
The Parliament of the Commonwealth of Australia

Report 432

APS – Fit for Service

Australian Public Service Annual Update

House of Representatives
Joint Committee of Public Accounts and Audit

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Foreword

The annual meeting with the heads of key agencies responsible for public sector governance and administration provides the Committee with a regular opportunity to discuss whole-of-government issues and trends, and review the overall performance of the Australian Public Service (APS). Previously held as a private briefing, to improve transparency, the Committee decided to open up this year's meeting to the public and to publish this report.

The Committee was particularly interested in progress on the APS reform initiatives; the results of the latest State of the Service report; the potential impact of the increased efficiency dividend; and to hear about future improvements planned for the public service.

The Committee is also responsible for approving annual report guidelines for Commonwealth departments on behalf of the Parliament. Questions relating to the proposed 2011-12 Requirements for Annual Reports were also discussed at the public hearing.

In regard to the Annual Report Requirements, the Committee was pleased to see a continued focus on streamlining and minimising duplication of reporting.

A proposal was put forward to amend the reporting of consultancy contracts. While maintaining the summary data, reports would direct readers to AusTender, the centralised procurement reporting site, rather than reproducing static lists of contracts. The Committee agreed to support this proposal, after being informed by the Australian National Audit Office and the Department of Finance and Deregulation of the potential for improvements to accuracy and currency of information.

On another aspect of procurement, the Committee wanted to be sure that agencies continue to improve on-time payments to small business. Responding to the Committee's concerns, the Department of Prime Minister and Cabinet (PM&C) advised that the Australian Government Payments to Small Business Performance

Report will be enhanced with the inclusion of information on the performance of individual agencies.

On the broader front of improvements across the public service, the Committee noted the status update on the initiatives stemming from the APS Blueprint for Reform. There are two key points in relation to the reforms:

First, in terms of APS policy implementation capacity, the JCPAA has for some time been raising concerns about the capacity of certain departments to implement policy. PM&C outlined the engagement and support strategy developed to improve guidance and communication and increase agency capacity. The Committee will now be looking for a reduction in numbers of the actual audit reports critical of implementation.

The second area of interest is the establishment of further agency review options. The Committee welcomed advice that further scrutiny of cross agency performance and strategic assessment of future capabilities was underway. In particular the Committee was pleased to hear that the Capability Review process would be rolled out across agencies and the results publicly disclosed. However, due to the complexity of the different review options available, the Committee would like to see the development of a simple explanation of how these reviews fit together and avoid duplication.

While the underlying major reform takes place, APS agencies will need to be considering how to improve the 'state of the service' at the same time as finding savings to meet the increased efficiency dividend. Issues in need of attention include:

- addressing the continuing decline in diversity in terms of Indigenous employees and employees with a disability; and
- improving the average overall employee satisfaction with senior leaders.

Leadership drives success of an organisation and allows these major reforms to succeed. Leaders are also pivotal in ensuring diversity is encouraged and valued in a workplace. So it is of particular concern that there is this continuing trend of dissatisfaction with those steering the course. The Committee will continue to monitor results in this area.

When looking to the future, the Secretary of PM&C suggested the APS needs to become Asia-capable. The JCPAA agrees that engaging with regional counterparts is an important goal and looks forward to hearing about developments in this area over the next year.

The Committee appreciates the important work of the APS and the effort that has been put into reforming the state of the service. This report makes some additional suggestions, largely aimed at improving the accessibility of information to assist parliamentarians and the public in assessing the performance of the APS.

Finally, I thank the senior public servants who attended the hearing for their time, as well as for their frank and detailed engagement with the Committee.

Robert Oakeshott MP
Chair



Membership of the Committee

Chair Mr Robert Oakeshott MP

Deputy Chair Ms Yvette D'Ath MP

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	Mr Jamie Briggs MP	Senator Helen Kroger
	Ms Gai Brodtmann MP	Senator Louise Pratt (from 27/06/12)
	Mr Darren Cheeseman MP	Senator Dean Smith (from 09/05/12)
	Mr Josh Frydenberg MP	Senator Matt Thistlethwaite
	Ms Deborah O'Neill MP	
	Ms Laura Smyth MP	
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List of abbreviations

ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
CIU	Cabinet Implementation Unit
EAS	Ethics Advisory Service
Finance	Department of Finance and Deregulation,
JCPAA	Joint Committee of Public Accounts and Audit
PAAC Act	<i>Public Accounts and Audit Committee Act 1951</i>
PM&C	Department of the Prime Minister and Cabinet
SES	Senior Executive Service

