across the portfolio and strive for greater consistency of good practice in the interactions between the department and portfolio entities – acknowledging the diversity of governance structures. This includes clarifying roles and responsibilities with the Department of Finance in terms of its joint shareholder responsibilities for Government Business Enterprises within the portfolio.

The review heard the Commonwealth tends to think of itself as leading the policy agenda. However, in the infrastructure and transport areas in particular, the states and territories often have more specialist and local expertise, such as in engineering and future network planning, and relevant policy levers. In this case, the department would be more effective if it adjusted its behaviour, language and operating style to that of a joint or junior partner in delivery. This requires a cultural shift where there is development of respectful relationships with other jurisdictions and better acknowledgement and management of shared risks, noting that Commonwealth contributions can be dwarfed by the spend of some larger states.

While it is important for the department to adopt the role of junior partner in some relationships, in other circumstances it is best placed in a leading role. The department could signal change and model a more collaborative and proactive approach by assuming the role of convener for major national policy priorities relevant to its responsibilities and external stakeholders. Instead of continuing a pattern of bilateral engagement with stakeholders – such as other agencies in the Commonwealth, states and territories – it has an opportunity to bring all contributing parties together. Areas where this may be beneficial include de-carbonisation activities relating to infrastructure driven by the government’s net zero ambitions, better consultation with First Nations communities, and in attracting and retaining First Nations employees to the APS.

Many portfolio entities don’t feel they have the access or networks to navigate the centre of government or find the right people to talk to. Acting as a connector is one way the department can strengthen relationships with its own portfolio entities and improve mutual outcomes.

Turnover of department staff is viewed by external stakeholders as an overarching risk to the sustainability of stakeholder relationships and effective transition of corporate knowledge, especially in long-term and complex projects. Relationships that rely on individuals rather than systems are vulnerable to change. Portfolio entities and peak bodies expect a high level of technical knowledge from their counterparts at the department, which



takes time to develop, and many said they are frustrated by personnel change. ‘Once they understand, they move,’ explained one. A systematic approach to governance and engagement, mentioned above, will help to address single person risk. As one executive said, ‘the solution isn’t to keep the person; it is to build relationships that will survive them leaving’. The department should also prioritise developing and maintaining technical skills, including transition and succession plans.

#### **Case study: Community of Practice for staff overseeing Government Business Enterprises**

The Agency Oversight Community of Practice (CoP) is an informal departmental forum for APS 6 and Executive Level (EL) 1 staff whose teams oversee Government Business Enterprises within the portfolio. There are 5 Government Business Enterprises in the portfolio: Australia Post; Australian Rail Track Corporation; National Intermodal Corporation; NBN Co; and Western Sydney Airport Corporation. The CoP’s purpose is to raise common issues experienced by departmental oversight teams, make sure everyone has the same awareness of the department’s governance and oversight priorities, share best practice and support continuous learning and professional development among members. The CoP meets quarterly, or more frequently if required.

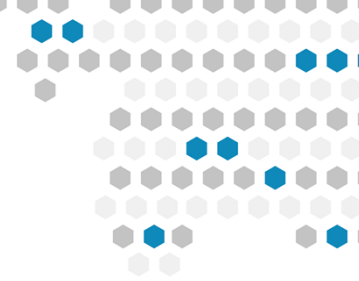
The CoP is an example of the department scaling and replicating good ideas. It started in the Post Enterprise and Australian Communications and Media Authority Governance section in response to an internal report into oversight arrangements for Australia Post. It has since expanded to encompass any teams within the department with portfolio oversight responsibilities.

The CoP was identified by a number of interviewees as a model for sharing information and capability in a way that benefits the whole department. It is an example of how the department can systematise learning processes so they do not rely on individuals.

## **Leveraging partnerships beyond the Commonwealth**

The department has a responsibility to engage with the business community, particularly across the transport, arts, aviation, broadcast and telecommunications industries that it supports and regulates. This includes peak bodies, industrial associations, environmental groups, research associations and more. The department considers this to be a mature capability, with a particular strength being its relationships with peak bodies and major businesses, such as airlines. The review heard that these relationships not only weathered the stresses of the COVID-19 pandemic, where the government was forced to place dramatic restrictions on air travel and supply chains became a national priority, but that the relationships deepened in this period. The department has retained many of the emergency governance and engagement structures introduced during the pandemic, albeit with less frequent meetings, and this is now helping to increase the department’s capability to engage with industry. Similar to the other sectors mentioned in this domain, there is merit in the department adopting a more systematised approach to industry engagement that is more inclusive, and avoids a tendency to consult the same peak bodies as default. The department should incorporate co-design principles into its engagement processes to ensure it meaningfully reflects business needs and feedback.

Interviewees pointed out pockets of excellence when it comes to harnessing expertise outside the department, particularly the recent development of the National Cultural Policy, which is detailed below in a case study.



There was less evidence of embedded or consistent engagement with the academic or not-for-profit sectors. However, the department's self-assessment did highlight its involvement with the federally funded iMove Cooperative Research Centre, a research and development organisation developing technologies that improve Australia's transport systems.

#### Case study: Working with external experts on a National Cultural Policy

The National Cultural Policy, *Revive*, was referenced as a good example of reaching beyond the organisation for policy ideas. *Revive* is a 5-year strategy to reinvigorate the arts and creative industry sector in Australia. It was released in January 2023, following a 5-month consultation process with artists, peak bodies and other creative sector stakeholders.

Development of the policy included 14 public 'town hall' meetings led by the Minister for the Arts or the Special Envoy for the Arts, held in every state and territory. The department also held online meetings to hear from First Nations artists, including those in remote locations. Nearly 900 people attended events and the department received 1,282 written submissions. Panels of artists and experts then distilled the findings of the consultation into policy advice, which grew into the policy itself.

The process benefited from an appreciation of the occasion – the chance to capture a rare snapshot of the diverse arts and creative industry sector – and a will to redirect resources within the Office of the Arts to make the most of this window of opportunity. It is referred to as evidence that the 'policy muscles' of the Arts area of the department are still effective despite some years between development of major cultural policies.

## An in-house citizen engagement capability

Most areas of the department are not directly involved in frontline service delivery, with notable exceptions in the external territories and aviation functions. The department acknowledges its relationships with industries in the markets it regulates are generally stronger than its relationships with consumers of these markets. Ministers want to understand the human benefit of the policies and investments the department is delivering, 'to understand how the consumer will be impacted, to put themselves in their shoes'. This can be a challenging task, especially with emotive topics that require trade-off decisions, such as flight path planning and aircraft noise management.

Areas of the department already do this well. The Regions, Cities and Territories group has a prominent citizen-facing role. For example on Norfolk Island, Christmas Island and the Cocos Keeling Islands, the department administers and delivers essential infrastructure and services like energy infrastructure, health and education. The Partnerships and Projects Division has specialist expertise in how to work with communities in a particular place, which was described by internal stakeholders as a leading capability within the APS. This reflects and aligns with the government's place-based agenda. In aviation, the department is the consent authority for airport and related developments, such as the new Western Sydney International Airport. This too comes with a significant consumer-facing role, including hosting 'town hall' style open forums for residents and information stalls at community events. With 35 sites across Australia, the department has a physical footprint it can leverage to reach into and work with communities right across Australia.

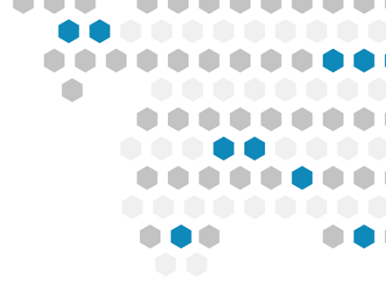




The department will need to develop, value and maintain an in-house citizen engagement capability beyond existing pockets of excellence. Interviewees agreed that community consultation is best done where possible by an internal workforce who can engage with the authenticity that comes from having ‘skin in the game’. For example, one interviewee said, ‘Talking to the community needs a slightly different capability. Especially when you’re talking about issues we can’t necessarily solve’. The department should be guided by existing expertise in the external territories, regional and urban policy areas.

## Nurture engagement outside of Canberra

Like many organisations, the department is re-adjusting to post-pandemic working conditions, such as the freedom to travel. Despite the department’s national footprint, 88.7% of its staff are located in Canberra. The review heard from stakeholders about how site visits can have a powerful impact on stakeholder relationships, knowledge transfer, and showing staff the tangible impact of their work. Seeing projects and investments in place has a positive effect on how staff value their own work. ‘Getting out more’, as one interviewee described it, provides a chance to sustain meaningful relationships and keep staff connected to their work and better understand the communities they serve.



## Delivery

Element	Description	Department's high-level maturity rating	
User focus and experience	The capability to use the principles of partnership and co-design, and feedback mechanisms to deliver effective and fit-for-purpose outcomes and services for people and business.		<i>Developing</i>
Strategic policy	The capability to deliver high quality and forward-looking strategic policy that meets strategic objectives and ministerial priorities.		<i>Developing</i>
Service delivery and improvement	The capability to deliver effective and efficient services and improve service delivery by undertaking and acting on evaluation and user feedback.		<i>Developing</i>
Managing for performance and outcomes	The capability to deliver on commitments to government, measure the value provided, and employ a systems thinking approach to delivery.		<i>Developing</i>
Capability to do the job	The capability to use best practice examples worldwide to inform and deliver policy and services.		<i>Developing</i>

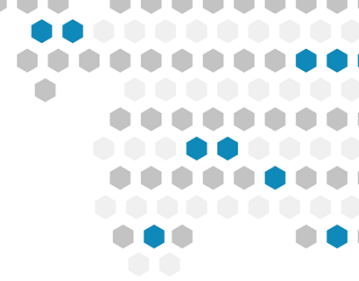
### Supporting national productivity

The department has policy, regulatory and capital levers that are critical to the productivity of the Australian economy, for example broadband network connectivity across the country and freight distribution by road, rail and air. The success of this portfolio underpins many of government's economic goals. The department should be more explicit in recognising its national economic role in addition to its policy, regulatory and program management responsibilities, and this should be reflected in its performance metrics.

This section identifies the opportunities the department should focus on to enhance its delivery capability, to capitalise on the multiple levers it controls to improve national and regional productivity and to shape and deliver the government's economic, sustainability, creative and social agendas.

### Strengthen strategic policy capability

The government wants policy reform. 'We have a government that will listen to advice if we are willing to step up and give it,' said one interviewee. This means the department has a chance to make policy and deliver legislative



and regulatory reforms that can support markets and citizens into changed future. ‘There is a huge opportunity for reform in communications and media,’ said one stakeholder.

In many areas this change is already underway, demonstrating a capability to deliver on commitments to government. The department responded quickly to government’s request for a new policy approach to electric vehicles, as described in the case study below. As mentioned earlier, it has also established a dedicated Net Zero Unit to support government’s target of net zero emissions by 2050. Transport makes up 19% of Australia’s total carbon emissions and the department will play a direct and important role in supporting industry, regional communities and cities on a path to a net zero future. It works with other areas of the department and other agencies that have a role in decarbonisation, to help lift collective policy capability. A similar cross-cutting approach has been introduced for First Nations’ priorities that offers similar benefits in enhancing outcomes and meeting key targets in partnership with communities.

The department needs to recognise the urgency of investing in its strategic policy capability. Its self-assessment acknowledges that this capability has eroded over time as program management needs, including the COVID-19 response, took priority over a fully resourced strategic policy capability. People said some areas of the department have strong technical expertise to underpin strategic thinking but lack the confidence to suggest new ideas or proactively convene broader whole-of-government related initiatives. They described a resistance to proactively highlighting opportunities for reform rather than just responding to requests.

There are opportunities to improve the policy coordination process. For example, the review heard the department would benefit from coordination of policy proposals earlier in their development to ensure it is presenting a coherent strategy to decision makers. ‘Joining the dots needs to happen early on, not when we’re about to go to government for a decision,’ one interviewee said.

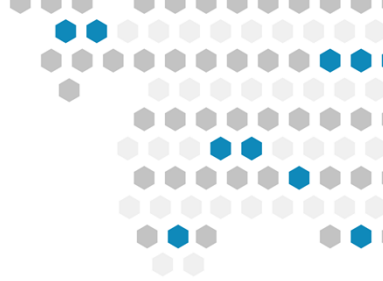
From a regulatory perspective, the department would also benefit from investing in regulation and legislation design capabilities. The organisational interface between these critical functions will ensure they are all working towards the same goal.

#### **Case study: National Electric Vehicle Strategy**

In April 2023, the Minister for Climate Change and Energy and the Minister for Infrastructure, Transport, Regional Development and Local Government released Australia’s first National Electric Vehicle Strategy. The strategy was jointly developed and will be jointly delivered by this department and the Department of Climate Change, Energy, the Environment and Water (DCEEW).

The strategy commits to legislate a Fuel Efficiency Standard for Australia. This will create escalating efficiency requirements for vehicle manufacturers who want to sell into the Australian market and incentivise the supply of efficient vehicles including electric vehicles. It will bring Australia into line with other developed nations, most of whom have already established similar standards.

The strategy was recognised by stakeholders as evidence the department does have the capability to deliver timely, well-developed policy when the opportunity presents.



The commitment to a Fuel Efficiency Standard was welcomed by stakeholders like the Climate Council. The department and DCEEW will now settle the details of the standard through further consultation with industry and other interested parties.

## Adopt a citizen-centred mindset

As mentioned earlier in the [section on Collaboration](#), the department needs to adopt a citizen-centred mindset to achieve long-lasting and impactful reform. The review has rated the department's maturity in the areas of user focus and experience, and service delivery and improvement, as 'developing'. Some areas of the department are involved in place-based and citizen-facing service delivery every day and are experts in this field. The department has recently conducted a major consultation as part of the modernisation of disability standards for public transport, which focused on the varied lived experiences of people in the disability community. However, across the department there is a sense that customer or citizen-centred design and engagement is not a core or valued capability for a regulator or an investor. Further to findings in the [Collaboration section](#), the department will need to drive cultural change to make sure people designing new laws, policy and regulation don't lose sight of their impact on citizens, and are committed to ongoing review and improvement to reflect technological change and changing community expectations.

## Use delivery levers for First Nations outcomes

This capability review has a special remit to consider how the department can build its First Nations capability, in terms of attracting First Nations employees, productively engaging with First Nations communities across Australia, and meeting Closing the Gap targets. The department must be prepared for the outcome of the Voice to Parliament referendum later this year. It must reflect on whether it has the relationships, structures and capability to meaningfully engage with an Aboriginal and Torres Strait Islander Voice body, or other measures if Australians do not vote in favour.

The department controls major spending levers, not least the Commonwealth's \$120 billion infrastructure investment pipeline. State and territory governments are already leveraging their own infrastructure spend to drive economic outcomes for First Nations businesses and people. 'The difference investment in infrastructure can have for a community is huge, and having First Nations businesses involved is huge too,' said one interviewee. For example, the Western Australian Government has set First Nations procurement and employment targets for its state transport infrastructure program. It aims to award \$700 million worth of contracts to First Nations businesses and employ First Nations workers for 3.5 million hours between 2021 and 2026 on transport infrastructure projects. The New South Wales Treasury is embedding expenditure review processes and frameworks that better capture First Nations funding through the state budget, to better measure the outcomes it is achieving.

The department has an opportunity to take the most successful elements of these examples and emulate or build on the approach taken in the states and territories. This will be most effective if it can come together with state and territory and community partners in a unified approach to leverage a 'once in a generation spend' on infrastructure and transport. The department can also learn from areas with experience in First Nations



engagement and policy from across its own portfolio, for example, the First Nations Arts and Culture Strategy 2023–2027 developed by the Australia Council for the Arts.

#### **Productivity Commission’s advice on best practice shared decision-making and governance**

The Productivity Commission’s 8<sup>th</sup> Overcoming Indigenous Disadvantage Report, released in December 2020, had special focus on identifying arrangements that support shared decision-making between Aboriginal and Torres Strait Islander people and Australian governments. It reviewed different approaches and found that the common features of good governance in shared decision-making are:





- providing Aboriginal and Torres Strait Islander people with decision-making authority
- promoting Aboriginal and Torres Strait Islander cultural frameworks, processes, context and time frames
- recognising power inequalities, and sharing power, through mechanisms that are transparent
- ensuring Aboriginal and Torres Strait Islander people can choose their representatives, and these representatives have the resources and support that they need
- defining desired outcomes, the steps to achieving them and the roles and responsibilities of participants, along with their mutual accountabilities.

## **Sustaining performance**

The review has rated the department’s capability to manage for performance and outcomes as developing. This recognises that it has delivered well-received policies (for example the National Cultural Policy and input to the Electric Vehicle Strategy mentioned above) but would benefit from lifting its strategic policy capability to ensure this practice is consistent and enduring. While this review was underway, the department committed to work to raise the quality of its performance measurement. The department acknowledges that its current performance metrics tend to describe processes rather than outcomes and is working with the ANAO to improve metrics across the board. The review supports this work. As with other internal reform initiatives mentioned in this report, it is important this work is co-owned and collectively driven by members of ELT so that it becomes embedded in the everyday practices of department staff.



## People

Element	Description	Department's high-level maturity rating	
Strategic workforce planning and development	The capability to use strategic workforce planning and development to anticipate and respond to the future needs and priorities of government and users of government services.		<i>Developing</i>
Staff performance and capability	The capability to develop staff in a way that is aligned to the future needs of the APS, and to use performance management to deliver on strategic priorities and encourage high performance.		<i>Developing</i>
Staff engagement and experience	The capability to develop and maintain an inclusive working environment that gives staff a sense that they belong and are valued.		<i>Embedded</i>
Model employer	The capability to use best practice people-based polices to deliver a quality employee experience and a dynamic workplace.		<i>Developing</i>

## Competition for a skilled workforce

The department is competing in an economic climate of low unemployment, which has been declining since July 2022. The unemployment rate has been under 4% nationally since March 2022 and was 3.5% as of June 2023. The Australian Capital Territory has the equal lowest unemployment of all the states and territories at 3.1%. The pay rises and conditions the department can offer are governed by overarching government policy and departmental resourcing. Other opportunities for the department to attract and retain talented employees are explored in this section.

Managers consistently identified salary as a barrier to attracting talent to the department. As of December 2022, starting salaries for APS 5 employees ranked in the bottom 30% of APS agencies and starting salaries for APS 6 employees were in the bottom 35%, while salaries for EL 1 and EL 2 staff sat in the middle of APS pay scales. However, Individual Flexibility Agreements (IFAs), described later in this report, increase its competitiveness and push the top salary for an APS6 towards the top of the scale for the APS. Responses to the APS Employee Census suggest that promotion and development opportunities are more influential factors when it comes to choosing an employer. In the 2022 Census, of the APS employees who intended to leave their current department, 17% said it



was to pursue a promotion opportunity and 12% said it was to further skills in another area. Just 6% said it was because they can receive a higher salary elsewhere. Census results from the department mirrored this APS-wide response. Similarly, in departmental exit surveys, 24% of departing staff said they were moving to pursue better career paths and new opportunities.

## Leverage cultural strengths

This review has rated staff engagement and experience as 'embedded'. One of the consistent messages from staff was that the department has a positive culture.

The review held workshops with 100 staff from APS 5 to the SES Band 1 level. Facilitators asked staff why they worked for the department, and what makes them stay. Responses pointed to the department's culture, the team environment, good supervisors and interesting work with tangible benefits. Employees said they stayed for the satisfaction of 'building tangible outcomes like bridges' and they 'feel empowered to make Australia a better place'. When asked about what makes them stay, many employees said it was their colleagues, 'it's the people – I am surrounded by great people who make the work doable'.

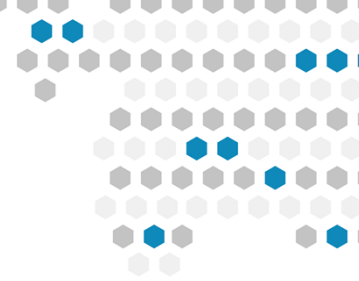
To maintain the right capability for the future, the department must attract and retain talent as well as strengthen its existing capabilities. The department has an opportunity to review existing workforce data and Census results to determine what motivates staff to choose one employer over another, and to think deeply about its unique competitive strengths as part of its work on an employee value proposition.

## Invest in workforce planning

During this review the department continued work on a strategic workforce plan, and the review team saw a draft. While the department's self-assessment rated this capability as emerging at the beginning of this process, the review recognises that the draft plan, although nascent and untested, demonstrates a willingness to adopt a more strategic and forward-looking approach to staff capability. This work would be enhanced by a greater focus on co-design. Discussions with senior staff during the review process indicated there was not a wide-spread understanding of how the workforce plan was being developed and what it was recommending. The Chief Operating Officer should engage widely across the organisation, supported by the secretary and the ELT, to ensure the plan accurately reflects the needs of the business areas and is owned by the department as a whole, not just seen as a 'Chief Operating Officer Group' product.

In finalising the workforce plan, the department needs to consider advice on good practice including from the Australian Public Service Commission's Workforce Planning Centre of Excellence. It says a 'highly proficient' workforce plan should:

- align with agency plans, processes and tools, with input from senior leaders
- clearly articulate responsibilities, measurements, timelines and governance processes for the monitoring and delivery of outcomes
- clearly articulate trends affecting the agency and impacts on future service offerings and workforce needs
- align with broader APS initiatives



- identify priority skills and capabilities for the agency’s continued delivery, identify risks and mitigations and articulate clear actionable steps to support workforce needs
- draw on and synthesises multiple sources and types of evidence to generate accurate insights to support strategy, planning and implementation.

## Priority skills and capabilities

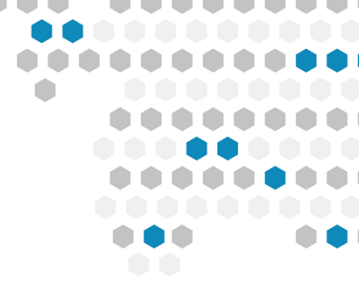
To maximise its capability over the next 4 years, the department needs to understand what skills it has now and what skills it will need in the future. The review has drawn from responses to the 2022 APS Employee Census, responses to the 2022 Agency Survey, interviews, workshops and the department’s own draft workforce plan to identify the top priority skillsets for the coming years.

- 1. Strategic policy.** This review identified strategic policy as the top priority skillset for development. The department faces heightened demand from ministers and stakeholders for reform ideas, policy options and clear recommendations that align with the government’s agenda. It needs to make well-informed, long-term policy recommendations that reflect an appreciation of political circumstances and changing community expectations, and are backed by evidence.
- 2. Project and program management.** External factors like skill shortages and supply chain constraints in the construction sector will create ongoing challenges. The department will need experienced project and program managers to navigate these obstacles.
- 3. Regulation and legislation.** Policy reform needs to be underpinned by quality regulatory and legislative design that reflects the needs of Australian people and businesses. The department will need to enhance these capabilities to match increased activity in this space. The department should consider a dedicated in-house legal design capability.
- 4. Citizen engagement.** This government expects a deeper level of engagement with citizens and understanding of their needs. This is a specific capability that requires resilience and authenticity. It is best delivered by an in-house workforce. The department should build on existing strengths to establish a central capability.
- 5. Data handling and analysis.** To live up to government’s expectations for long-term policy reforms, the department must ensure its recommendations are backed by data and carry intellectual clout. As explored later in this report, the department will need critical skills including an ability to discover and integrate relevant data from its considerable data holdings.
- 6. ICT and digital.** Accelerating the department’s IT modernisation depends on a skilled workforce. Other opportunities to uplift capability, such as growing a non-Canberra based workforce, offering flexible work and delivering data-driven policy, will also rely on a strengthened and reliable ICT and digital capability, as well as better digital tools for service delivery and citizen engagement.
- 7. Evaluation and benefits management.** This is an acknowledged shortcoming in the department’s current skillset. The department will need the right skills to support internal reforms to lift this capability.

External stakeholders told the review the department needs to achieve the right balance of technical and generalist skills, noting significant key person risks. They said the department does not always have the specialist expertise to effectively consult with stakeholders, ask the right questions, provide required policy advice or assure itself that the ‘right’ action was being taken.

The department will sometimes need short-term access to specialist experts to provide strategic advice and peer review of policy decisions. It may not be realistic to maintain this level of expertise as a full-time capability.





However, the department may consider establishing a panel of independent, external experts in areas such as science, land use planning and engineering who agree to be called upon for one-off or irregular input. This could be established in collaboration with delivery partners to leverage existing expertise.

## Develop and retain existing talent

The department's annual staff turnover rate is high at 19.2% as of May 2023. In comparison, the APS Employee Database shows the average APS turnover and transfer rate was 11% as of December 2022. Turnover of key personnel means the loss of corporate knowledge and is identified as a threat to sustaining stakeholder relationships in the [Collaboration section](#). The departure risk is particularly acute in the APS 5 – EL 1 classifications, which make up 68% of the department's workforce. Greater insight and analysis is required to appreciate the circumstances and potential remedies.

A stronger emphasis on staff development and career pathways is one way the department could increase its attractiveness and value proposition as an employer, especially for the APS 5 to EL 1 group. This should feed into the department's work on an employee value proposition.

### Case study: Shadowing the secretary

In October 2022 the secretary sent out an invitation for staff to shadow him. To date, 130 people have applied for the opportunity and 30 people have taken part in the initiative. Participants work side-by-side with the secretary for a day. This includes attending meetings and general conversations about work. They are then asked to provide feedback on what would improve the experience for the next person. At the department's all staff meeting in May 2023 the secretary promoted the opportunity. '[Participants] got ringside seats to see how the department works and how the government works at the most senior level and that costs nothing. So if you're not already on the list for shadowing, I suggest you put your name forward'.

Some areas of the department are already exploring new ways to expose staff to different experiences and skills. The case studies in this section provide examples. The department's 2021–2024 Learning Strategy is coming to an end. The department should evaluate what the strategy achieved and what can be done better. This provides a direct opportunity to consider cohorts such as APS 5 to EL 1, given current turnover. Specifically, there is an opportunity to improve policy training. The review found 2 internal policy training modules available to staff. One has not run since April 2018 and the other is currently being updated. The department also has access to external training options.

### Case study: Graduate-style rotations for APS level staff

The Communications and Media Group experimented with a graduate-style rotation for APS level staff. The group could not fill a number of positions at the APS 5 and APS 6 classifications. So it decided to recruit at a lower classification and proactively build the skills it knew were needed. The group recruited four APS 4 level employees and rotated them through different business areas. Each recruit was also assigned a mentor. Participants are now starting to come through the system as APS 5 and 6 level employees. The broader department could consider how it could systemise this 'develop your own' approach to talent.



## Make the most of talent outside of Canberra

As at December 2022, 88.7% of the department's staff were located in the Australian Capital Territory. This adds to recruitment challenges as the territory also has the nation's equal lowest unemployment rate. 'The Canberra market is tapped,' said one interviewee.

The review understands the department is considering how it can increase non-Canberra recruitment as part of its workforce plan. The department has a footprint in all states and territories including hubs in Brisbane (61 employees) and Orange (48 employees). The Regions, Cities and Territories Group is already capitalising on the opportunity to expand its recruitment nationally by using location-blind recruitment, as described in the case study below.

### Case study: Location-blind recruitment

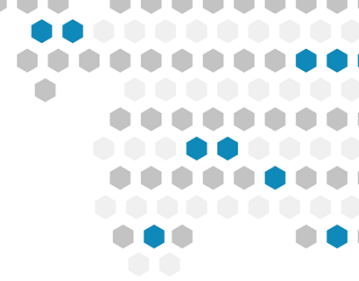
The department's Regional Development and Local Government Division in the Regions, Cities and Territories Group has had success reaching beyond Canberra for talent. It conducted a 'location-blind' bulk round for APS 4 – EL 1 project and program managers to attract applicants from all over Australia. The approach delivered 40 to 80 applicants at each level and identified more than 50 suitable candidates in total. More than half of the suitable candidates were based outside Canberra. Hiring managers said people really appreciated the opportunity to apply, and that there is a lot of talent across Australia waiting for a chance to contribute.

Hiring branches adjusted their approach to accommodate the 'location blind' strategy. For example, they used plain language job advertisements and included timeframes to encourage applicants who may not understand APS language and process. Recruitment panels did additional training to better assess diverse candidates. All interviews were held virtually to ensure a level playing field.

More than one-third (35.5%) of the Regions, Cities and Territories Group's workforce is based outside Canberra. The group's experience and capability should be shared and built on, to benefit the wider department. For example, as well as the location-blind recruitment process, the group has a 'one-face-one-screen' policy for videoconferencing. This means every user dials into meetings from a single device to support an equal experience for all staff.

The review heard that support for flexible work is a major factor for employee attraction and retention. While the department has policies in place for flexible work and home-based work, many staff said, in reality, access to flexibility varies from supervisor to supervisor. 'Some managers would say they are flexible but never add virtual meetings to invites. It felt like they were not walking the talk,' said one employee, reflecting a sentiment expressed in various interviews. The department should use its workforce plan as an opportunity to embed the APS-wide flexible work principles that were endorsed by the Secretaries Board in March 2023. This will ensure the department's workforce plan is fit-for-purpose and reflects contemporary practice. Measuring and collecting internal data on flexible work practices across the department should assist in more consistent uptake.

The review held a dedicated workshop for staff who work from home or outside Canberra, and the main improvement these staff identified was onboarding. They said staff joining from outside Canberra or working remotely do not have access to the same in-person and incidental support as their colleagues based in the office



in Canberra. Existing onboarding processes ‘seem to assume you are in the office and that you will just learn things by osmosis’ said one.

The department must ensure its internal policies and processes reflect its stated position on supporting flexible work and recruitment outside Canberra. The review heard that managers must confirm available desk space for any new recruit, which inhibits their ability to be flexible about location. The review also heard that IT further limits the department’s ability to fully support staff outside Canberra. A more innovative, open and flexible mindset towards regional and remote working, including from the Chief Operating Officer Group, should assist in supporting the culture and practice of remote and flexible working.

## Support frank and meaningful conversations about performance

The review rated staff performance and capability as ‘developing’, which is less mature than the department’s self-assessment. Performance management, particularly for underperformance, has been identified as a persistent pain point across the APS. The Thodey review found APS managers are incentivised to focus on delivery rather than managing and developing staff. But as this report noted earlier, opportunities for development and regular feedback play an important role in an employee’s decision to stay with an employer.

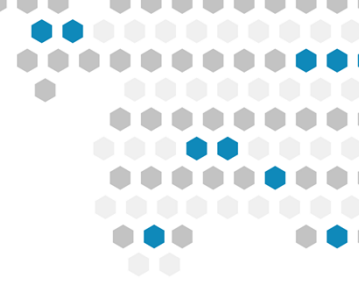
The department’s performance management framework, THRIVE@Work, requires employees to consider their strengths, achievements and opportunities for growth and submit their reflections to their supervisor twice a year. As of 31 May 2023, 97.4% of staff have a performance agreement in place. The department offers guidance for managers on diagnosing and managing underperformance via its intranet. In the 2022 APS Employee Census, 64% of department staff said their most recent performance and development discussion with their supervisor helped improve their performance, and another 27% neither agreed nor disagreed with the statement. The department may consider further research into the impact of performance discussions on the workforce.

Staff development should be valued for the role it plays in retaining talent. The review heard the friendly nature of the department can sometimes translate into a reluctance to have difficult conversations, particularly in the context of underperformance. One interviewee said the department ‘needs to make sure the culture isn’t too nice, that it has performance requirements built around it’. In 2021–22 only one department employee was placed on a formal underperformance process. Beyond written guidance, the department needs to make sure the cultural settings are in place to support frank and useful career conversations and ensure it is supporting managers to effectively engage with their staff. While enabling functions have a role in ensuring managers have skills to do this, the department needs to signal that performance management is everyone’s responsibility, starting with the secretary and the ELT.

## Recognise the contribution of diversity networks

The department has 6 diversity networks:

- Cultural and Linguistic Diversity Network
- Disability, Neurodiversity and Allies Network
- First Nations Network



- Gender Equality Network
- Mental Health and Wellbeing Network
- Pride and Allies Network.

Each diversity network has employees as co-chairs who do important work at both the department and individual level within the organisation. The networks are filled with passionate people who do a lot of work on top of their regular jobs for no extra pay, for example developing the highly regarded Disability, Neurodiversity and Allies Strategy and Action Plan. While these networks are critical to the department realising its inclusion and diversity goals, they need to be nurtured and tangibly recognised to avoid burn out among members.

In workshops, the review heard of a tendency to lean too heavily on networks for advice. ‘The network model invites the organisation to offload work onto the networks,’ said one participant. ‘They know you’re going to respond because you care. But I am still working late nights to complete my actual job,’ said another. The department needs to be clear about the role of the networks and the role of enabling functions, such as human resources, to ensure this work is sustainable. There is an opportunity to offer rewards and recognition for network members to reflect the work they do above and beyond their paid roles, and reinforce the value of this to the organisation.

## Supporting First Nations staff

The department recognises it has a special window of opportunity to pursue outcomes for First Nations peoples. The secretary is regarded as an authentic leader who is passionate about First Nations advocacy. As he told employees at the May 2023 all staff meeting, ‘We have big opportunities to make a difference’. This focus reflects the government’s prioritisation of reforms such as the Closing the Gap National Agreement.

Internally, the department has built structures to reflect this ambition. It has established a dedicated First Nations unit. This unit is leading the development of a First Nations Outcomes Strategy, focused on how the department can improve delivery and engagement with First Nations communities, while uplifting organisational culture, cultural safety and First Nations leadership and employment internally. The department is reviewing its Employment and Retention Strategy 2020–22, which set a target to lift First Nations employment to 5% of total departmental staffing. It has convened a First Nations Steering Group made up of the secretary, deputy secretaries and first assistant secretary who heads the First Nations Unit, to ensure executive ownership of the strategy and outcomes.







First Nations employees currently make up 2.6% of the department’s total staff. In comparison, First Nations employees make up 3.6% of the total APS according to the APS Employee Database. The department and the broader APS face structural and historical obstacles to becoming an employer of choice for First Nations Australians. The public sector risks missing out on the unique capabilities of people with lived experience by not offering equitable support for working outside Canberra. ‘We come from big families and big communities – we are always negotiating and bringing different people together’ said one interviewee. ‘That is a capability that can be brought to this agency’. In interviews, people described the following opportunities to support the department being seen as a culturally safe place to work.



- **First Nations SES.** As one interviewee said, ‘Culture doesn’t change through strategies or posters on the wall, it changes through people’. First Nations employees cannot readily see themselves represented in the department’s organisational chart due a small number of First Nations SES (1%) as of 31 May 2023. They said belonging should start with visible First Nations leadership. The department has an opportunity to be proactive about giving SES acting opportunities to the First Nations leaders it already employs.
- **Navigating impartiality versus identity.** The APS Values require public servants to be apolitical and impartial. This means First Nations public servants will be asked to remain impartial on matters that go to the heart of their identity, such as the Voice to Parliament referendum. ‘How do our first nations stay apolitical when the nation is talking about them?’ asked one interviewee. ‘Finding First Nations people who work in government is a bigger gig than people think because there is greater freedom to say what you think in other industries’. There is no simple solution to this tension but it is important to remain cognisant of the challenge it creates.
- **Acknowledge the burden of government decisions.** The review heard that First Nations people need resilience to work in the public sector and at times be held accountable in their communities for the decisions and actions of government. This is a heavy cultural burden and affects the attractiveness of the department and the APS as an employer. The department will need to come to terms with this challenge as part of its workforce strategy, acknowledging that this is currently of significant concern to its First Nations employees.

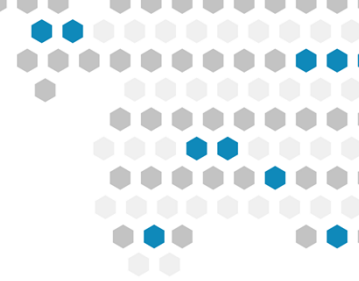


## Resourcing and risk

Element	Description	Department's high-level maturity rating	
Asset (physical and ICT) management	The capability to manage assets (physical and ICT) across their lifecycle to support the delivery of strategic objectives and be adaptive to change.		<i>Emerging</i>
Information and data management	The capability to use and manage information and data across all business areas of an agency and ensure sharing across government and beyond.		<i>Developing</i>
Cyber security	The capability to implement robust cyber security policies and practices based on global and domestic standards.		<i>Emerging</i>
Financial management	The capability to use financial planning to support the delivery of strategic objectives and allocate financial resources to maximise deliverables and ensure transparency and accountability.		<i>Developing</i>
Procurement, contract and project/program management	The capability to govern and manage procurement, contract and project/program activities in an efficient, effective, ethical and economical manner.		<i>Developing</i>
Risk management	The capability to use risk management and internal audit functions to support accountability, innovation and organisational improvement.		<i>Developing</i>

### Long shadow of machinery of government changes

The department is still working through the legacy of machinery of government changes that came into effect early in 2020, just ahead of the onset of COVID-19 in Australia ([see about the agency for more](#)). The pandemic drew the department's focus away from integrating the 2 former departments and onto urgent matters such as whole-of-government policy work on border controls and supply chains, as well as equipping staff with tools and devices to work from home through pandemic-related lockdowns. People told the review that the department comes together when faced by a crisis or another pressing need. However, a history of some functions (for example, Communications and Arts) experiencing several machinery of government changes means there is an underlying assumption they may be moved again, which can impact their affinity to the organisation. 'Some people are just waiting for us to be snipped down the middle again,' said one interviewee. The department is also



dealing with a history of underinvestment in some enabling functions, and the need to provide basic integration (such as a single email address) before it can update to contemporary tools, technologies and processes. 'Getting rid of the shackles is taking time,' said one executive. This *Resourcing and risk* section describes the business impacts in more detail.

#### Case study: Salary levels and Individual Flexibility Arrangements

Before the 2020 machinery of government change, Department of Communications and the Arts employees at the APS 6 to EL 2 classifications were paid a higher salary under their Enterprise Agreement than their colleagues at the Department of Infrastructure, Transport, Cities and Regional Development. To maintain these pay levels, the department has used Individual Flexibility Arrangements to ensure employees at each level are paid equivalent to the higher pre-machinery of government rate, and to position itself better within the competitive skills market. The department's current Individual Flexibility Arrangements Framework provides APS 6 to EL 2 employees with an extra 2 to 3 pay points once they reach the top of the pay scale set by the the department's enterprise agreement.

While this has mitigated some of the risk of a tight skills market, the cost for the department to continue using these arrangements is high. Individual Flexibility Arrangements are renewed each year manually and this requires 2 full-time employees to be taken off core duties for approximately 2 months.

## Strengthening the centre of the organisation

The merger and cumulative impact of additional staff, programs, regulations and a growing investment pipeline has created a conglomerate that demands more of its central enabling services. But the corporate capability within the department has not developed sufficiently to meet the growing needs of the bigger department, and may have even diminished in real terms as a consequence of ongoing efficiency dividends and legacy resourcing decisions. For example, the department does not provide extra resources for the Chief Operating Officer Group when programs and policies expand in the business areas. This means the staffing rate for the corporate function is 'frozen in time' according to one interviewee, and not responsive to fluctuations in demand. From a corporate perspective, the legacy of machinery of government changes coupled with underinvestment in ICT means time is invested in tasks like processing Individual Flexibility Agreements (see case study above) and manual workarounds like using spreadsheets to manage high value investments, rather than automating business processes to support higher-value strategic work.

Strengthening the centre of the organisation will be a critical first step towards realising several of the opportunities to enhance capability described in the [Delivery](#) and [People](#) sections of this report. Importantly, when this review talks about the centre of the organisation, it does not just mean the Chief Operating Officer Group. Rather 'the centre' refers to all common enabling processes and functions across the department. All groups have a role to play in improving whole-of-department functions such as recruitment, retention, technology, resource and risk management, finances and governance. 'People need to get behind corporate or corporate will not be successful,' said one interviewee.



The Corporate Service Delivery Program is an important initiative to clarify the role of the Chief Operating Officer Group in terms of its service offer and managing expectations around where respective business areas will have to contribute. There is an opportunity for the department to extend the scope of the program to consider what other functions and processes need to be standardised, consistent and centrally governed, and what should be tailored to the needs of specific business areas. This applies to governance processes relating to portfolio agencies and Government Business Enterprises, as discussed earlier in [the Collaboration section](#), and equally to strategic policy coordination, procurement, recruitment and risk. As noted in the [People section](#), the department should also consider establishing a central in-house legal design capability to enable business areas driving law reform.

#### Case study: Corporate Service Delivery Program

The department has commenced its Corporate Service Delivery Program to drive a design-led approach to corporate services and embed a customer-centred approach within the Chief Operating Officer Group.

The program is in its discovery phase, where it will establish a baseline for the maturity of the corporate function and develop opportunities for improvement. Its purpose is to deliver a clear vision for the Chief Operating Officer Group, a service offer articulating what staff can expect from it, an in-house service design capability, and a strategy for the future of corporate service delivery across the department.

As part of its discovery research, the program team is mapping the end-to-end staff journey from hire to retire, and all the touchpoints with the corporate function along the way. This presents a significant opportunity for corporate practitioners to take a step back and think about what they do at a holistic level and imagine how processes could be improved to better serve the customer.

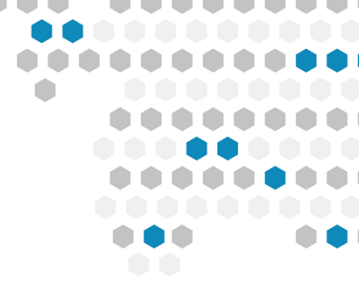
The program plans to begin delivering initial reforms in July this year.

The review also heard some business areas of the department have their own teams to deliver corporate or corporate-like functions, but there does not appear to be a consistent approach to the allocation of these units. As part of its efforts to strengthen the centre of the organisation, the department should consider whether these shadowing functions are the most effective way to allocate corporate resources. This consideration should be done by the ELT through a transparent and consistent process.

## Building the foundations for a modern digital toolset

The review has rated the department's physical and ICT asset management capability as 'emerging', which matches the department's self-assessment of this capability. ICT is perhaps the capability most visibly impacted by the 2020 machinery of government changes. The merger brought together separate IT networks, supported by different commercial providers, and different enterprise tools for corporate functions, such as reporting and collaboration. The then Department of Communications and the Arts was using contemporary digital tools and took what many of its former staff still consider to be a 'step backwards' by transitioning to the technology platforms used by the larger Department of Infrastructure, Transport, Cities and Regional Development. The integration of the IT systems was delayed by the sudden onset of the COVID-19 pandemic. It must now be





completed before the department can begin modernising its digital toolset and moving off legacy and outdated platforms that create frustrating manual workarounds for staff.

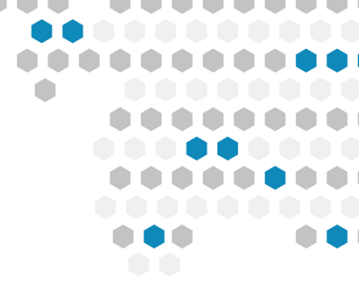
The department has already recognised the importance of uplifting ICT – it has elevated the IT and digital functional team from a branch within the Chief Financial Officer division to its own division. The new Chief Information Officer is focused on transitioning the department to a single network by November 2023 – the largest milestone in its IT Roadmap. For staff, this will mean a single email solution, shared mailboxes and distribution lists, a common IT service portal and helpdesk, and consolidated mobile applications. The department has recently decommissioned Skype for Business and is moving to a single WebEx application. This review observed that most staff relied on manual workarounds using the Department of Finance-run GovTeams platform to facilitate virtual meetings. Network integration will be an important win for IT staff, who don't often receive positive recognition from their colleagues. As one IT professional said, 'You're only ever one outage from being at the bottom of the pile'. The department's IT teams deserve to be commended for their resilience and persistence in pursuit of these goals.

In workshops, staff were asked what one piece of advice they would give to the secretary in relation to capability. Many asked him to acknowledge and empathise with the negative impact IT capability has on their work and to prioritise solutions in this area. In the 2022 APS Employee Census, staff were asked to identify the most important improvement they would like to see in their working environment and 37% nominated improved technology – almost twice the APS average. The department must not lose sight of how critical digital tools are to the ability of staff to collaborate internally and externally. In workshops, staff expressed more frustration about separate instances of Skype inhibiting their ability to collaborate than any cultural or physical barriers. Interviewees suggested poor IT systems also impacted organisational performance and productivity, and this was beginning to affect staff morale and culture across the department.

The review acknowledges the department is prioritising investment to expedite the ICT integration. It needs to ensure technology is seen as a whole-of-organisation responsibility. 'A lot of people in the department believe digital transformation is an IT problem, but it is about changing the way that you operate,' said one interviewee. As a first step, the department should make sure it is clearly and consistently communicating the trajectory of the IT Roadmap and the rationale for technology decisions. The review encountered anxiety and confusion about the decision to adopt WebEx over MS Teams, which has since been explained in more detail by the Chief Information Officer. However, clear and consistent communication of the IT Roadmap change process should not be left to the Chief Information Officer and IT and Digital Division. It must be owned, led and communicated by the secretary and the ELT as a whole-of-department priority.

Modern, cloud-based solutions will deliver capability and productivity dividends for the department, in terms of efficiency, flexibility to adapt to new priorities or functions and being able to reassign staff to higher-value work. A cloud-based future will require different, 'higher up the stack' skills from the IT and Digital Division, such as configuration and being able to track and attribute computing costs.

The review rated the department's cyber security capability as 'emerging', which again matches the department's self-assessment. It is working with the Australian Cyber Security Centre to uplift this capability and its



implementation of the Essential Eight cyber mitigation strategies. It will re-assess its maturity once network integration is complete at the end of this calendar year. The uplift in ICT and specifically cyber security must be a priority for the ELT. It will be easier to manage cyber defences across a unified technology environment. However, this review is not in a position to make detailed findings about the department's cyber security needs. Given the high-profile reputational and operational risks posed by a security breach, this area warrants more detailed consideration and specialist input into risks and mitigations as a matter of priority.

## Leveraging the data at hand

Data handling and analysis is recognised as a persistent skills shortage in the APS and other sectors, as the growth in data-driven activity across the broader economy and workforce outstrips the supply of qualified practitioners. In 2022, 48% of APS agencies identified data and research as a skill shortage in their organisation. This department has identified data and research as one of 7 job families where it is experiencing skill shortages. The department acknowledges its data capability is largely devolved and inconsistent. It has pockets of strengths: it is home to the Bureau of Infrastructure and Transport Research Economics (BITRE) – which dates back to the 1970s – and the Bureau of Communications, Arts and Regional Research (BCARR). Both are specialist economic analysis units. The BITRE holds nationally significant aviation, maritime, road and rail transport data collections and publishes much of its research online. It also has established capability tracking and monitoring carbon emissions. These are rich capabilities that should underpin efforts to grow the department's strategic policy and forecasting ability, and to deliver 'intellectual clout' in leading the policy agenda in areas such as net zero policies and transition measures. The BITRE and BCARR should continue to deepen their collaborative work with each other and across the department to further develop organisational capability in data handling and analysis.

Another way the department can strengthen its centre is to embed consistent and well-understood ways for staff to discover what data products are already available, and how to access them. With the high staff turnover, awareness may diminish over time, so it is important for the department to stay proactive in promoting data products. 'It's all a bit piecemeal,' said one executive about the current approach. The department has an enterprise data management platform called RADAR – Ready Access to Data Analytics and Reporting. The platform enables any registered staff member to find, publish and re-use data assets. However, the review heard the platform is not being used to its full potential. Exposure to RADAR, especially for non-data specialists, is an opportunity to lift the day-to-day data skills of all staff and minimise demand for scarce specialist skills or external consultants. The ELT should more proactively support data capability, rather than leaving it as a responsibility of the research bureaus and the IT and Digital Division.

Specialist data capability will also be critical to achieving the department's First Nations outcomes, particularly Closing the Gap targets. The department is responsible for socio-economic targets relating to community infrastructure (9b); languages (16); and digital inclusion (17). To successfully deliver these it will need to track metrics like the proportion of First Nations people who speak an Indigenous language to more nuanced and qualitative measures like indicators of the growth and strength of culture that is linked to language. This requires a specialist capability to collect and interpret data in a culturally sensitive way. The department should develop this approach in close collaboration with the National Indigenous Australians Agency.



## High-value work for financial professionals

Strengthened financial management capability within the department, including improved budget forecasting and business planning, will allow the secretary and the ELT to make better resource allocation decisions across the department, aligned to whole-of-government priorities. This will be a critical priority as the department and government move into a more fiscally constrained budget cycle.

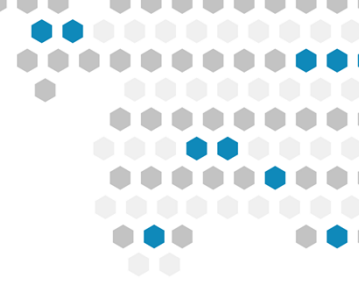
One experienced stakeholder described this department as having the ‘most complex financial statements in government outside of the Department of Defence’, owing to its relationships with large Government Business Enterprises and their technical accounting treatments. The department acknowledges its financial management capability is ‘developing’ and it has opportunities to improve budget forecasting and business planning. The finance function is another area affected by the machinery of government change. From a Communications and Arts perspective, industry-standard finance IT systems were replaced with what are perceived as inferior bespoke solutions from the Department of Infrastructure, Transport, Cities and Regional Development. The review heard there has been a complete turnover in finance staff since the merger.

The department acknowledges systems and processes used by the finance team are not fit-for-purpose. They are restricting the capability of a team that needs to focus on a balance sheet worth billions of dollars, and looming budget challenges like the cost of whole-of-APS wage increases. ‘It horrifies me to do an internal budget on a spreadsheet,’ said one interviewee. ‘We need to make it less labour intensive for staff so they can do more value add and strategic work,’ said another. The Chief Operating Officer Group wants to address issues with supporting finance systems and digital platforms. The department increases its risk to integrity and reputational damage if its margin of error in unexplained variances is allowed to increase. The department needs to prioritise this work, as the current situation also represents a retention risk for staff who might leave to pursue more interesting and strategic work in other organisations with industry-standard financial systems.

## Future-fit commercial skills

The department is exposed to a high level of commercial risk, through its investment pipeline, major grants and portfolio agencies. Commercial acumen, the ability to negotiate good deals with both private and public sector partners and scrutinise contractor performance are critical capabilities. Decisions around expenditure of public money will be subject to even greater scrutiny with the commencement of a National Anti-Corruption Commission in July 2023. Procurement and program management must be strong and enduring capabilities.

The department has been proactive in strengthening this capability. In 2021–22, a project to uplift procurement capability resulted in standardised procurement processes and a suite of internal guides to help staff with procurement processes. At the beginning of 2023 the department established a central Project Support Office, partly in response to the ANAO’s report into the Leppington land purchase. The Project Support Office provides portfolio-wide oversight and reporting across 37 current projects to the ELT, to inform strategic decision-making and promote transparency and accountability. It also develops standard processes and templates, and provides advice to project teams. Its work is an example of how the department can and should scale up best practice in a way that will strengthen its centre and better manage organisational and portfolio risk.



There are clear opportunities to address structural issues that may hold these capabilities back. As discussed in [the Collaboration section](#), the department can leverage best practice to provide more consistency in how it governs and oversees Government Business Enterprises. Feedback provided during the review suggested the department would benefit from clearer articulation of roles and responsibilities between itself and the Department of Finance when it comes to overseeing Government Business Enterprises. For commercial negotiations, the department should reach outside its own organisation and make use of areas of expertise elsewhere in the APS, particularly the Department of Finance.

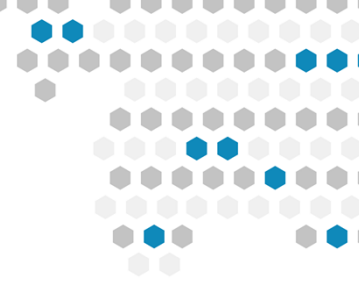
## Embedding mature attitudes towards risk

The department, like many others, faces a challenging financial future. It has the added burden of corporate tools and platforms that still require urgent development. These conditions have the potential to increase overall risk.

The department's Risk Management Policy and Framework was established in December 2020. It sets out risk management processes and its position on enterprise risk, including risk appetites. The department updated its risk appetite statement and category-specific risk tolerances in September 2022. It recognises it is 'not possible, or necessarily desirable, to eliminate all of the risks inherent in our work'. It is 'willing to accept higher levels of risks when the potential benefits outweigh the negative consequences of risks'. The department will tolerate little to no risk to safety, integrity and unexplained financial variances, but has a higher risk threshold for policy proposals and advice, especially when there is opportunity for innovation. The new Assurance, Integrity, Risk and Governance Branch is leading the implementation of the policy and framework.

However, the review heard the department is not modelling the risk appetite in its risk statement, and a low appetite for risk means it is missing opportunities for collaboration, innovation and reform. 'We talked ourselves into having more risk tolerance than we used to. But we don't revisit that enough to embed it,' said one interviewee. Internal and external stakeholders said the department tends to avoid risk rather than balancing it against opportunities for better outcomes. External stakeholders, especially those working at the interface with industry, said a greater appetite for managing risks would strengthen the department's ability to work with its partners and achieve its goals. 'They need to deal with risk rather than trying to eliminate risk. If they don't change, they will create risk and slow down the industry' one interviewee said.

Ministers and their staff want departmental officers to offer bold and ambitious policy advice. Risk aversion feeds into a sense that the department can be insular, as collaboration means giving a certain level of control to partner organisations. The task of embedding mature attitudes to risk across the organisation cannot be left to a small team in the Assurance, Integrity, Risk and Governance Branch. As with other efforts to strengthen the centre of the organisation, risk management will need to be owned and driven by members of the ELT, which has an opportunity to amplify the work of the branch. A higher profile role for the department's independently chaired Risk and Audit Committee will be important to drive better risk management across the ELT and the organisation.



## The department's response

Thank you for the opportunity to participate in the pilot Capability Review process, which has provided a welcome and timely mechanism for the department to reflect on our purpose, recognise our strengths and weaknesses, and to consider how we can best position ourselves to deliver great outcomes for all Australians. I appreciate the positive engagement and honest, considered input to the review by the many staff, ministers and stakeholders who participated.

I would like to thank the Senior Reviewers, Robyn Kruk AO, Roxanne Kelly PSM and Adam Fennessey PSM, and the APSC team who supported them, for their collaborative, professional and constructive approach to the review. I would like to acknowledge and commend the collective depth of understanding of the public service administrative process the Senior Reviewers were able to bring to the project, which was important to me given the breadth of the portfolio's responsibilities, and which has ensured a report which is insightful, informed and instructive.

I am particularly pleased to see that the review acknowledges that the staff in our department are indeed kind and inclusive. The way we treat one another speaks directly to the calibre of our organisation, and ensures we are genuinely focused on achieving our purposes of connecting Australians, enriching our communities and empowering our regions. It reaffirms that there is no tradeoff between our values and delivering results for the government and the people of Australia.

The review also confirms that we can and must do more to bring the department together as one, to leverage the benefit of our scale and diversity, and to foster consistency and collaboration. We know we can do more to strengthen our enabling tools and systems, including our ICT. We know we can do more to listen to diverse perspectives, including First Nations voices. And we know we can do more to be bold and ambitious in putting forward strategic advice, based on evidence, to inform innovation and reform across our diverse portfolio areas.

The department has responded to the review process as a welcome opportunity to gain an objective assessment of our capability in a complex and challenging operating environment. We are pleased to have received such a useful and constructive assessment and, as a department, we will address the issues outlined in the report in our agency action plan.

Jim Betts

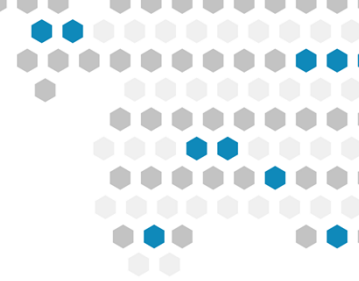
Secretary

Department of Infrastructure, Transport, Regional Development, Communications and the Arts



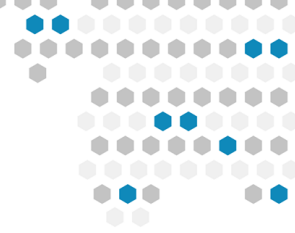
## Appendix A: Abbreviations and acronyms

Abbreviation or acronym	Description
ACSC	Australian Cyber Security Centre
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ASL	Average Staffing Level
BCARR	Bureau of Communications, Arts and Regional Research
BITRE	Bureau of Infrastructure and Transport Research Economics
CoP	Community of Practice
DCCEEW	Department of Climate Change, Energy, the Environment and Water
The department	Department of Infrastructure, Transport, Regional Development, Communications and the Arts
EL	Executive Level
ELT	Executive Leadership Team
IT	Information technology
ICT	Information communications technology
RADAR	Ready Access to Data Analytics and Reporting
SES	Senior Executive Service



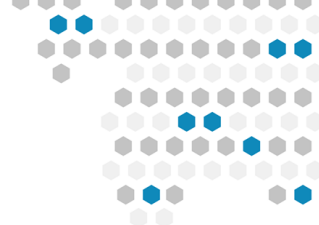
## Appendix B: Capability Review Framework – domains and elements

Core domain	Element	Description of the element
<b>Leadership and culture</b>	Purpose, vision and strategy	The capability to develop an appropriate purpose, vision and strategy based upon government priorities and legislative functions and successfully communicate these to staff, stakeholders and users.
	Values, culture and behaviour	The capability to foster a culture of continuous improvement and innovation and measure the benefit of these activities to policy, programs and service delivery.
	Leadership and governance	The capability to deliver effective leadership, including good decision-making, to identify and develop leaders, and establish organisational structures that are efficient and effective.
	Review and evaluation	The capability to use review and evaluation activities to maintain performance and drive improvement.
	Embodies integrity	The capability to promote and embed integrity and APS values across all business areas of an agency in a way that informs and influences business practices across the agency.
<b>Collaboration</b>	Engagement with ministers	The capability to maintain open, trusted and respectful relationships with minister/s and provide impartial and evidence-based advice to them.
	Contribution to the public sector (federal, state/territory, local and international)	The capability to make productive contributions to the public sector, both domestically and internationally, and establish enduring and collaborative relationships with other public sector agencies to support government priorities.
	Partnerships and engagement outside the public sector	The capability to engage and establish respectful and collaborative partnerships with users of government services and non-government entities to understand their experiences and needs.
	Putting people and business at the centre of policy and services	The capability to leverage partnerships with external stakeholders, such as the public, communities, business, the not-for-profit sector and other governments to deliver policy and services.



Core domain	Element	Description of the element
<b>Delivery</b>	User focus and experience	The capability to use the principles of partnership and co-design, and feedback mechanisms to deliver effective and fit-for-purpose outcomes and services for people and business.
	Strategic policy	The capability to deliver high quality and forward-looking strategic policy that meets strategic objectives and ministerial priorities.
	Service delivery and improvement	The capability to deliver effective and efficient services and improve service delivery by undertaking and acting on evaluation and user feedback.
	Managing for performance and outcomes	The capability to deliver on commitments to government, measure the value provided, and employ a systems thinking approach to delivery.
	Capability to do the job	The capability to use best practice examples worldwide to inform and deliver policy and services.
<b>People</b>	Strategic workforce planning and development	The capability to use strategic workforce planning and development to anticipate and respond to the future needs and priorities of government and users of government services.
	Staff performance and capability	The capability to develop staff in a way that is aligned to the future needs of the APS, and to use performance management to deliver on strategic priorities and encourage high performance.
	Staff engagement and experience	The capability to develop and maintain an inclusive working environment that gives staff a sense that they belong and are valued.
	Model employer	The capability to use best practice people-based policies to deliver a quality employee experience and a dynamic workplace.
<b>Resourcing and risk</b>	Asset (physical and ICT) management	The capability to manage assets (physical and ICT) across their lifecycle to support the delivery of strategic objectives and be adaptive to change.
	Information and data management	The capability to use and manage information and data across all business areas of an agency and ensure sharing across government and beyond.





Core domain	Element	Description of the element
	Cyber security	The capability to implement robust cyber security policies and practices based on global and domestic standards.
	Financial management	The capability to use financial planning to support the delivery of strategic objectives and allocate financial resources to maximise deliverables and ensure transparency and accountability.
	Procurement, contract and project/program management	The capability to govern and manage procurement, contract and project/program activities in an efficient, effective, ethical and economical manner.
	Risk management	The capability to use risk management and internal audit functions to support accountability, innovation and organisational improvement.



# Appendix C: List of portfolio entities

Airservices Australia  
Australia Council  
Australian Broadcasting Corporation (ABC)  
Australian Communications and Media Authority  
Australian Film, Television and Radio School  
Australian Maritime Safety Authority  
Australian National Maritime Museum  
Australian Postal Corporation  
Australian Rail Track Corporation Limited  
Australian Transport Safety Bureau  
Bundanon Trust  
Civil Aviation Safety Authority  
Infrastructure Australia  
National Archives of Australia  
National Capital Authority  
High Speed Rail Authority  
National Film and Sound Archive of Australia  
National Gallery of Australia  
National Intermodal Corporation Limited  
National Library of Australia  
National Museum of Australia  
National Portrait Gallery of Australia  
National Transport Commission  
NBN Co Limited  
Northern Australia Infrastructure Facility  
Old Parliament House  
Screen Australia  
Special Broadcasting Service Corporation (SBS)  
WSA Co Ltd