



Australian Government  
Department of Home Affairs

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# **Submission into the Independent Review of the Australian Public Service**

**Department of Home Affairs  
July 2018**

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## Introduction

1. The Department of Home Affairs (the Department) appreciates the opportunity to provide a submission to the Independent Review (the Review) of the Australian Public Service (APS). The Department's submission is approved for public release.
2. This submission is written from the unique perspective of the Department of Home Affairs. The Department was established on 20 December 2017, and though a relatively new and young department, there have been valuable lessons and insights learned through this short time that are relevant to the Review. This submission also informed by recent experience through the integration of the Australian Customs and Border Protection Service (ACBPS) and Department of Immigration and Border Protection (DIBP).

## Role of the Australian Public Service in the 21<sup>st</sup> century

### Policy leadership

3. The Department is of the view that responsibility for developing policy advice to government should remain a core role of the APS. It is noted that a recent review of the former Department of Immigration and Border Protection noted that *'positions requiring high-level policy skills, strategic thought, analytical capacity and enterprise understanding were challenging to fill with appropriate individuals'*, due to a lack of education, experience and training.<sup>1</sup>
4. Investing in APS policy officers by offering formal training and practical experience gained through the policy life-cycle will ensure that there is a continuity and retention of policy expertise, and a lift in capability across the APS, over time.
5. The Review may wish to consider a long-term plan best position the APS to foster and develop policy talent, maintain the APS as skilled and trusted policy advisors to government, by retaining responsibility for policy design, development, implementation and decision-making within the APS as much as possible.

### Partnering to maximise technology

6. The Department notes that the private sector leads the public sector in the development, adoption and use of technology. There is an opportunity for the APS to accelerate its use of technology by partnering with the private sector to adopt the best proven technology available to deliver safe and efficient programs and services to the Australian public.
7. The Review may wish to consider how the APS may be able to harness the skills and technology in the private sector to greatly accelerate the adoption of technological advances, and lift the broad capability of the APS to be comparable to technological adoption in the private sector.

## Relationship between the Australian Public Service and government

### Average Staffing Levels

8. The Department suggests that providing more flexibility and devolved authority to agencies to manage average staffing levels (ASL), while remaining within strict budget parameters, would result in resourcing decisions that more optimally meet the demands of growth in workload, deliver programs with improved services, better address risks and grow revenue collection.
9. Furthermore, providing greater flexibility to manage ASL may better support agencies required to deliver services and programs in a modern operating/customer service environment that often equates to a 24/7 expectation, which in turn, necessitates the need for multiple ASL to adequately cover a single position each work day. This type of ASL flexibility would be particularly beneficial to national security agencies

<sup>1</sup> Looking for the Future of the Department of Immigration and Border Protection (DIBP)

faced by unpredictable operating environments often driven by socio-economic and geo-political shifts internationally.

10. The Department recommends that the Review consider greater levels of discretion being afforded to heads of agencies to manage ASL funded through the budget process. Options may include, for example, providing ASL ceiling dispensations to departments, or by restricting ASL ceilings to core (i.e. corporate, support and enabling) staff within agencies, while allowing greater flexibility to operational and front-line areas within agencies which are subject to fluctuations in the work growth and environment in which they operate.

## **Home Affairs business model**

### **Coordination and collaboration**

11. The Department has learned through experience that harnessing greater levels of collaboration between government agencies leads to improved ability to identify, assess and treat threats, unlock economic potential, and deliver more effective and efficient government services. The establishment of Joint-Agency Taskforces, such as Operation Sovereign Borders (OSB), demonstrated the direct benefits of agile operational units in delivering government programs.
12. The key to the success of such Joint-Agency Taskforces is, on one hand, the bringing together of necessary functions under a single, unifying mission and a coordinated approach, while also harnessing and respecting the deep expertise of contributing staff and agencies.
13. The concepts at the centre of the success of this operational model should be emulated more broadly across the APS, and the Department encourages the Review to consider how these 'non-traditional' models may benefit the development of innovative and enduring solutions to long-standing policy problems. The APS would benefit from adopting these agile structures and models as the rule, rather than the exception.

### **Agility**

14. The establishment of the Home Affairs portfolio provides an opportunity for the Department to find innovative ways to deliver improved outcomes. The Department has recently introduced an 'agile approach' to strategy and policy development through the application of a 'sprint' methodology, which has already produced benefits of greater collaboration, and more coordinated and timelier outcomes through an accelerative, iterative process. This agile approach includes scenario-based 'stress tests' and war gaming, with each policy development 'sprint' ranging in length from a single day to a twelve week program.
15. The introduction of this agile approach means reduced timeframes between designing and delivering programs, resulting in better outcomes for the 'end user'. It has also increased the efficiency and coordination of the policy development process, by employing collaboration intensively throughout the initial development stage, rather than at the end of the process.
16. The Department encourages the Review to examine the introduction of the agile methodology, and the use of policy 'sprints', with a view to evaluating its usefulness and applicability for expansion into other areas of policy development in the APS.

## **People – talent, learning, development, integrity**

### **Training the workforce of the future**

17. Many of the traditional functions of the Department, and much of the broader APS, were founded on high volume, transactional and clerical work. As the work of the Department continues to modernise, and its remit changes, the Department has been required to lift workforce capability in a wide range of

non-traditional 'knowledge' fields. This change will significantly impact the Department, given its responsibility to counter complex national security threats and through the increasing digitalisation of its traditional work.

18. Given that there is a high demand and competition for people with skills and talent required to fill 'knowledge' occupations, the APS needs to re-think how it attracts, organises and builds its workforce capability. For example, intelligence agencies world-wide are struggling to attract and retain talent across a range of fields including cyber-security, programming, engineering and data science. These capabilities are the key future growth areas for the Department and the APS.
19. The Department recommends the Review consider the implementation of a dedicated and deliberate engagement with education institutions to co-design training and development programs that equip the APS with the skills that will be most in demand in the future.

### Attracting talent

20. As noted previously, many of the specialised vocations, such as in 'knowledge' and technology fields, are in high demand, and as a result, the APS needs to position itself as an employer of choice in a global labour market. Maintaining competitiveness in the job market will require the APS to offer both, meaningful work that rewards innovation and adaptability, and a range of flexible working arrangements.
21. The Department notes that some aspects of the APS employment framework provide agencies with some flexible arrangements that can be offered to prospective APS staff, however, as the APS is increasingly required to compete with the private sector for talent, the current arrangements may benefit from improvements to better meet the expectations of the twenty-first century job market, and the fluctuations in supply and demand for critical skills.
22. Enhancing the flexibility in working arrangements should consider the nature of the employment, the location and the time at which work is performed, as well as allowing agencies to present the full value of employment opportunities, including remuneration, to the labour market.
23. The Department recommends that the Review inquire into new methods for engaging the future APS workforce by understanding the trends and conditions in the twenty-first century that the most talented people find desirable and attractive, and providing agencies with a common set of tools and arrangements to offer an attractive employment proposition.

### Pay and conditions

24. The Department is of the view offering opportunities to develop staff through a wide variety of career options, and mobility within the APS, is beneficial to attracting and retaining talent. Increased mobility would also be aided by better optimising cross-agency working arrangements, by removing the need for lengthy Memoranda of Understanding or formal transfers. This would also benefit portfolios which have a combined workforce employed under the *Public Service Act 1999* and *Regulations*, and staff employed under other legislation.
25. Introducing a single approach to compatible and integrated systems access, security/integrity requirements, and pay and conditions across the APS would allow for agencies to better attract and retain the right people by providing attractive development opportunities, and facilitate more seamless transfer of APS employees across agencies for the purposes of increased collaboration through mobility.
26. The Department recommends the Review investigate ways to increase opportunities for collaboration and mobility, and a seamless exchange of talent and experience across the public sector.

### Recruitment

27. The APS would benefit from a more modern approach to recruitment, which results in reduced timeframes for reviewing applications and offering positions to candidates, whilst also ensuring that applicants can demonstrate their talents and experience in a fulsome and comprehensive way.

28. It is critical, however, that merit-based selection and transparent process be upheld for positions at all levels. This should be underpinned by a set of basic criteria, overset by specialist technical requirements on an exception basis only, to ensure candidates are fully able to meet the requirements of positions across the APS.
29. Whilst the Department acknowledges that APS agencies are investing in developing new approaches to recruitment, using the experience of the private sector as a guide, we recommend that the Review consider introducing practices such as increased automation and data screening, objective tests and real-time assessments, as a standard approach to recruitment across all APS agencies, to ensure that there is a consistent approach to talent identification and selection.

### **Integrity**

30. The Department has introduced APS-leading Professional Standards and Integrity frameworks designed to protect our workforce, property, systems and information from infiltration and corruption. While risks will vary across agencies, given the criticality of maintaining the trust of the public and the government, the APS needs a consistent and best-practice integrity framework across the APS.
31. We recommend that the Review analyse comparable frameworks across the APS, promote integrity frameworks demonstrated to be effective in reducing corruption and integrity-related risk, and encourage greater uniformity of integrity-based frameworks across APS agencies.

## **Automation and recordkeeping**

### **Automation**

32. The Department's experience is that automating processes greatly increases operational effectiveness and efficiency, particularly in public sector programs required to deal with high volumes and high growth of transactions, such as has been the case in border-related activities in recent years.<sup>2</sup>
33. We would welcome a discussion by the Review about the impact of automation on the APS, including the advantages it brings, and an investigation of the most potentially effective ways to prepare the APS for this change. The Department is of the view that continued investment in automation will have a positive impact on the APS, and will result in the workforce being engaged in rewarding tasks of greater variety, an increased opportunity to exercise decision making and judgement, and a reduction in repetitive processing tasks.
34. The increase in automation will also require a complementary workforce of data scientists and those skilled in designing and implementing automated systems. We note, however, that there is a global shortage of people with high quality skills in data, automation and cyber security, indicating that this is a key area requiring investment. It is essential that the APS start preparing now to integrate the APS workforce with automation.
35. The Department recommends that the Review explore structures and strategies for preparing and training the APS workforce to adjust to greater applications of automation; to maximise opportunities to undertake diverse and engaging work, and to obtain the skills required to design and implement the automated systems of the future. Upskilling the APS with contemporary digital, cyber and data analytic skills is a priority.

### **Recordkeeping**

36. Maintaining appropriate recordkeeping is critical to maintaining the trust of government and the public, and ensures that decisions are defensible and that operational effectiveness is not compromised. The Department is of the view that much more can be done to improve recordkeeping within agencies, and facilitate better information sharing across the APS.

<sup>2</sup> Looking to the Future of the Department of Immigration and Border Protection

37. APS agencies should investigate ways to introduce a standard approach to improving the ability for common internal and corporate information to be collected and captured automatically in standard systems, or more effectively embedded within work processes, in order to manage the record throughout its life span.
38. The Review may also wish to consider ways in which standard systems, forms and templates should be used across Government to allow interoperability and exchange of standard internal and corporate information. This would also support the implementation of Machinery of Government changes in the future.

## **Information and data**

### **Data collection and use**

39. The Department predicts that the most significant changes to impact the APS during the twenty-first century will be the expanded use of data to guide policy decisions, underpin risk models and evaluate the success of policy and program implementation. The Department, along with other APS agencies, has recently undertaken an internal program of change to ensure that it addresses the significant challenges in harnessing the full value of its data holdings for strategic, tactical and operational decision-making.
40. This change included the appointment of a Chief Data Officer to oversee a dedicated Data Management Division and a supporting taskforce to design a new Data Operating Model that will bring about a disciplined approach to data governance, reduce duplication, improve data practices and centralise specialist expertise so that resources can be redeployed to developing new and improved data and analytics capability.
41. The Department has also made significant investments in reform activities resulting in a comprehensive system for intelligence collection through a centralised services model, including the establishment of a Border Intelligence Fusion Centre, which has led to an improvement in intelligence collection and dissemination.
42. These significant reforms provide Home Affairs staff with real-time operational and strategic intelligence products to support better decision making, and an improved risk assessment capability through greater access to analysis, coordination and sharing of data and collaboration with international partners.
43. These reforms will transform the way in which intelligence supports threat identification and risk management in the visa process. The Department will subject its consolidated data holdings to automated analysis to evaluate the threat posed by every individual visa application and visa holder, allowing the Department to manage increasing volumes and focus its resources on areas of higher risk.
44. We recommend that the Review examine the significant investment APS agencies are devoting to improve intelligence and data-related structures within those agencies, and investigate ways in which to best coordinate a single, whole of government approach to intelligence, data management and information sharing to deliver greater insights from data and improve decision making.

### **Sharing information**

45. Despite the adoption of technology to better allow APS staff to communicate with colleagues across APS agencies, information sharing across government could be further improved. In some cases, a lack of information sharing may be caused by a lack of guidance about which information can be shared and with whom.
46. The APS may benefit from a greater consolidation of information handling governance arrangements across agencies, potentially leading to better direction and clearer instructions for sharing information and a common understanding of data, information, records and knowledge, and the security requirements for handling and disclosing information. It is important that these structures should guide and govern how

decision makers use and share information, and must account for the public's expectation of the role of the APS as information stewards.

47. Giving clear guidance and will aid better data and information sharing, and result in a more collaborative approach by the APS. The Department recommends that the Review also investigate cultural factors that may lead to better information sharing among agencies, and with industry partners and other government jurisdictions.

## **Building technology at scale**

### **Maximising public spending**

48. The level of Commonwealth spending on goods and services represents considerable purchasing power, however, individual contracting arrangements by agencies results in inefficiency, duplication and overlap. Greater consolidation of procurement and contract management, in services common to APS agencies, may improve the purchasing power of the APS further, and reduce instances of duplicated products and services expenditure.
49. Additionally, aligning the functions and responsibilities of departments into structures that encourage building long-term capability at scale, particularly in the areas of technology, offers the opportunity for consolidation of investment and the introduction of capability that meets the long-term growth in workload.
50. We recommend that the Review consider structural ways for unifying the broad purchasing-power of the public sector, through procurement and contract management consolidation and specialisation, to ensure that there is a maximum efficiency in public sector spending across APS agencies.

### **Long-term investment**

51. The ability for the APS to introduce enduring capability and invest for the long term is hampered by the short-term nature of the budget process. The current approach to four year budget estimates, coupled with the election cycle, inhibits APS agencies from building a case for significant long-term reform, and securing long-term funding to support it.
52. Current Budget Process Operational Rules require agencies to identify offsets for new proposals, even where there is no corresponding saving, or where the work is to address a specific risk that has been identified. Changes should be considered to the way departments manage risk, procurement rules, and the appropriation of funds for development work.
53. The Department's experience is that, investing in long-term, multi-year reform is the only way for agencies to accommodate the natural growth in demand for its services. However, modelling that requires significant upfront investment can be considered prohibitive by government as it is impossible for the agency to provide offsets beyond the current four year forward estimate period. This often results in successive short term outcomes that are less cost efficient.
54. Furthermore, elongated times for the development of new policy proposals, increases the risk of agencies falling behind the capabilities required to meeting current and future challenges, and the current rules governing the spending of public appropriations within a specific financial year do not allow agencies to roll-over unspent funds into a new financial year.
55. The Department recommends that the Review inquire into whether the principles underpinning the Defence Capability model, with the greater long-term certainty it provides, may be extended to other departments in the APS, and/or whether there may be examples of public funding models internationally that consider the long-term benefits of investment during the policy development and appropriation process, that may serve as positive examples for the APS to observe and follow.

## Risk and innovation

### Risk appetite

56. The Department is currently developing a Home Affairs Risk Management System that will outline the risk management products available across the Department, to inform both operational and strategic decision making to realise opportunities, and to ensure strong preventative controls are in place and working to negate threats along with mitigation controls to minimise consequences.
57. This is part of a broader risk management approach in the Department which will aim to develop a positive risk culture, to ensure that all staff understand that they have a responsibility for risk management. The Department notes the 2015 report, *Learning from Failure*, by Professor Peter Shergold AC, its evaluation of risk culture in public administration and its significant contribution to understanding how to improve risk culture in the APS.
58. Investing in innovative approaches leads to positive results for the Australian public and government. The Department's introduction of SmartGates, which use Artificial Intelligence facial recognition technology, has resulted in the number of passengers utilising this technology rising from 6.8 million passengers in 2014-15 to 24.2 million in 2016-17. The Department estimates that the SmartGates technology has the potential to facilitate 90 per cent of travellers to self-process at the border by 2020, cutting processing time to as little as 15 seconds.
59. The Department's experience is that it is necessary to test and trial novel policy approaches to solve long-standing and intractable policy problems that have evaded solutions in the past. The development of innovative approaches can only succeed with a clear understanding of the government's risk appetite to guide the development of these approaches.
60. The Department recommends the Review explore ways to improve risk culture in the APS, and structures that might be established to foster and maintain a better understanding and agreement of risk appetite between the APS and government, to ensure that imagination and innovation, required for the delivery of effective government services, does not suffer at the hand risk aversion.

## Accountability, governance and oversight

### Administrative compliance

61. The Department has embarked upon the development of a single, easy-to-use compliance approach that supports the workforce to understand their recordkeeping, delegations and compliance obligations, and the implementation of individual control frameworks to ensure powers are exercised appropriately.
62. Currently, APS agencies build their own bespoke processes for learning and incorporating new obligations that arise from the passing of legislative instruments, which usually commences during the consultation phase of the development of policy, regulation or legislation.
63. The Department recommends the Review investigate innovative ways for agencies to maintain high levels of administrative hygiene in the APS, including consideration of a consolidated, all-of-government process for understanding and disseminating the impact of legislative, policy or regulatory upon APS agencies.

### Governance

64. The Department, and its antecedent components, have been subject to a number of Machinery of Government changes in the previous five years. During the establishment of Home Affairs, the Department paid particular attention to introducing strongly defined governance structures early in the change process, including a new enterprise governance framework with clearly articulated committee and decision-making structures, and a strengthened reporting and accountabilities for projects and performance measures with the use of stewards.

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65. The Department also updated its organisational structure to integrate functions from six originating agencies in the APS, and reviewed and updated delegations, to better reflect the key roles and interrelationships of functions and accountabilities.

66. As a result, and within six months of its establishment, the Department delivered the first integrated budget for the Home Affairs Portfolio in 2018-19, and supported the passage of the *Home Affairs and Integrity Agencies Legislation Amendment Act 2017* and the associated Administrative Arrangements Orders.

67. The Department recommends that the Review note the role that strongly defined governance structures played in the successful establishment of Home Affairs, with a view to learning and adapting its example more broadly across the APS for future Machinery of Government changes.

### Oversight

68. The Department refers and restates the contents of its previous submissions to the *Independent Review – Public Governance, Performance and Accountability Act 2013 and Rule*, by both the former Department of Immigration and Border Protection in November 2017, and the Department of Home Affairs in June 2018. .

### Trust

69. As the APS increasingly develops programs that digitise processes and systems, the Department remains cognisant that building and maintaining the trust of the Australian public will become more increasingly dependent on APS agencies demonstrating that they are lawfully and appropriately safeguarding the public's privacy through the collection, retention and sharing of personal data.

70. The Department recommends that the Review take this opportunity to consider how the APS might best engage with the public to ensure that they have confidence in the APS to manage and share their data appropriately, and to align policy development with public expectations of information handling.