

Purpose of Budget Paper No. 4

Budget Paper No. 4 presents information on the full allocation of resources across the General Government Sector.¹ In 2023–24, agencies will be responsible for administering approximately \$684.1 billion to deliver services for individuals, families and businesses.

Budget Paper No. 4 sets out the departmental funding for agencies, administered funding managed by agencies, the nature of funding sources and the purposes of funding as defined by Outcome Statements for each agency.

Additionally, information is provided on the staffing resources allocated to agencies delivering services to the Australian community.

1 The General Government Sector provides public services that are mainly non-market in nature and for the collective consumption of the community or involve the transfer or distribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding (Budget 2023–24, Budget Paper No. 1, Statement 10, Appendix A).

Preface

The Australian Government is committed to building a stronger and more diverse Australian Public Service (APS) to better serve communities across Australia. The Government is progressing an ambitious program of APS reform, with a vision for partnership between the public service and people, communities, states and territories, business, unions, non-government organisations and the tertiary sector. This will help the APS build on its commitment to be a trusted and transparent partner that embodies integrity and puts people and business at the centre of policy, implementation and delivery.

The Government is also making significant and targeted investment in data and digital capability as a foundational building block to enable the APS to provide better outcomes and services for the Australian people.

Data and digital capability

Technology is central to everything that people, business and government do in today's world. The Government recognises the importance of data and digital capabilities to create more insightful and effective data-driven policies and to deliver easy, accessible and secure services for people and business. The Government also acknowledges that data and digital activities are a key contributor to the economy.

The Government continues to spend responsibly, investing more than \$2 billion in digital and ICT in the 2023–24 Budget and is undertaking foundational work to support future investment decisions. This includes new digital solutions to improve service delivery, actions to modernise outdated legacy platforms and IT systems, as well as vital work to ensure critical data and digital investment is properly scoped and provides maximum value for the taxpayer.

An initial Data and Digital Government Strategy has been released, with the final strategy and accompanying implementation plan to be informed by public consultation and delivered by the end of 2023. By aligning the APS' data and digital agenda with a clear vision, the Strategy will enable joined-up delivery across Government. The Strategy will also support stronger long-term policy and service delivery through commitments to better manage, share, integrate and analyse data; leverage digital technologies; and create seamless digital information and services. The Strategy will accelerate the Government's uptake of data and digital capabilities and drive more cost-effective data and digital investment. The Strategy will also enable the APS reform agenda and deliver the data and digital vision of simple, secure and connected public services underpinned by world class data and digital capabilities by 2030.

The Government recognises the critical importance of cyber security to maintain public trust in government institutions, businesses and individuals. The National Cyber Security Coordinator has been established to strengthen Australia's cyber resilience and strategically manage cyber security activity across government, the private sector and the community. Greater coordination will ensure government is better placed to protect Australians from cyber attacks by helping affected individuals and businesses recover if major incidents occur.

Work is ongoing to combat scams and online fraud to protect Australians from financial harm. A National Anti-Scams Centre will be established to better protect Australian consumers and business by improving cooperation between government and industry to respond to increasingly sophisticated scam activity and provide consistent communication and messaging on scam protection and prevention. The Centre is a critical component of the Government's plan to fight back against scammers on behalf of Australians.

The Government is making it safer and easier for people to verify their identity digitally, while minimising the collection of personal information. Digital ID will be a voluntary, secure and trusted way for Australians to use the government services they rely on. The Government is investing in the future of the Digital ID program to expand the services that can be accessed using a digital ID. This investment includes the development of legislation, appointing a regulator, continuing the accreditation of private sector digital ID providers, as well as the ongoing operation and development of myGov ID. It also includes working with the states and territories, through Data and Digital Ministers, to ensure interoperability within the Digital ID program. The expanded use of digital IDs means that in the future businesses will store less personal information, minimising the impact of any potential data breaches.

APS reform

This Budget continues the work of reforming the APS, based on 4 key areas of focus:

- An APS that embodies integrity in everything it does
- An APS that puts people and business at the centre of policy and services
- An APS that is a model employer
- An APS that has the capability to do its job well

An APS that embodies integrity in everything it does

The Government is prioritising a culture of integrity and work is underway across the APS to ensure the public service continues to be an honest, impartial and trusted adviser to government.

The National Anti-Corruption Commission (NACC) will commence on 1 July 2023. It will strengthen Australia's existing integrity framework by ensuring there is an agency with a dedicated focus on preventing, detecting and investigating allegations of serious or systemic corruption involving Commonwealth public officials.

The establishment of the NACC will support work that is already underway across the APS to strengthen public sector integrity, including supporting new corruption prevention measures, improving protections for whistleblowers and an updated and robust Code of Conduct for ministers and for ministerial staff.

An APS Integrity Taskforce has been established to support the APS to deliver the Government's integrity agenda and to work with agencies to deliver system-wide integrity improvements. The Taskforce will work in partnership with agencies to develop a comprehensive action plan that outlines current work, identifies gaps and opportunities, and develops options for further reform.

The Government is progressing comprehensive reform of the *Public Interest Disclosure Act 2013 (PID Act)* to ensure it effectively protects whistleblowers who report wrongdoing and corruption. Following passage of priority amendments to the *PID Act* to make immediate improvements to the public sector whistleblowing scheme, the Government will commence a second stage of reforms in 2023. This will include consultation on redrafting the *PID Act* and a discussion paper on the merits of establishing a Whistleblower Protection Authority or Commissioner.

Significant changes to the *Public Service Act 1999* are being developed to help the APS better serve the Government, the Parliament and the Australian community into the future. These changes will embed the integrity components of the APS reform agenda and the APS Values will be expanded to include stewardship as a new value. The integrity of advice and the ability of the APS to deliver policies and programs that respond to community needs not only builds government trust in the APS, most importantly it builds the Australian community's trust in government. To be effective stewards, public servants must work collectively to harness experience, diversity and resources to deliver common objectives.

The Government is also considering opportunities to reaffirm and clarify the APS' core values as an impartial and apolitical organisation that upholds the highest standards of integrity. This includes supporting work to be done at the lowest appropriate level through optimal management structures. These initiatives will enhance integrity and public trust in the APS and the broader institutions of government.



The APS Academy

It is critical that APS employees have a strong understanding of their responsibilities as public servants. The APS Academy provides an APS Induction Pathway with specific learning modules as an introduction to working in the APS.

The Induction Pathway provides information on Australia's system of government, legislation and policies and the responsibilities employees have in contributing to an ethical workplace culture. The APS Academy also provides foundational and leadership-oriented integrity courses to support the application of APS values and the APS employment principles, including the requirement to provide workplaces free from discrimination. The Government's investment in these critical initiatives will ensure the Australian public has confidence that the APS embodies integrity in everything that it does.

An APS that puts people and business at the centre of policy and services

The Government is committed to ensuring the APS works in genuine partnership with the community to solve problems and co-design the best solutions to improve the lives of all Australians.

A new Partnership Priorities Sub-Committee of the Secretaries Board has been established to further embed partnership culture and behaviour in the APS, including place-based partnerships. The Sub-Committee is developing a Charter for Partnerships and Engagement to provide a clear statement about how the APS will work in partnership with communities and business to build public trust and drive public service culture and behaviour.

The Charter will be published and be a public commitment to: work openly and respectfully; listen and learn; and inform and be informed. It will mean rethinking who the APS interacts with and what people-centred public administration means. It means consulting beyond traditional participants and locations to provide government with a range of perspectives and on-the-ground experiences of all Australians.



Government engaging with business and the community

Building better partnerships with communities and business will help the APS provide better advice to governments and more effectively deliver government priorities.

The Future Made in Australia Office is actively engaging with industry including peak industry groups, unions and academia, as well as individual small, medium and large businesses, and state and territory governments. This engagement is driving activities that benefit both business and the APS and will enable delivery of the best economic, social and environmental outcomes through procurement.

The Government is working with communities across central Australia to improve educational engagement, attendance and learning outcomes. This will prioritise community engagement and locally driven responses to inform activities, including on-country learning initiatives.

To have greater impact through genuine partnerships, the APS must understand the needs of communities, businesses and the nation, and what is required to implement policies effectively and efficiently. The Government is looking for opportunities to support secondments between government, business, and the community sector to enable this approach.

The Government is expanding the use of the Survey of Trust in Australian Public Services, a regular, national survey measuring public satisfaction, trust and experiences with Australian public services. The survey, now published monthly, offers a whole-of-APS view of service experience, complementing existing work undertaken by APS agencies.

Advancing gender equality is a national priority. The National Strategy to Achieve Gender Equality will provide a roadmap for whole-of-community action and a framework for government effort to advance gender equality. It will be underpinned by the implementation of gender responsive budgeting, which will transform the way the Government develops and delivers policy and services. Gender responsive budgeting is helping ensure government policy and services are inclusive of people from all backgrounds. The Strategy, along with actions the Government already has underway to drive gender equality, will help make Australia a more gender equal and inclusive society.

The Government is committed to reducing the APS' greenhouse gas emissions to net zero by 2030. The APS will achieve net zero by actively reducing emissions from government operations through a range of measures including energy efficiency in government property, renewable energy supply, the Commonwealth vehicle fleet and through the use of offsets. This is in line with Australia's international commitments and highlights the critical leadership role of governments in taking economy-wide climate action.

The Government's APS reforms ensure that people continue to be at the centre of services and the services they rely on are more accessible. The Government is making a significant investment to provide better access and more affordable care for patients. This investment will improve the quality and accessibility of multidisciplinary primary care, modernise Australia's digital health infrastructure, improve the financial sustainability of general practices, grow and upskill Australia's health workforce, and ease the pressure on hospitals.

The Government is also expanding the availability of general practice telehealth consultations to enable patients registered with their general practice through MyMedicare to access Medicare rebates for longer consultations over the telephone. This will support people with chronic illnesses to have easier access to their regular doctor. This is one way that the Government is offering accessible services to support everyone.



Modernising myGov

myGov is Australia's largest government digital platform, with over 25 million active accounts and more than 800,000 sign-ins every day. myGov provides a central place for Australians to access essential digital government services.

The myGov app was launched in December 2022 and provides Australians with easier access to myGov. The myGov app offers new capabilities so that people can securely store and manage government issued credentials, including Medicare and concession cards. By March 2023, over one million Australians were using the myGov app.

The Government is committed to delivering a world-class, people-centric, secure platform to provide Australians with easy access to the government services they need and the confidence their data is safe.

An APS that is a model employer

Diversity and inclusion are powerful enablers of performance. With a diverse workforce supported by inclusive workplaces, the APS will deliver innovative policy and services, maintain public trust in its integrity and drive a people-centric focus to deliver for all Australians.

The Government has set an ambitious but achievable target to increase First Nations employment in the APS to 5 per cent by 2030. The Boosting First Nations Employment package will contribute to achieving that target by initially focusing on: increasing the number of First Nations staff in the senior ranks of the APS to 100 by 2024–25; building a talent pipeline; and strengthening the cultural competence of the APS to work in genuine partnership with First Nations' communities.

The package builds on the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024 and is an enabler to the Commonwealth’s commitment to Closing the Gap by transforming government institutions and organisations.

There is also a focus on improving employment outcomes for culturally and linguistically diverse Australians in the APS, including to increase representation at senior levels of the APS. The APS Cultural and Linguistic Diversity Employment Strategy will drive APS-wide action to improve multicultural capability, remove bias and racism from APS workplaces and address barriers to staff progression.

As part of this Strategy, an APS-wide learning package is being developed to promote cultural and linguistic diversity and increase cultural awareness across the APS. An APS-wide network to connect culturally and linguistically diverse executives and senior level champions is also being established. Supporting staff to increase cultural and linguistically diverse representation and senior representation will ensure the views of our diverse communities are represented in advice to the Government.

Through the APS Disability Employment Strategy and Australia’s Disability Strategy, the Government is committed to making sure people with disability can obtain employment in the APS and have equal access and inclusion in the workplace. The APS has developed pathways to provide targeted and tailored entry and mobility pathways for people with disability. One of these dedicated disability pathway programs is the 12 month opt-in Ability Apprenticeship Program that provides an entry pathway for people with disability into secure, ongoing employment in the APS. The Ability Apprenticeship Program provides participants with formal and on-the-job training, as well as support from a disability employment provider.

Work is underway to capture the spirit of service in the first APS Purpose Statement and reflect this as part of the APS Employee Value Proposition. The Employee Value Proposition aims to position the APS as a model employer for current and prospective staff. It will send a positive message about working in the APS and help the APS to attract and retain the talent and capabilities the public service needs for the future; building the diversity of the APS workforce to reflect the community it serves.

The APS is committed to embedding flexibility in the way it works, creating flexible workplaces that embrace diversity and meet the expectations of the Australian community and the APS workforce. The APS has adopted a principles-based approach to flexible work that provides a framework for considering flexibility at the individual, team and organisation level. The starting principle is that flexibility applies to all roles, with different types of flexibility suitable for different roles. This flexibility strengthens the APS’ ability to deliver strong outcomes, improves the APS workforce’s resilience, helps employees balance their work and personal priorities and positions the APS as an employer of choice.

Mobility is also improving the capability of employees and organisations, and continues to increase across the APS. Exposure to different roles and workplaces increases employee skills and experience, helping to build networks and understanding of the variety of roles available across the APS. In 2021–22 there was a 5.4 per cent increase in ongoing staff taking up mobility opportunities. This is the highest annual rate in the last 20 years.

The APS Jobs website has new functionality that makes it easier to share and access merit lists prepared by another agency. This functionality increases the opportunities to draw on existing merit pools across agencies, making recruitment a more efficient process for APS agencies.

These initiatives are supported by the Government's commitment to restore the APS' ability to bargain. The Government is committed to fair and equitable conditions of employment and job security for the APS. APS bargaining will support a more inclusive and diverse workplace and help the APS attract and retain the skills it needs. It will reflect best practice, recognising the Government's job to set the standard of employer behaviours it champions, exemplify model behaviour through demonstrated respect for good faith bargaining and reflect the principle of transparency.

An APS that has the capability to do its job well

The Government is looking to re-shape and re-position the APS to respond to the contemporary Australian landscape. The Government is building on efforts to date to realise an APS that is future-fit and able to adapt and evolve to meet changing and rising community expectations.

Capability reviews of the Australian Public Service Commission, the Department of Health and Aged Care and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts are underway. These are the first of a series of reviews across the APS that focus on building the capability of individual agencies, aim to embed a culture of continuous improvement across the APS and ensure that agencies can deliver Government priorities and outcomes for Australians.

The Government is committed to establishing an in-house consulting capability to provide a new source of high quality consulting services for the APS, supporting Government priorities quickly and at a lower cost than external firms. The in-house consulting capability will strengthen internal capabilities and bring critical work back into the APS.



Rebuilding APS capability

The Government is committed to rebuilding the capability of the APS and reducing wasteful spending. As part of the broader APS reform agenda, an Audit of Employment was undertaken to provide an estimate of the use of external labour (contractors, consultants, outsourced service providers and labour hire) across the APS.

The audit brought together information from 112 agencies across the APS and found that in 2021–22, these agencies employed an external labour workforce of 53,900 staff (on a full-time equivalent basis) at a cost of \$20.8 billion. For 2021–22, the combined public servants and external labour workforce was around 37 per cent larger than the workforce measured by public servant numbers alone. This translates to around 1 in every 4 dollars spent by agencies for departmental purposes being directed to external labour services.

The audit found that around 69 per cent of the spending on external labour was on outsourced service providers. Contractors and consultants accounted for close to 27 per cent of expenditure and labour hire accounted for around 4 per cent.

The audit also found that 43 per cent of the total spending on external labour in 2021–22 was in the area of ICT and Digital Solutions, 17 per cent related to Service Delivery and 9 per cent related to Portfolio, Program and Project Management.

The Government is taking action to reduce reliance on external labour and is committed to bringing capability back into the APS. In the October 2022 Budget, the Government removed the Average Staffing Level cap to support agencies to make better employment decisions. There is a continued focus on reducing spending on external labour with 3,314 positions in 2023–24 being converted to APS roles in this Budget. The reduction in expenditure from conversion is \$811 million over the forward estimates.

The audit findings have informed discussions about the use of external labour roles, will assess if initiatives intended to rebalance the APS workforce towards direct APS employment are effective and inform further thinking about how to rebuild APS capability and capacity.

The first round of projects to be funded from the APS Capability Reinvestment Fund have been identified. The Fund will build the capability of the APS and address service-wide challenges, with initial funding to kick-start projects that will deliver long-term, cross-agency capability shifts. Implementing scalable and impactful activities will support all agencies to strengthen the capacity and capability of the APS, ensuring it is fit-for-purpose to deliver the Government's priorities and able to respond to the emerging challenges Australia is facing.

The Government continues to focus on delivering learning and development excellence for the APS. The APS Academy provides the APS with the necessary foundation of skills needed to deliver high quality, respected and trusted solutions to meet Australia’s challenges. The APS Academy addresses the need for skills acquisition and learning experiences across a broad spectrum of professions and fosters an APS-wide culture of learning that builds core public sector capabilities and drives high performance.

The Office for Women secondment program is making knowledge exchange a reality. Since October 2022, staff from 7 agencies across the APS have undertaken a secondment with the Office for Women, gaining deep understanding of gender equality issues and developing gender analysis skills they take back to their home agency. Through this collaboration, a shared understanding of opportunities for advancing gender equality are developed. Other gender analysis capability projects will continue to be rolled out across the APS.



APS Surge Reserve

APS employees have always stepped forward to help in times of need. In 2022, around 2,000 employees made temporary moves to the Surge Reserve to work in priority delivery areas to process pandemic leave claims and deliver flood disaster recovery payments.

The APS provides critical support to millions of Australians impacted by major disasters or emergencies. This successful response relies on 2 main capabilities: innovations that support people to easily apply online for and receive disaster recovery payments; and the deployment of staff from across the APS as part of the Surge Reserve capability.

A strong and enduring APS

The APS is made up of Australians helping other Australians.

The Government's investment in data and digital will enable the APS to accelerate its transformation to be even more data-led and digitally-capable and be fit for the digital age.

Strategic investment will lead to an APS that is stronger, more inclusive and more capable. The Government is committed to an APS that embodies integrity in everything it does, through increasing transparency and engaging with the public on issues of trust.

The Government is also focused on a culture of service delivery and policy development based on genuine partnership and co-design with the Australian public. Through offering staff a quality employee experience in a dynamic workplace, the APS continues to be a great place to work and will set the standard for diversity and inclusion.

The APS will continue to build on the skills and capabilities of its staff to be a robust and trusted institution that delivers modern policy and service solutions for decades to come.

The Government's vision is for an APS that has the capability to deliver 21st century outcomes and continues to evolve and innovate so the APS is positioned to deliver better outcomes for all Australians.



Senator the Hon Katy Gallagher

Minister for Finance

Minister for Women

Minister for the Public Service of the Commonwealth of Australia