BCG
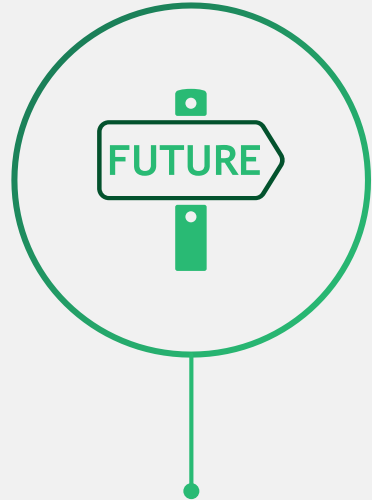## THE BOSTON CONSULTING GROUP

In support of the APS Review: Future trends and scenario planning to 2030
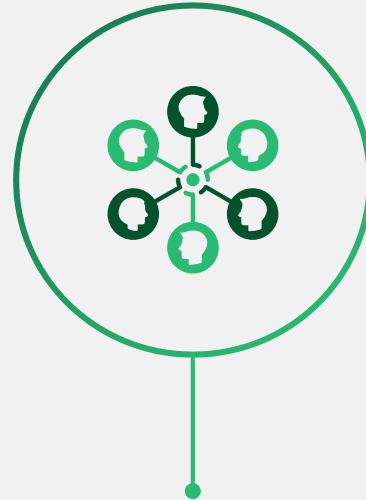
Appendix – APS Megatrend Survey

Background to this report

As an input into the APS Review Future Trends and Scenario Planning Report, BCG surveyed APS leadership to understand their perspectives on the 2030 operating environment

25 megatrends were included in the survey

Respondents were asked for their perspective on which megatrends are the most impactful, and how prepared the APS is to address them
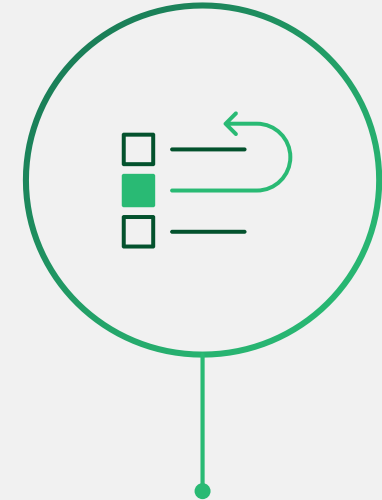
The survey results informed the prioritisation of key megatrends for scenario development, and provided insight into lead times for strategic responses

The BCG APS Megatrend Leadership Survey has gathered input from:

2,756
Respondents

82
Departments /
Agencies

542
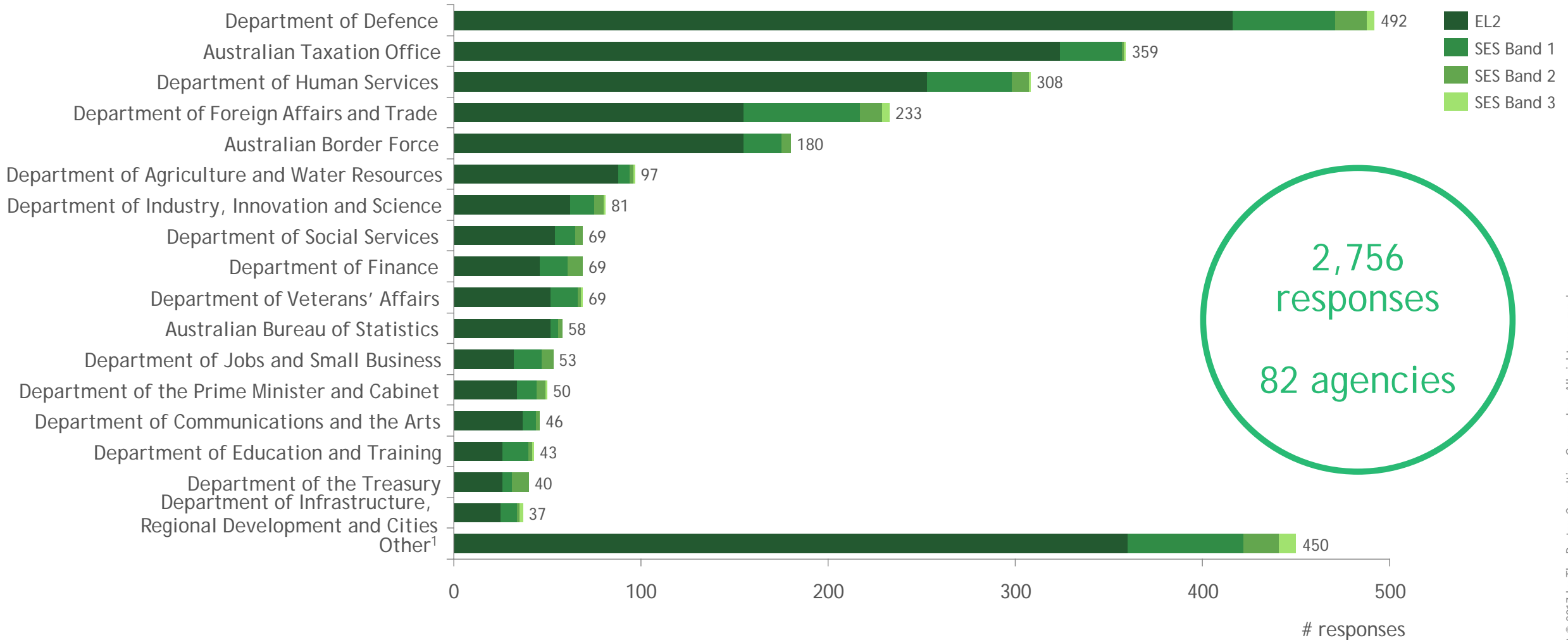SES Staff

2214
EL2 Staff

Responses were received from a wide range of agencies

Legend:
- EL2 (dark green)
- SES Band 1 (green)
- SES Band 2 (olive green)
- SES Band 3 (light green)

Agency	# responses
Department of Defence	492
Australian Taxation Office	359
Department of Human Services	308
Department of Foreign Affairs and Trade	233
Australian Border Force	180
Department of Agriculture and Water Resources	97
Department of Industry, Innovation and Science	81
Department of Social Services	69
Department of Finance	69
Department of Veterans' Affairs	69
Australian Bureau of Statistics	58
Department of Jobs and Small Business	53
Department of the Prime Minister and Cabinet	50
Department of Communications and the Arts	46
Department of Education and Training	43
Department of the Treasury	40
Department of Infrastructure, Regional Development and Cities	37
Other[1]	450

responses

2,756 responses

82 agencies

1. Other covers 65 other agencies including Australian Border Force, Comcare, IP Australia, Office of the Fair Work Ombudsman, Australian Signals Directorate, APSC, Murray-Darling Basin Authority, DTA, National Library of Australia, Australian Financial Security Authority, Office of National Assessments, Commonwealth DPP, AEC, APS Review, AAT, Office of the eSafety Commissioner, Fair Work Commission, ANAO, amongst others

3

Respondents provided their perception of 25 megatrends, which are classified into four themes

Changing expectations

- Fiscal pressure to do more with less
- Increasing citizen expectations
- Continued demand for digital government
- Growing distrust and demand for transparency
- Rise of new media
- Unclear role of government versus private sector and non-profit/philanthropy
- Increasing power of Millennials
- Tailoring of services to local areas

Advances of technology

- Increasingly data driven world
- More cybersecurity risks
- Rise of Artificial Intelligence & Machine Learning
- Continuing innovation imperative
- Uptake of robotics & automation

Societal and geo-political shifts

- Ageing population
- Rise of global tech giants
- Increasing focus on risk and security
- Growth of major Asian economies
- Migration continues to drive population growth
- Growing inequality
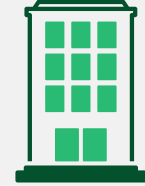
Changing work

- Workforce shifting to new skillsets
- More demand for flexible working
- Increasingly multi-generational workforces
- More collaborative, iterative work approaches
- Adoption of human-centred design
- Shift from vertical product siloes to horizontal platforms

Respondents provided their perspective on the impact of each megatrend and the preparedness of APS to address it

What is the degree of impact?

Determine the degree of impact of each megatrend on the APS out to 2030;
from limited impact to pervasive impact
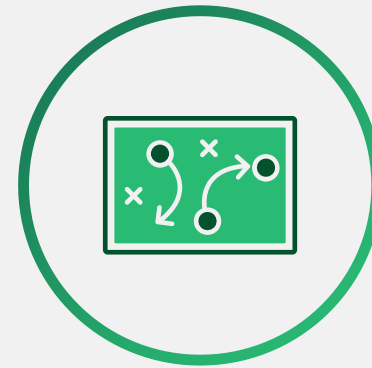
How prepared is the APS?

Determine how prepared the APS is to address each megatrend out to 2030;
from unprepared to unprepared

Key insights

The 5 most impactful trends were consistent across all seniority levels and locations

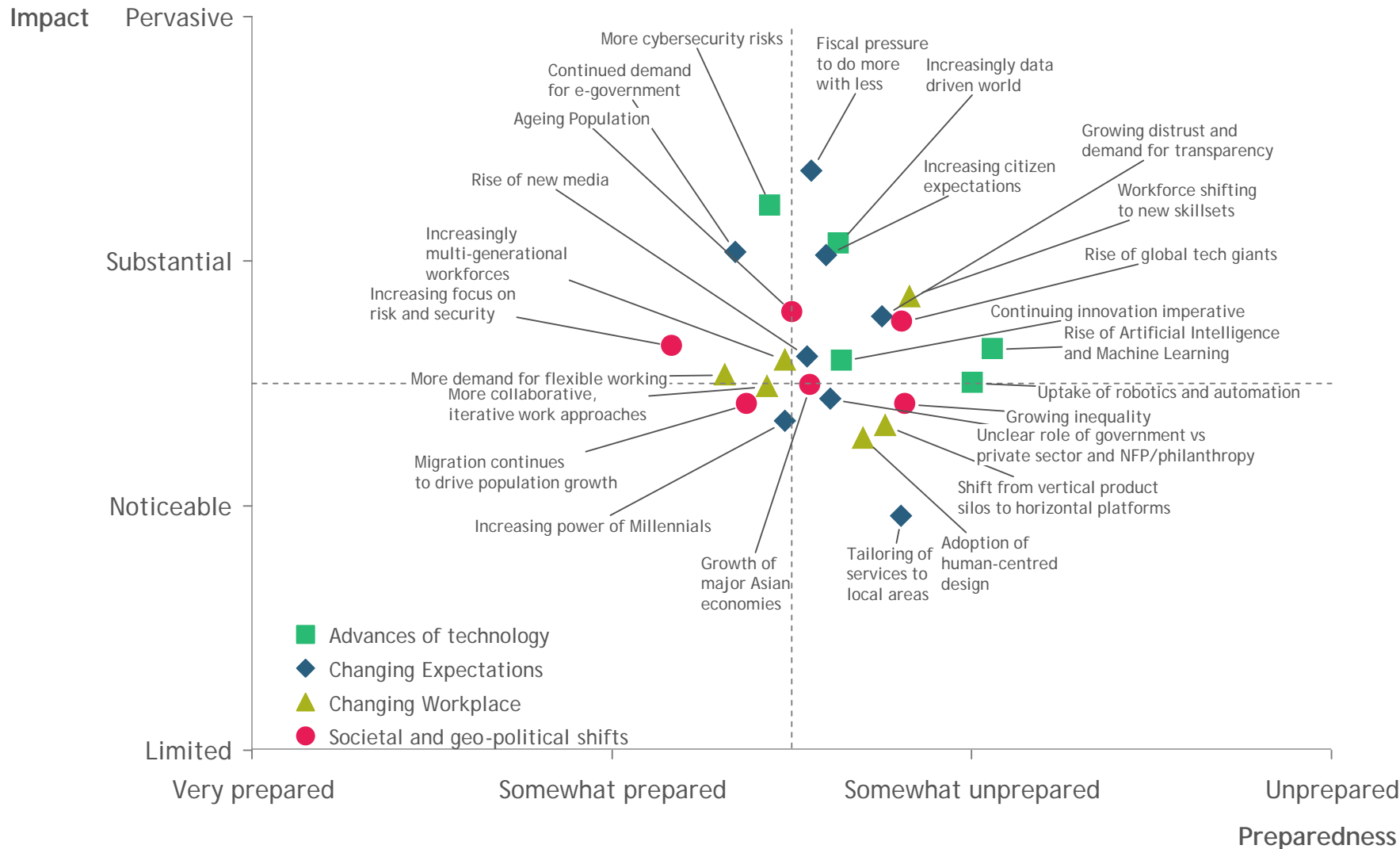Increasing seniority of the respondent saw an increase in degree of impact and uncertainty scores across most trends[1]

Respondents tended to perceive trends as more impactful if the trend was associated to their employer agency

Employees outside of the ACT saw all technology related trends as higher impact than their ACT based colleagues

1. With the exception of 'role of governments vs. private sector'

Our survey highlighted high impact trends, and those the APS is not prepared for

Impact — Pervasive / Substantial / Noticeable / Limited

Preparedness — Very prepared / Somewhat prepared / Somewhat unprepared / Unprepared

Legend:
- ■ Advances of technology
- ◆ Changing Expectations
- ▲ Changing Workplace
- ● Societal and geo-political shifts

Chart labels:
- More cybersecurity risks
- Continued demand for e-government
- Ageing Population
- Rise of new media
- Increasingly multi-generational workforces
- Increasing focus on risk and security
- More demand for flexible working
- More collaborative, iterative work approaches
- Migration continues to drive population growth
- Increasing power of Millennials
- Growth of major Asian economies
- Fiscal pressure to do more with less
- Increasingly data driven world
- Increasing citizen expectations
- Growing distrust and demand for transparency
- Workforce shifting to new skillsets
- Rise of global tech giants
- Continuing innovation imperative
- Rise of Artificial Intelligence and Machine Learning
- Uptake of robotics and automation
- Growing inequality
- Unclear role of government vs private sector and NFP/philanthropy
- Shift from vertical product silos to horizontal platforms
- Adoption of human-centred design
- Tailoring of services to local areas

Source: BCG APS Megatrends Leadership Survey; number of survey results = 2756; Departments, Agencies and Statutory Bodies who have responded = 82

Top 5 megatrends scored as having the **highest impact** on the APS:

1. Fiscal pressure to do more for less
2. Cybersecurity risk
3. Data driven world
4. Increasing citizen expectations
5. Continued demand for digital government

Top 5 megatrends which the APS is **most unprepared** for:

1. Rise of artificial intelligence
2. Uptake of robotics and automation
3. Workforce shifting to new skillsets
4. Growing distrust & demand for transparency
5. Rise of global tech giants

Quotes from APS staff emphasise **greatest opportunities** out to 2030

> **"** Appropriately harnessing the vast amounts of data becoming available, to ensure policy is directed most efficiently and effectively **"**
>
> *- EL2*

> **"** Keeping experienced people while integrating new and innovative thinkers could be a significant improvement to the workforce diversity and culture **"**
>
> *- SES Band 2*

> **"** Having a more mobile, agile and flexible workforce capable of responding to need, and the government's agenda will be critical **"**
>
> *- SES Band 1*

> **"** Integrate into the local and regional communities and introduce real time feedback about community needs and expectations **"**
>
> *- EL2*

Quotes from APS staff emphasise **greatest risks** out to 2030

> ❝ Cyber security risks means that the work and reputation of the APS can be threatened too readily ❞
>
> *- EL2*

> ❝ Failures by agencies to protect public data could see withdrawal of public support for increased automated services ❞
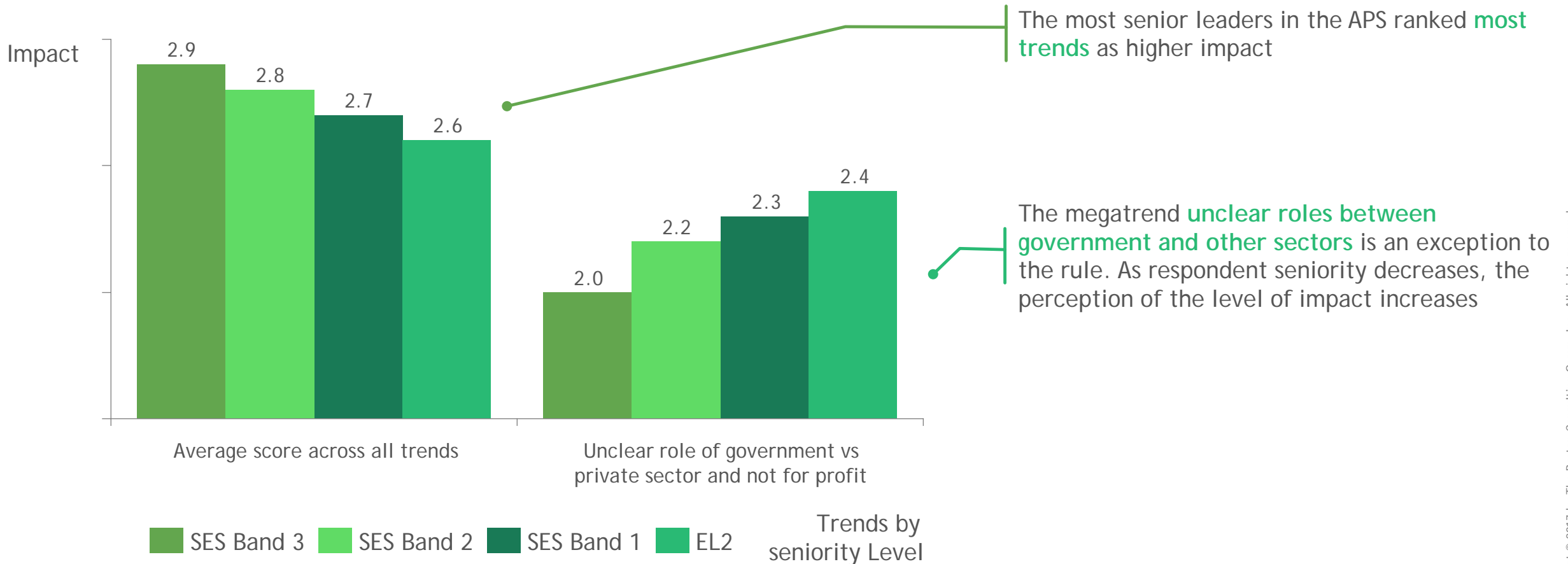>
> *- SES Band 1*

> ❝ Skills shortages, particularly the ability to attract true technical expertise to deliver innovative solutions for the community ❞
>
> *- SES Band 2*

> ❝ It will be the pace of the impacts and our inability to respond in a timely way that is our greatest challenge ❞
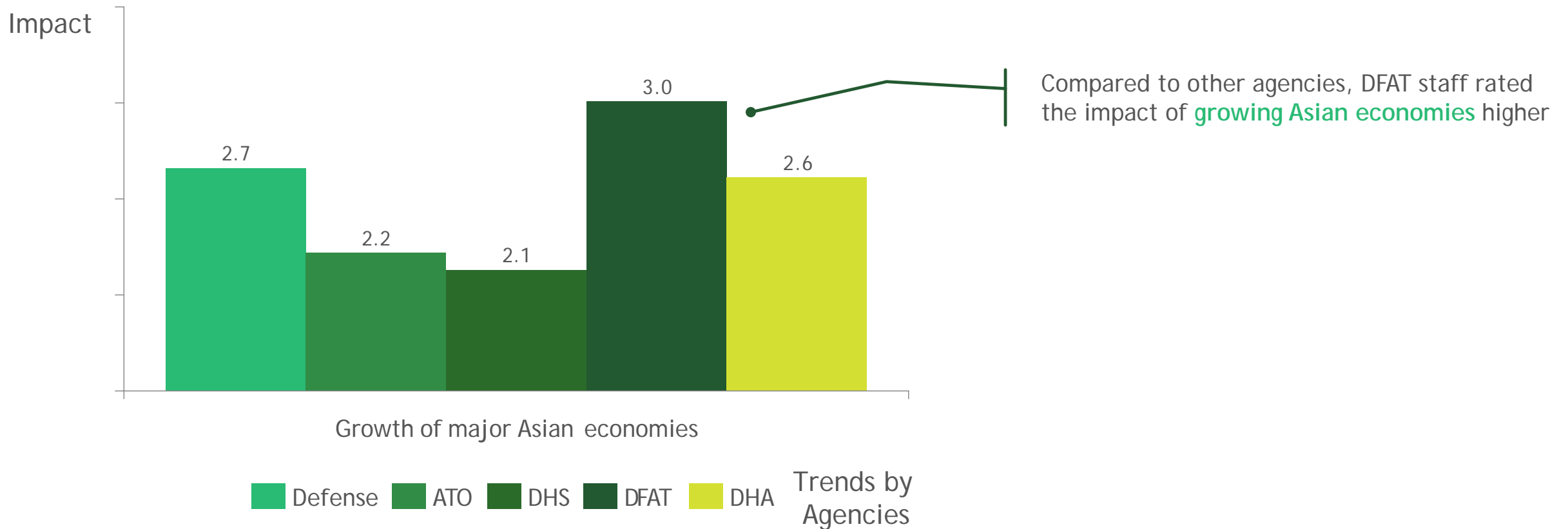>
> *- EL2*

For most trends, more senior respondents gave higher impact scores

The most senior leaders in the APS ranked **most trends** as higher impact

The megatrend **unclear roles between government and other sectors** is an exception to the rule. As respondent seniority decreases, the perception of the level of impact increases

SES Band 3   SES Band 2   SES Band 1   EL2

Trends by seniority Level

Note: Quantitative impact scores should be interpreted as: 1 - Limited impact; 2 - Noticeable impact; 3 – Substantial impact; 4 – Pervasive impact

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Agencies tend to over-index on impact of trends associated with their area of work

Impact

Compared to other agencies, DFAT staff rated the impact of **growing Asian economies** higher

2.7   2.2   2.1   3.0   2.6

Growth of major Asian economies

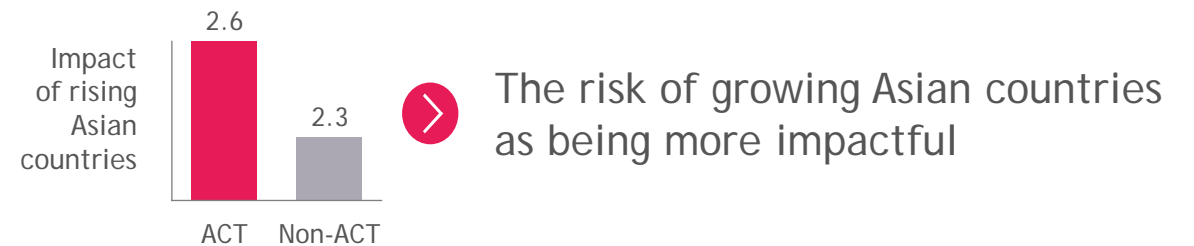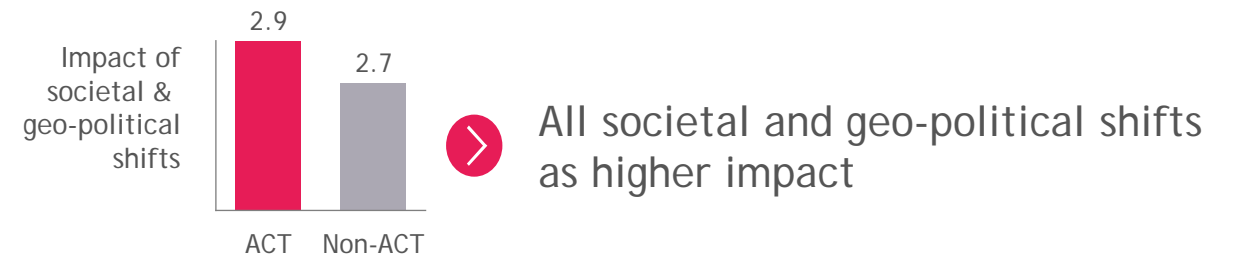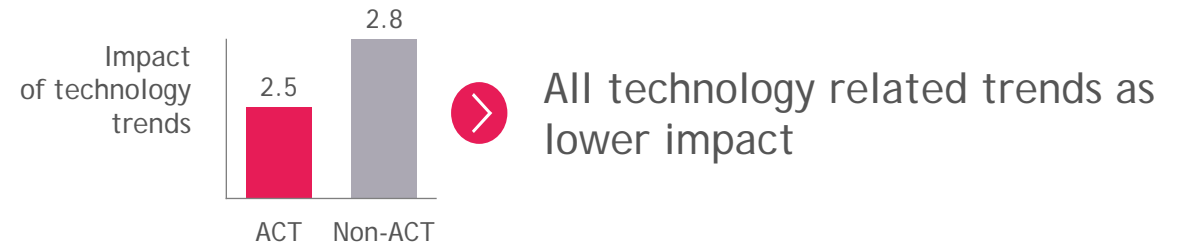■ Defense ■ ATO ■ DHS ■ DFAT ■ DHA   Trends by Agencies

Note: Quantitative impact scores should be interpreted as: 1 - Limited impact; 2 - Noticeable impact; 3 – Substantial impact; 4 – Pervasive impact
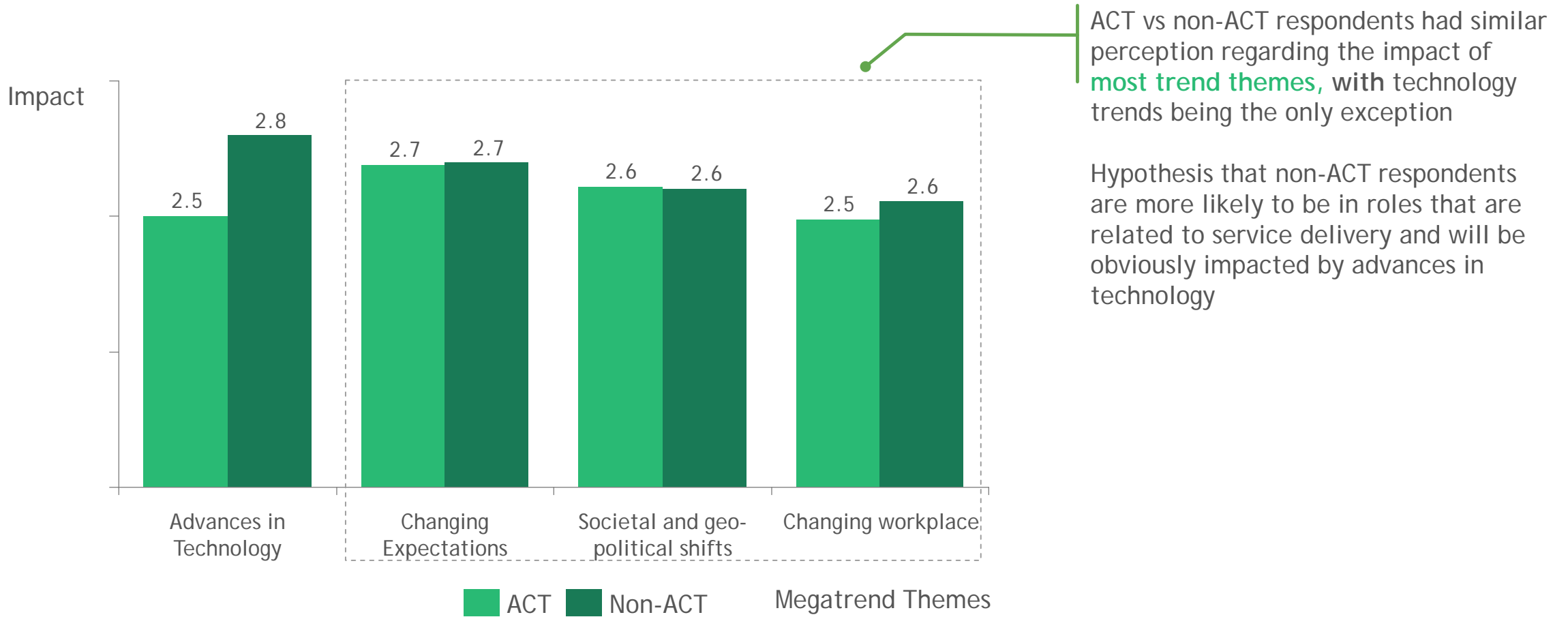
Survey indicates some differences in perception between ACT and non-ACT respondents

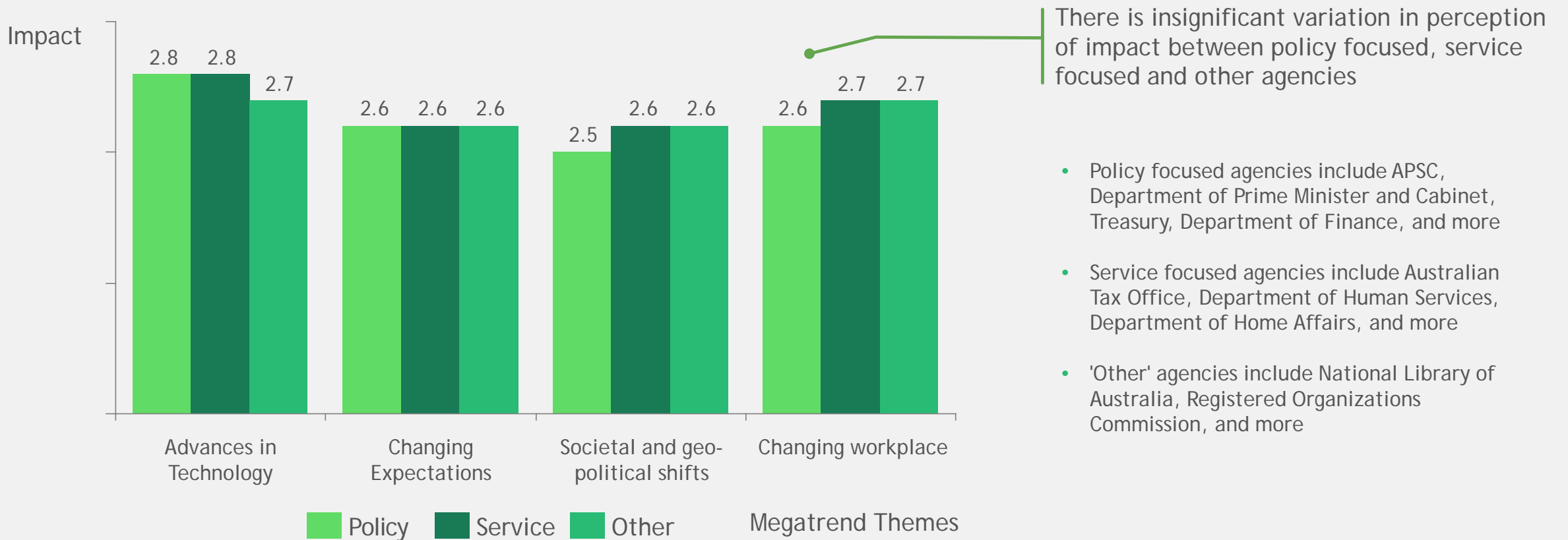**Compared to non-ACT based respondents, those based in the ACT ranked...**

Impact of technology trends

2.8 Non-ACT
2.5 ACT

> All technology related trends as lower impact

Impact of societal & geo-political shifts

2.9 ACT
2.7 Non-ACT

> All societal and geo-political shifts as higher impact

Impact of rising Asian countries

2.6 ACT
2.3 Non-ACT

> The risk of growing Asian countries as being more impactful

Western Australia

Northern Territory

Queensland

South Australia

New South Wales

Victoria — ACT

Tasmania

Note: Quantitative impact scores should be interpreted as: 1 - Limited impact; 2 - Noticeable impact; 3 – Substantial impact; 4 – Pervasive impact

No variation in ACT vs non-ACT impact scores for most trend themes

ACT vs non-ACT respondents had similar perception regarding the impact of **most trend themes, with** technology trends being the only exception

Hypothesis that non-ACT respondents are more likely to be in roles that are related to service delivery and will be obviously impacted by advances in technology

Impact

| | 2.5 | 2.8 | 2.7 | 2.7 | 2.6 | 2.6 | 2.5 | 2.6 |

Advances in Technology · Changing Expectations · Societal and geo-political shifts · Changing workplace

Megatrend Themes

■ ACT ■ Non-ACT

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Note: Quantitative impact scores should be interpreted as: 1 - Limited impact; 2 - Noticeable impact; 3 – Substantial impact; 4 – Pervasive impact

# No variation in perception of impact scores between policy focused and service focused agencies

Impact

2.8 2.8 2.7 — Advances in Technology
2.6 2.6 2.6 — Changing Expectations
2.5 2.6 2.6 — Societal and geo-political shifts
2.6 2.7 2.7 — Changing workplace

Megatrend Themes

Policy   Service   Other

There is insignificant variation in perception of impact between policy focused, service focused and other agencies

- Policy focused agencies include APSC, Department of Prime Minister and Cabinet, Treasury, Department of Finance, and more

- Service focused agencies include Australian Tax Office, Department of Human Services, Department of Home Affairs, and more

- 'Other' agencies include National Library of Australia, Registered Organizations Commission, and more

Note: Quantitative impact scores should be interpreted as: 1 - Limited impact; 2 - Noticeable impact; 3 – Substantial impact; 4 – Pervasive impact

Analysis by theme

Survey results – Advances of technology
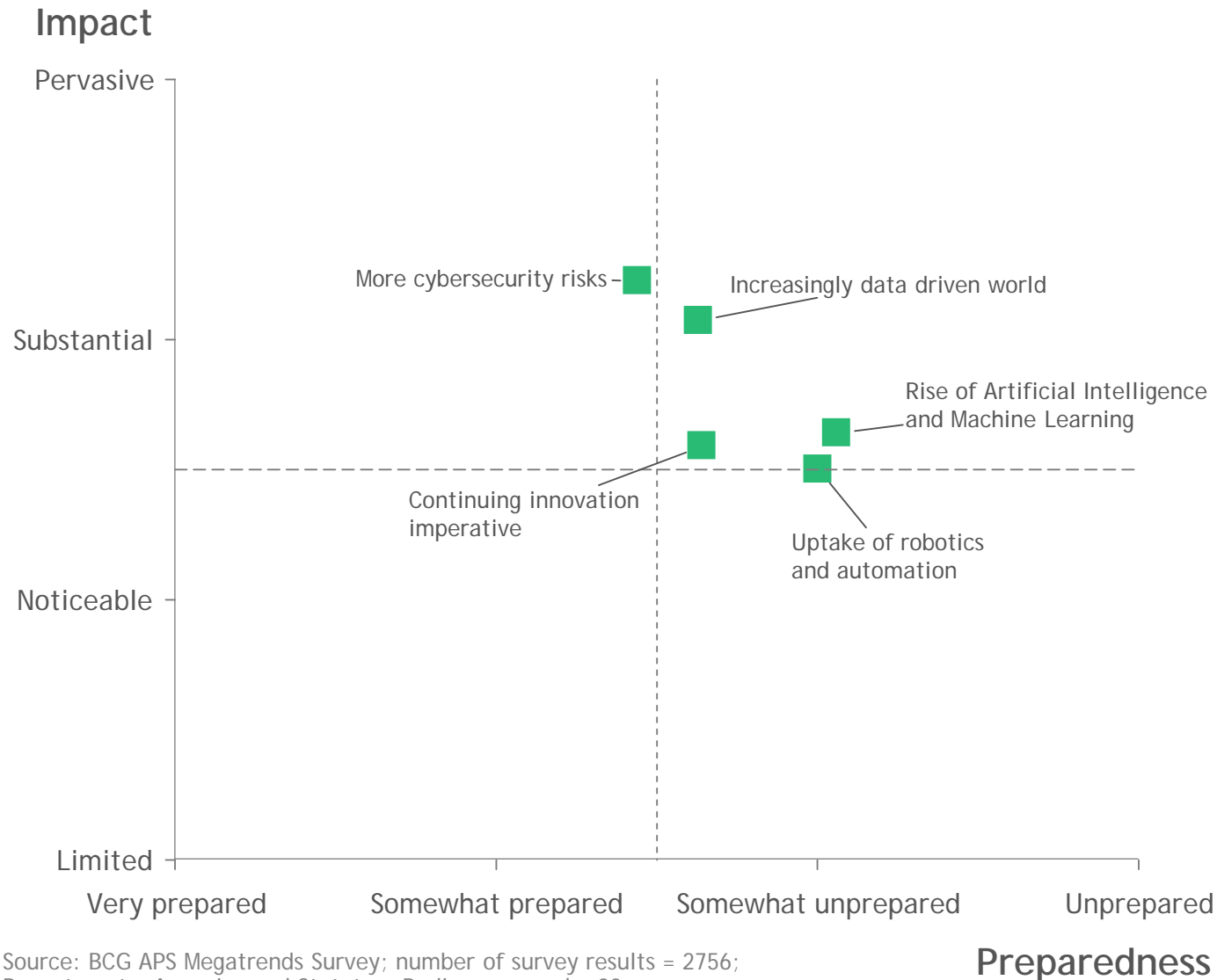
- **Most of the advancement of technology megatrends** were seen to have a great impact whilst being what the APS were least prepared for

- **Rise of AI and machine learning** and **uptake of robotics and automation** were identified as the requiring the most preparation out of all the trends

- **Cybersecurity** and **data** were identified as two of the three most impactful trends on the APS overall

Survey results – Changing expectations
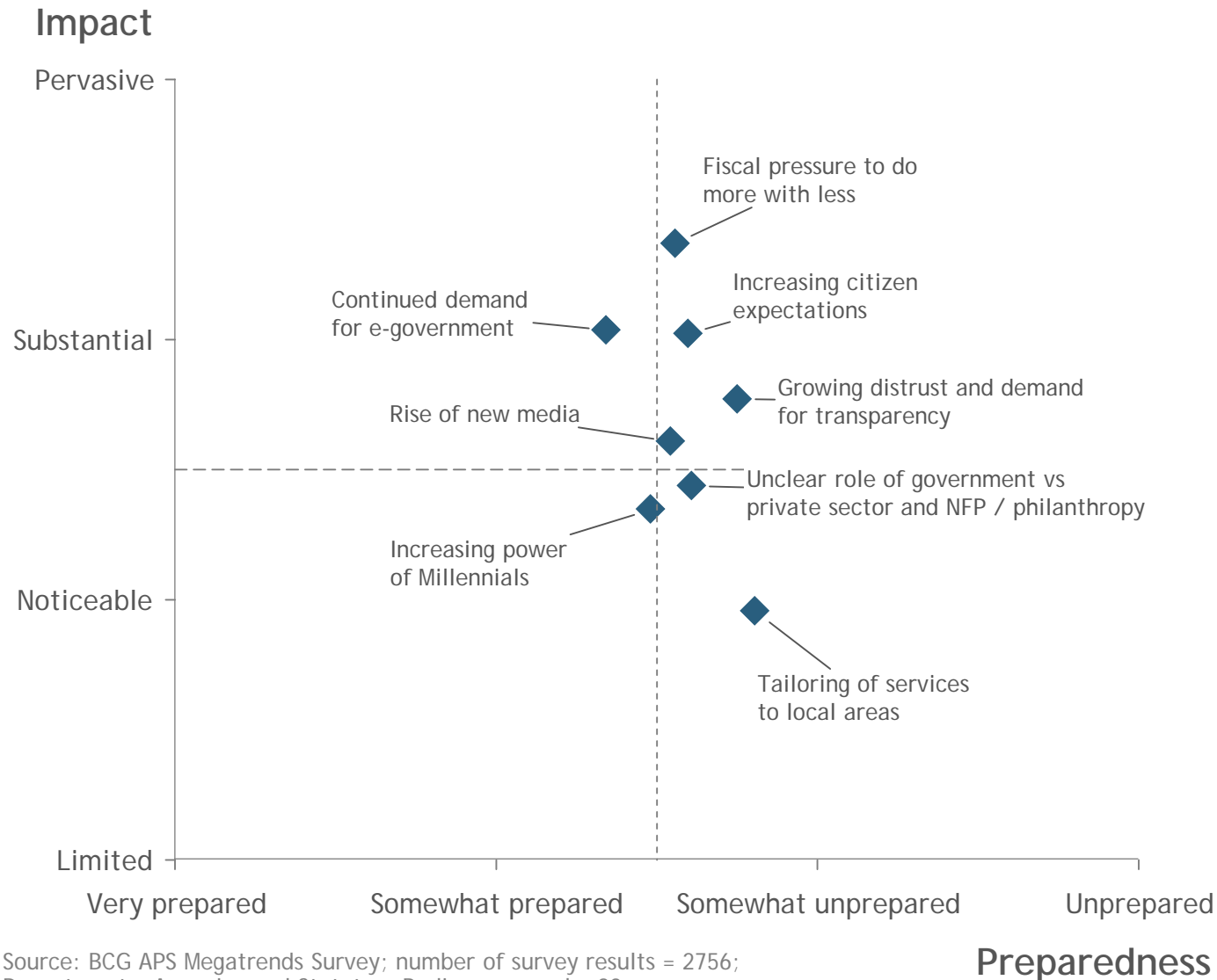
Impact

- **Fiscal pressures** was seen as the trend having the greatest impact on the APS of all trends surveyed

- **Increasing citizen expectations, demand for e-government** and **trust and transparency** were also highlighted as having a substantial impact on the APS

- All of the changing expectation trends were seen as being in the mid-range for preparedness
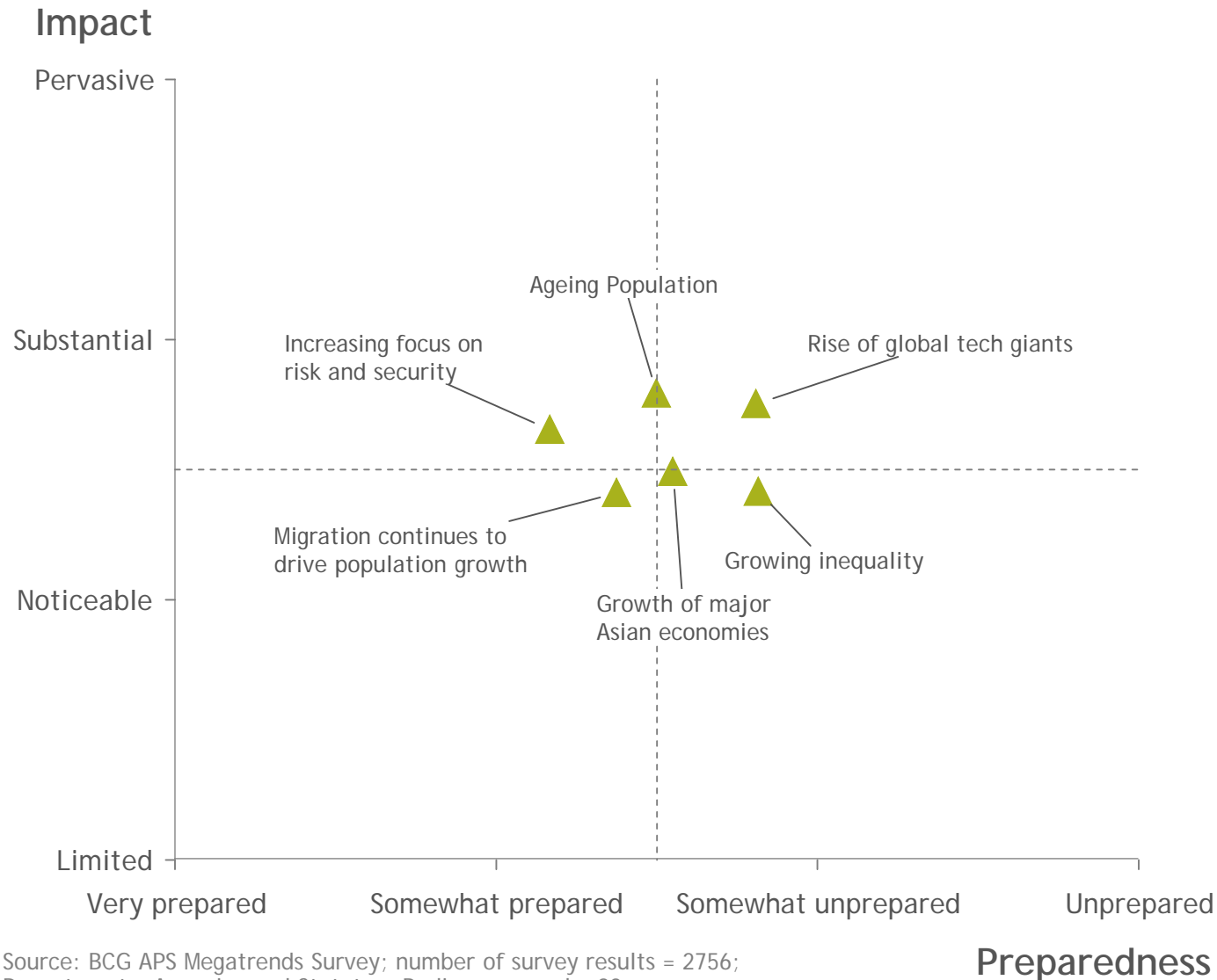
Source: BCG APS Megatrends Survey; number of survey results = 2756; Departments, Agencies and Statutory Bodies surveyed = 82

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Survey results – Changing workplace
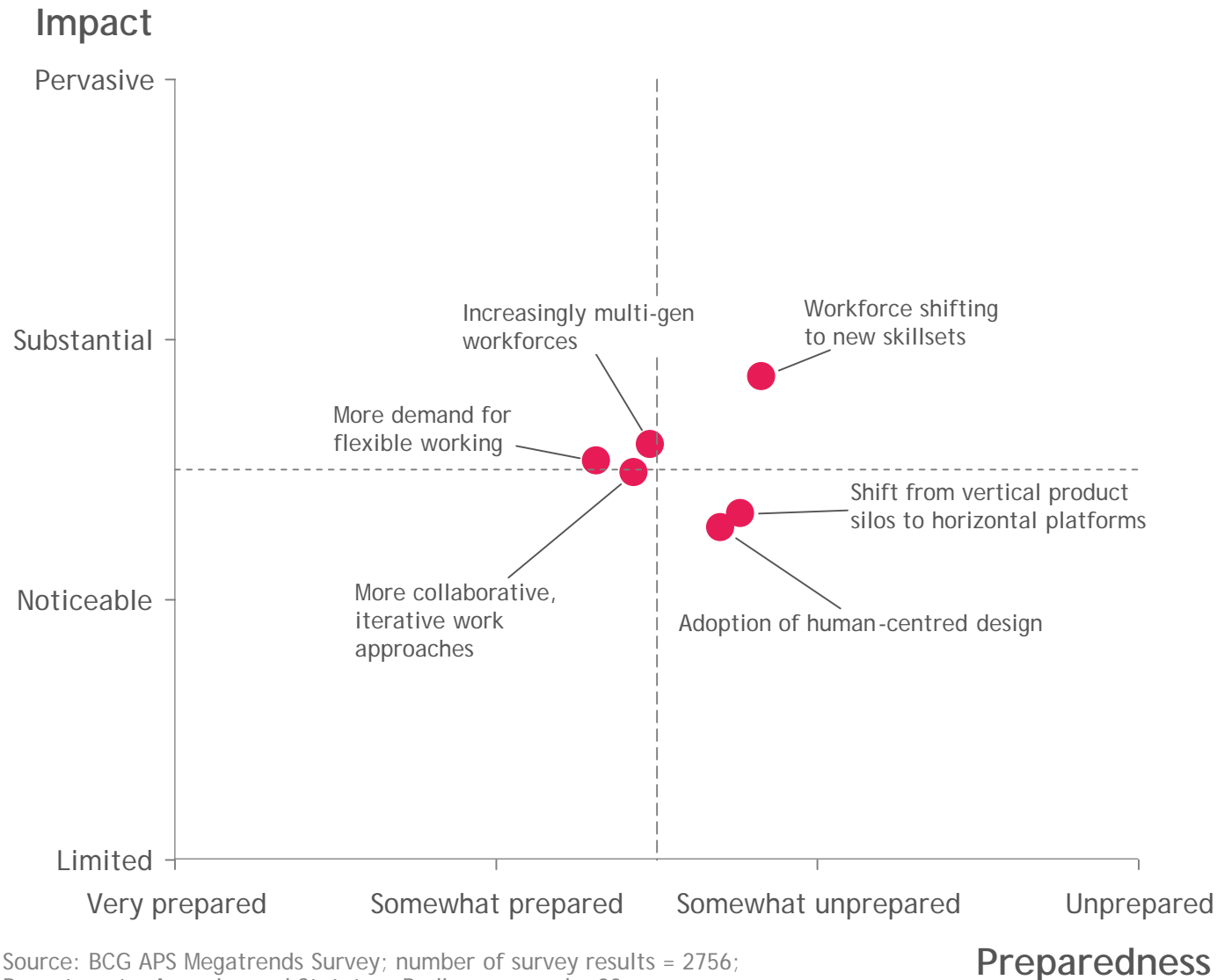
Impact

- Respondents believe the APS is not prepared to address **new skillsets**, though perceive it to have the highest impact

- **Vertical product silos to horizontal platforms** and adoption of **human centered design** were seen as requiring more preparation

Source: BCG APS Megatrends Survey; number of survey results = 2756; Departments, Agencies and Statutory Bodies surveyed = 82

Survey results – Societal and geo-political shifts

Impact

Pervasive

Substantial

Noticeable

Limited

Ageing Population

Increasing focus on risk and security

Rise of global tech giants

Migration continues to drive population growth

Growing inequality

Growth of major Asian economies

Very prepared   Somewhat prepared   Somewhat unprepared   Unprepared

Preparedness

- Respondents believe the APS is not prepared to address the rise of **global tech giants**, one of the top 5 overall megatrends; yet it is believed to have a substantial impact in the future

- All the Societal and geo-political shift' megatrends were generally in the mid-range for impact and preparedness

Source: BCG APS Megatrends Survey; number of survey results = 2756; Departments, Agencies and Statutory Bodies surveyed = 82

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