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APS Reform Initiatives

2.1   Since the Government's initiation of a major review of the APS and the subsequent report – *Ahead of the Game: Blueprint for the Reform of the Australian Government Administration* – the JCPAA has been tracking progress on the reform initiatives.

2.2   Most recently, the Committee was advised that of the original 28 recommendations for reform:

- 15 reforms are complete;

- four reforms are completed with actions continuing as part of a reform initiative; and

- one reform, the citizens survey, has not progressed due to a lack of funding[1].

2.3   In response to a request from the Committee for additional details on what has actually been achieved, the Department of the Prime Minister and Cabinet (PM&C) submitted a status report outlining the progress on implementing projects responding to the recommendations from the Blueprint. The full list is available at Appendix C.

2.4   At the hearing, the Public Service Commissioner described the purpose of reform as ensuring the APS is 'fit for the future', with a focus on the sum capability of both the organisation and individual. Using the Home Insulation Scheme as an example, the Commissioner stressed the importance of the health of the 'whole system that surrounds implementation of government programs' and the linking of systems and

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1   PM&C *Submission 1*, p. 2 and Mr Sedgwick, APSC, *Committee Hansard*, Canberra, pp. 2-3.

people to produce better outcomes. Capability reviews and invigoration of the Senior Executive Service (SES) leadership were put forward as core components.[2]

2.5   In the course of the hearing and through questions on notice, the Committee examined a range of issues including:

- APS policy implementation capacity;

- review mechanisms; and

- future areas for reform.

2.6   Leadership and SES initiatives are discussed in Chapter 3 – The State of the Service.

APS policy implementation capacity

2.7   Of particular relevance to this Committee due to the number of JCPAA findings of poor implementation is progress on *Blueprint Reform 3– Enhancing policy capability*, which includes a recommendation to improve policy implementation. The recommendation comprised of three elements:

- provide clear guidance and standards to agencies on policy implementation, particularly in the areas of program and project management;

- increase every department's capacity to oversee implementation activities; and

- establish an APS wide forum to share best practice in regulation.[3]

2.8   The Committee asked for an update on each of the elements, as well as the indicators being used to demonstrate whether or not policy implementation has improved.

2.9   Responding to the Committee's request, PM&C provided details of how each element had been addressed.

2.10   For Element One– provide clear guidance and standards to agencies on policy implementation, particularly in the areas of program and project management– the department outlined a two-prong approach:

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2   Mr Sedgwick, APSC, *Committee Hansard,* Canberra, 20 June 2012, pp. 2-3.

3   See PM&C website for full Blueprint, available at: http://www.dPM&C.gov.au/publications/aga_reform/aga_reform_blueprint/index.cfm.

- direct contact with agencies, with the provision of advice and guidance at all stages of policy development, but particularly when new policy proposals are being prepared for Cabinet; and

- broader APS-wide 'communication products to advise agencies on policy implementation… including a Guide to Implementation Planning, frequently asked questions and a quarterly newsletter[4]'.[5]

2.11   Element Two– increase every department's capacity to oversee implementation activities – is primarily managed by the Cabinet Implementation Unit (CIU) within PM&C. The department describes the CIU as having multiple roles using a "hub and spokes" model, engaging with APS implementation networks and 'connecting pockets of implementation expertise across government'.[6]

> The CIU has a helicopter view of the different implementation exercises occurring across the Government and can facilitate contact between agencies to enable the exchange of implementation expertise.
>
> …
>
> [and] through these networks monitors emerging issues experienced by program managers and raises awareness of better practice implementation planning.[7]

2.12   In conjunction with the Finance department, the CIU also presents training on risk assessment[8] and the requirements for implementation planning for new policy proposal. PM&C advised that by March 2012, over 350 attendees from more than 34 agencies had attended the training.[9]

2.13   Again, the CIU is available to assist individual agencies in developing capacity to oversee implementation activities on request.[10]

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4   According to PM&C, *Submission 3*, p. [5], [t]he newsletter contains information on current and emerging trends in implementation and delivery, and aims to extend and promote networks of policy implementation expertise across the APS.

5   PM&C, *Submission 3*, p. [5].

6   PM&C, *Submission3*, p. [6].

7   PM&C, *Submission3*, p. [6].

8   See http://www.finance.gov.au/gateway/risk-potential-assessment-tool.html – the Risk Potential Assessment Tool assists agencies to determine and communicate the potential risk of a proposal to ministers before seeking Cabinet's agreement.

9   PM&C, *Submission3*, p. [6].

10   PM&C, *Submission3*, p. [6].

2.14   Element Three has been completed with the establishment and ongoing operation of high-level APS wide forum:

> Established in June 2011, the Australian Public Service Policy Implementation Network (APS PIN) has had seven formal meetings which have focussed on creating a strong network of expert implementers to share advice and experiences, and consider some of the key implementation challenges for the APS.[11]

2.15   In terms of measuring an improvement in capacity to implement policy, PM&C advised that capacity is tracked through 'a variety of tools and indicators' including monitoring the quality of implementation plans submitted to Cabinet. The department also advised that they work with both the individual agency and the Finance department 'to address areas requiring further development'.[12]

2.16   The second indicator PM&C outlined was the measurement of successful policy implementation. Agency improvement is determined by '[a]n increase in the number of projects/programs delivered on time, on budget and meeting stated outcomes'.[13]

Committee comment

2.17   The Committee notes that all recommendations with Blueprint Reform 3 are now complete, and from the evidence presented appear to be embedded across the APS. These changes will take some time to show results – for example, a reduction in numbers of audit reports critical of implementation – so the Committee will continue to monitor this area.

Review mechanisms

2.18   The Blueprint for reform identified the need to place an APS-wide focus on development of the capabilities necessary to position it as a high-performing public service.[14]

2.19   Evaluations and reviews are an important component to improving performance over time. There are multiple review options available to examine APS agencies, over and above Parliamentary Committee reviews and those commissioned within an agency itself. These include:

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11   PM&C, *Submission 3*, p. [6].

12   PM&C, *Submission 3*, p. [6].

13   PM&C, *Submission 3*, p. [6].

14   APSC, 'Capability Reviews', www.apsc.gov.au/aps-reform/capability-reviews, viewed 18 June 2012.

- Australian National Audit Office performance audits, financial statement audits, and assurance reviews — providing the Parliament with an independent assessment of selected areas of public administration, and assurance about public sector financial reporting, administration, and accountability;[15]

- Department of Finance and Deregulation Strategic Reviews — examining the alignment of program(s) with Government priorities, assesses the effectiveness and the efficiency of program(s) and identifies potential duplication or budget savings.[16]

- APSC Capability Reviews — to provide a baseline against which capability could be measured and improved, the APSC was tasked with delivery of a program of regular reviews to assess institutional capability, with a particular focus on strategy, leadership, workforce capability, and delivery; [17] and

- proposed new review functions in sections 41 (c) and (d) of the Public Service Amendment Bill 2012 that will enable the Prime Minister to direct the Public Service Commissioner to conduct:

  ⇒ a 'systems review' of any matter relating to an Agency, including the management and organisational systems, structures or processes in an Agency; and the functional relationships between two or more Agencies;

  ⇒ a 'special review' of any matter relating to an APS Agency or the functional relationship between two or more agencies.

2.20 The Committee was interested in understanding the purpose of the various existing and proposed review mechanisms, and how they fit together.

2.21 Responding to a question from the Committee on the role of the Strategic Review Branch, Finance noted that its role is quite different to that of an auditor.

> Strategic Reviews are broader than audits, which are mainly concerned with compliance with regulations and sound practice in resource management as well as the effectiveness with which Government policies are implemented. While efficiency and

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15 ANAO, www.anao.gov.au/About-us.

16 Finance, 'About the Department', http://www.finance.gov.au/about-the-department/budget-group.html, viewed 18 June 2012.

17 APSC, 'Capability Reviews', www.apsc.gov.au/aps-reform/capability-reviews, viewed 18 June 2012.

> effectiveness in particular are frequently very relevant
> considerations in a Strategic Review, a Strategic Review typically
> also examines the broader policy and resource settings
> underpinning the matter being reviewed.

2.22   The APSC response explained the review functions proposed in the Public
        Service Amendment Bill 2012 essentially codifies arrangements currently
        available to the Public Service Commissioner. These new review
        mechanisms will allow the Commissioner to undertake reviews that 'focus
        on the overall performance and operation of agencies, or between
        agencies, or their future capability needs'.[18]

2.23   A systems review relating to management and organisational systems,
        structures or processes in an agency, and the functional relationships
        between agencies, may be requested by the Prime Minister, or Agency
        Minister or Secretary through the Prime Minister. The APSC further
        clarified that a Special Review may be requested by the Prime Minister to
        address public interest demands.[19]

2.24   In contrast to other review mechanisms, the APSC explained that
        Capability Reviews are forward looking, short, sharp assessments of an
        agency's overall ability to deliver against its strategic goals.[20] The
        Commissioner indicated that following the success of three pilot capability
        reviews the Government had agreed that all departments and major
        agencies be reviewed over the next three years.[21]

2.25   Outlining lessons learnt through the Capability Reviews undertaken to
        date, the Commissioner identified emerging issues as including work
        being done at too high a level, workplace silos, and priority setting.
        However, the Commissioner commended agencies reviewed so far for
        embracing reform, and noted that the APSC continues to work with
        agencies in implementing changes and evaluating outcomes.[22]

2.26   In support, the PM&C Secretary commented on the recent review of his
        department, noting that it provided useful insights into the organisation
        and that he will be vigorously implementing the report
        recommendations.[23]

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18   APSC, *Submission 2*, p. [8].
19   APSC, *Submission 2*, p. [8].
20   APSC, *Submission 2*, p. [6].
21   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 3.
22   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 3.
23   Dr Watt, PM&C, *Committee Hansard*, Canberra, 20 June 2012, p. 4.

2.27   The Committee asked the APSC whether the outcomes of these reviews would be made public, and was subsequently advised that the capability review reports will be published on an annual basis each November in conjunction with the release of the State of the Service report.[24]

Committee comment

2.28   The Committee welcomes focus being given to strategic reviews across the APS, in particular through the Capability Reviews. The Committee was pleased to hear that these reviews will be rolled out across all departments and major APS agencies, and that the results will be publicly available.

2.29   In particular the Committee welcomes the further scrutiny of cross-agency performance and strategic assessment of future capabilities. Increased focus on these areas will help ensure that programs and services are being developed and delivered efficiently and effectively to meet the needs of the recipients. However, due to the complexity of the different review options available, the Committee would like to see the development of a simple, possibly diagrammatic, explanation of how these reviews fit together and how they link with the other review mechanisms across government.

Future reform initiatives

Outstanding reforms

2.30   As noted in the Blueprint reform status update, there are a few initiatives where the base work is complete, but finalisation is pending the passage of the Public Service Amendment Bill 2012.

2.31   Recommendation 4.1—Revise and embed the APS values — was used as one example of where the initial work has been done, and the plan as to how to embed the values has been developed, but the promulgation to the wider APS cannot be completed until the Bill is passed.[25]

2.32   The Committee asked the Commissioner to outline any other initiatives that are still in progress or waiting to be implemented. The following is a summary list of the Commissioner's response:

- identification of the core skills for public servants;

- recruitment guidelines and the performance management material; and

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24   APSC, *Submission 2*, p. [6].

25   Dr Watt, PM&C, and Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 5.

■ a refresh of the electronic recruitment vehicle — APS Jobs, and work to improve its usability.[26]

2.33   The Commissioner noted that 'all the big building blocks' of the reform agenda are in place, with many becoming 'business as usual'. However, the Commissioner also acknowledged that a number of areas such as performance management 'have a long tail' in terms of agency integration, and others such as the APS Jobs site require review once in place to continue to improve useability.[27]

Engaging with citizens and 'plain English'

2.34   Noting the advice that citizen surveys are not progressing[28], and with the Committee's continuing interest in citizen engagement and accessibility, the Committee asked whether plain English initiatives had been incorporated into the reform agenda.

2.35   The Public Service Commissioner outlined work undertaken to 'improve the interface between the public sector and citizens' from the supply side, but acknowledged that plain English initiatives had 'not been a particular focus of [the] Blueprint agenda'. [29]

2.36   In a submission to the Committee, PM&C indicated that while there have been no whole-of-government initiatives, individual departments and agencies have communication improvement initiatives underway, particularly in the online arena.[30]

2.37   PM&C also outlined work being done by the APSC in terms of both developing an APS Core Skills Strategy, of which communication is expected to be a priority area, and running existing training courses on Essential Writing for APS Employees.[31]

Building an Asia capable APS

2.38   In his opening statement, the PM&C Secretary noted the growth of Asia's influence in the region, and highlighted the importance of 'building a genuinely Asia capable APS' to take advantage of opportunities, as well as meet the challenges, of this changing economic landscape.[32]

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26   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 5.
27   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 5.
28   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 2.
29   Mr Sedgwick, APSC, *Committee Hansard*, Canberra, 20 June 2012, p. 6.
30   PM&C, *Submission 3*, p. [1].
31   PM&C, *Submission 3*, p. [1].
32   PM&C, *Submission 1*, pp. 5-6.

2.39   The Committee asked PM&C to expand on what is being done in terms of building an 'Asia capable' APS.

2.40   In a submission to the Committee, PM&C noted that the 'Australia in the Asian Century White Paper' will address the issue in detail but initiatives to build an Asia capable APS include the need to:

- understand Asia and its potential role in Australia's future;

- communicate and foster partnerships across diverse Asian societies and cultures;

- develop the knowledge and skills to engage in the region; and

- to attract and retain people with Asia relevant talents.[33]

2.41   The department also outlined an APSC program already underway — Assisting Bureaucratic Reform program — that is considered to be strengthening the relationship between the Australian and Indonesian Government. The submission summarises the purpose and broader potential of such programs as follows:

> The APSC's ongoing relationship and shared experiences in public sector reform initiatives with senior officials is assisting the Indonesian government's objectives of a more efficient and effective public sector bureaucracy that delivers improved services to its public. The APSC program is proving to be a very positive example of support for systemic reform in Indonesia's public sector, especially through building the capability of Indonesian senior leaders to implement public sector reform.[34]

2.42   In addition to benefits for the host country, PM&C also consider that these programs help 'to build understanding and deep knowledge of the political, economic and institutional structures in a partner country'.[35]

Committee comment

2.43   The Committee appreciates the important work that the APS continues to do for the country and the effort that has been put into this major reform. Noting there are a number of initiatives yet to be fully embedded, the Committee will continue to monitor the status of reform progress.

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33   PM&C, *Submission 3*, p. [7].
34   PM&C, *Submission 3*, p. [7].
35   PM&C, *Submission 3*, p. [7].

2.44   In terms of work still to do, the Committee agrees that engaging with regional counterparts is an important goal, and has itself been developing relationships in support of this with both the Indonesian and Papua New Guinea Public Accounts Committee equivalents. The JCPAA would be interested in hearing more on APS coordination of international engagement, and the availability of information detailing individual agency initiatives.

2.45   On a final note, successful communication is the key to reform and engagement. The Committee was pleased to hear that agencies are working to improve communication. In doing so, agencies should place the utmost importance on ensuring information is accessible to the broadest possible audience through the use of plain English.