What we’ve Heard so far...

Dynamic, digital and adaptive systems and structures

### Below is a selection of the reflections we’ve received through our workshop consultations and submissions that have informed our thinking on why it is important for the Australian Public Service to have dynamic, digital and adaptive systems and structures.

“I'd love to see a system change to improve the customer service from staff, the user experience for both staff and customers, and save money in ongoing build/maintenance work.

The suggestion I have to achieve this is to build each departments system in the customer facing environment (online). And in a way that staff are also able to use this system. Removing the need for separate staff and customer systems. Note that there will be a need for some parts that customers are not able to access for a number of reasons. This would help encourage customers to use online services as they would trust it more knowing it's THE SAME system their data would be entered into if they spoke to staff.”

* **Submission, Aaron Benes**

“The administrative complexities caused by Machinery of Government (MoG) changes, frequently accompanied by reductions in funding and downsizing of staffing levels, had had a direct and negative impact on the provision of timely and relevant information and research services.”

* **Submission, Australian Government Libraries Association**

“The administrative requirements of an agency should be considered against its budget and size. Policy and regulatory authorities need to be cognisant of the burden to small agencies - their administration and oversight of compliance needs to change from a model of oversight, tasking and reporting to include a component that enables, trains and helps deliver. The practical benefits would be significant; better interagency engagement, improved compliance results, and resources refocussed on deliverables.”

* **Submission, Australian Institute of Aboriginal and Torres Strait Islander Studies**

“**Machinery of government arrangements and portfolio structures.** The underlying administrative structure based on portfolios which was introduced in 1987 continues to have merit. The key advantages are in ensuring all departments are represented in Cabinet without making Cabinet unworkable, and in giving portfolio ministers with assistant ministers some discretion to take decisions within their budgets and Cabinet policy positions and so not overloading the Cabinet. Some action has been taken in recent years to better codify the responsibilities of ‘portfolio secretaries’ but these might usefully be articulated more clearly.

Less successful has been achieving the intention in 1987 to limit in future the number of machinery of government changes. This might be more likely with some clearer rationale for how activities should be linked within portfolios. The Haldane Inquiry after the First World War identified some principles for setting the responsibilities of different ministerial departments which have met the test of time. These involve a focus on functions, not clients, and separating major functions. I suspect that applying these principles would lead to some important changes to current arrangements, ones that might last longer. It is also possible to usefully group portfolios to promote regular engagement including with respect to senior career paths.

I doubt any need to vary portfolio arrangements to better link international and domestic policy responsibilities, but consideration might be given to revised cabinet committee processes from time to time as international agendas shift (for example, to link security and economic policies).”

* **Submission, Andrew Podger**

“A feature of government is that portfolio responsibilities and departmental structures change from time to time. These changes can affect policy stability and service delivery. The Review may wish to consider how to strike the balance between the governments’ flexibility to make change and stability of policy and service delivery.”

 **Submission, ANZ Bank**

“Funding needs to be focused on ‘investment’ and transforming whole of government services rather than solely on ways to realise efficiencies and cut costs. The funding model should be explicit regarding impact on the triple bottom line – not just financial, but environmental/ecological and social aspects as well. Rather than a focus on effective spending of amounts allocated to individual agencies, spending against priority government outcomes and effective delivery across agencies will be increasingly important.”

* **Submission, Australian Taxation Office**

“Across government, there has been a clear ‘digital by default’ strategy to push the use of online services. For this to be successful there must be adequate funding in the Budget to directly employ ICT specialists, invest in ICT systems and training that support digital government service delivery, appropriate training for staff and education for the community.”

 **Submission, Community and Public Sector Union**

*“Centralised delivery of services is impacting program design*

There is a strong case for centralised delivery of some services to realise economies of scale, ability to maintain contemporary IT platforms etc. Unfortunately, the department’s recent experience with transitioning to the Community Grants Hub has been negative. The overheads are high, and the systems are geared towards large and high volume grants (which is the service required of other parts of the APS) while the department tends to provide grants that are low in value but often high in complexity. Overall, staff savings for the department have not been realised while program overheads have increased substantially. The department has also experienced a lower capacity to respond to the needs of government and has been required to put ‘shadow systems’ in place to meet these needs.”

* **Submission, Department of Agriculture and Water Resources**

“It is not seen to be possible to fund the necessary level of investment within the current budget rules and processes, and the current arrangements require that we keep old systems operating or apply band-aid solutions beyond their natural lives.

A key change in the investment approach that will enable transformative change will be upfront funding from government (which could be loans or equity) and regulatory clients to a level sufficient to enable the change. While the current funding model enables continued investment in systems over time, it does not generate the step change in investment the department requires to overcome historical investment deficits and the absence of a financial model to support sufficient system investment. Given the role the department plays in supporting Australia’s trade infrastructure, we need to re-think the long-term sustainable investment in these capabilities.”

* **Submission, Department of Agriculture and Water Resources**

“Budget processes to respond to the changing landscape

Deciding where to invest is a challenging task with many perspectives to consider. Current budgeting processes respond to many of these perspectives, though digital initiatives add new considerations and complexity. Budgeting processes should recognise the fast pace of change in technology, where the best solution to a problem today may be obsolete in just a few years’ time. Similarly, budgeting processes should support new models of working in the digital age, such as incremental, agile approaches to delivery or cloud-based solutions that are purchased more like a utility than owned as an asset.”

* **Submission, Digital Transformation Agency**