



Australian Government

Austrade

1 May 2019

Mr David Thodey
Chair, Independent Review of the APS
apsreview@pmc.gov.au

Independent Review of the APS: Priorities for Change

Dear Mr Thodey

The Australian Trade and Investment Commission (Austrade) is pleased to provide feedback to the *Independent Review of the APS: Priorities for Change* released on 19 March 2019.

The Australian Public Service (APS) has long been recognised for its considered and honest advice, rigorous analysis, and sound knowledge of administrative practice. But no organisation can afford to stand still. In order to remain relevant and continue to add value to the Australian community, it is essential to regularly re-test our purpose, role and contribution, and reflect on how we can best meet the needs of the future.

The rate of change within our operating environment is unprecedented. Austrade sees this firsthand, working at the coalface with business to drive export outcomes and attract productive foreign direct investment. Disruptive forces are causing organisations globally to reassess their strategies, priorities and reason for being.

- Consumers expect more as technology has created greater transparency, resulting in higher expectations of accountability and interconnectivity
- Regulatory oversight is increasing and requires more time and resources to deal with increasing complexity to stay in compliance
- Technology is a game changer necessitating faster development cycles and real-time, data-driven decisions
- The world is getting flatter and industries are converging as value chains are highly integrated and companies increasingly compete outside their industry

We are also seeing new tactics adopted by other governments' trade and investment promotion agencies in response to the rapidly changing global environment and to gain commercial advantages.

In this complex and interconnected global business environment, winning in today's market means working within the ecosystem to effect positive change and focus on solving large-scale global challenges.

To continue to deliver valued service to the Australian community, we cannot fall behind. Modernisation of the APS is critical to ensure we remain positioned to flex and adjust to significant, fast-paced and ongoing change.

Level 23, 201 Kent Street
Sydney
NSW 2000
Australia

T. +61 2 9392 2000
W. www.austrade.gov.au



ABN: 11 764 698 227

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Two years ago Austrade underwent a significant review of the capability of our onshore operations (led by the Hon Warwick Smith AO and Mr Andrew Metcalfe), firmly focused on whether our organisation was fit to meet future challenges and opportunities. Last year we completed a similar review for our offshore operations. These reviews identified similar priorities for change as those identified by the Independent Review Panel.

Austrade's experience through our own review and transformation process has been that the challenge lies not in identifying what needs to change, but in how it is implemented. The equal weighting given by the Panel to the 'what' and the 'how' will be critical to the successful implementation of the Panel's final recommendations.

Strengthen the culture, governance and leadership model

With any significant transformation it is **important to start with the 'why'**. To be successful we need everyone moving in the same direction, following a burning purpose which inspires action. Change must be purpose-led and future focused, you cannot do today's job with yesterday's methods.

So how can rapid, APS-wide transformation be achieved to meet our future purpose? It starts with the delivery of a strong, APS-wide cultural shift, where we operate as a networked and matrixed public service, tapping into diverse views, and maintaining a global outlook. More than ever we need to ensure that we facilitate effective cross-portfolio and cross-agency cooperation and collaboration.

Cultural change is driven by stronger governance and leadership, investment in talent and capability, activating strategic partnerships and networks, and importantly being open in sharing data, information and insights within the APS and our networks.

We need to embrace innovative ways to embed a common purpose and vision across the APS and to seek out diverse views and opinions. Culture can be mobilised by activating purpose as an ambition to motivate, inspire and transform. Crowd sourcing the development of the APS purpose, vision and values is one way to achieve this (for example through an APS-wide ideas challenge or hackathon).

To facilitate continuous improvement, we need to **regularly measure our success** and identify ways to improve and adjust with emerging trends. Greater emphasis by APS leadership on an open approach to service-wide data would be of considerable benefit. Broader data sharing will provide a truly global perspective of our performance - allowing the APS to benchmark against our international counterparts and against the commercial sector. It will also support individual agencies who may not directly possess the datasets necessary to measure the direct impact of their services.

In the spirit of continuous improvement, Austrade strongly supports the implementation of **regular capability reviews of agencies**. However these cannot just reflect on current state and past performance. Capability reviews should place a future lens over agencies to ensure they are fit to meet future challenges and opportunities.

Build a flexible APS operating model

Building an operating model that is **stable at the core and flexible around the edges** is critical to ensure that the APS remains nimble and responsive to change. The APS should be guided by our clients and customers (the Australian public). Placing them at the heart of how we work and organise ourselves will inform the innovative ways we connect and deliver services.

Adopting a matrixed approach to service delivery would add significant value to the APS whereby a multi-disciplinary approach to working becomes the norm. **Increasing APS-wide capability in Agile methodology** would allow for more rapid business transformation, by applying innovative business concepts to shorten operational cycles, improve cross-functional collaboration and enhance client focus.

In a digitally-enabled environment, the APS must operate with cutting-edge technology, wide-ranging data sources, and powerful information tools. The APS requires **consistent digital platforms which support effective collaboration** (both within the APS and with our clients) and the delivery of seamless and joined-up services. To be successful our systems and practices must be reliable, client-focused, secure and agile. Our clients will benefit from greater efficiency achieved through increased automation, thereby creating space to deliver higher value activities.

Invest in capability and development

Improving the APS and making sure it is relevant for the future is about more than just systems, it is also about skills and capabilities. We need to unlock strategic thinking and innovation by developing capabilities in innovation, design thinking, and collaboration.

Defining and prioritising professions, skills and roles most in need of capability uplift requires a future focus. What role will the public service play into the future, and what skill sets are needed? Importantly, this analysis cannot take place in isolation or silos. It requires an APS-wide view to ensure resources are deployed in the most efficient and effective manner. **Harnessing and deploying existing skills sets where they are needed most** will be important as we move towards a matrixed approach to working.

A strategic cross-APS approach to recruitment has the potential to make a significant impact on the operations of public sector agencies. Attracting, retaining and progressing a genuinely diverse and inclusive workforce is key to driving innovation and new thinking. This needs to be supported by strong leadership and recognition of the benefits of a diverse workforce, and tapping into non-traditional methods of recruitment. Recognising that there is no one size fits all approach to recruitment, we need to understand the people we are trying to attract and retain - **the application of Human Centred Design methodology to this challenge will help.**

But recruitment isn't the only solution to capability gaps. Improving mobility, through temporary transfers or secondments can be part of the answer. This shouldn't be simply isolated to the Australian Public Sector, **we need to look beyond and consider state and territory government agencies, international agencies, and the private sector.** For example, within Austrade, strong commercial acumen is vital to provide effective support our clients. We currently undertake two way secondments with the private sector, which not only provide important skills and experience for our staff, but at the same time build knowledge and understanding of government offerings within the private sector, thereby expanding our natural reach.

Develop stronger internal and external partnerships

Successful transformation cannot be achieved without cultural change – **we need to go a step beyond the traditional concept of partnerships, to a networked operating approach.**

We know that the most important challenges and opportunities facing Australia cannot be resolved or grasped by government agencies acting alone. We will operate most effectively in an eco-system where relationships are optimised to amplify strengths, resources and interconnectivity to achieve value for the Australian community.

We must work in new ways, ensuring our structures and efforts play to our strength. Being truly networked does not mean simply transactional engagement of service providers or undertaking superficial stakeholder engagement – it is the formation of symbiotic, outcomes-focused relationships where each party is focused on delivering what they do best, using their distinct capabilities to develop innovative solutions together. The APS and individual agencies must recognise where our strengths lie, and others can help. **We cannot and should not try to do everything ourselves.**

Austrade commends the drive to pilot joint Commonwealth and state delivery arrangements for services and/or regions and would welcome the opportunity to be more involved with this particular initiative. **Joint service delivery with state and territory governments** is an important component of Austrade's current service delivery model. For example, Austrade extends our service reach through our TradeStart Network, delivered in partnership with state, territory and local governments, industry associations and chambers of commerce. As a second stage, we would recommend **expanding this pilot to consider private sector entities** as well as industry bodies and universities.

Conclusion

Positive change is needed for Australia to capitalise on opportunities in our global environment. The Panel's *Priorities for Change* will provide an important blueprint to ensure the APS is equipped to meet the needs of the future.

Austrade welcomes the opportunity to engage with the review process further. We are very happy to share our learnings from our transformation process, and to support the review panel to refine recommendations for implementation.

I wish you and your colleagues every success in leading this important piece of work.

A handwritten signature in black ink that reads "Stephanie Fahey". The signature is written in a cursive, flowing style.

Yours sincerely,

Dr Stephanie Fahey

Chief Executive Officer