

Purpose of Budget Paper No. 4

Budget Paper No. 4 presents information on the full allocation of resources across the General Government Sector¹. In 2022–23, agencies² will be responsible for administering approximately \$650.9 billion in funding 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 October 2022–23, Budget Paper No. 1, Statement 10, Appendix A).
- 2 For ease of reading, the term ‘agency’ is used throughout this Preface to refer to non-corporate and corporate Commonwealth entities.

Preface

The Government is committed to building a stronger and more diverse Australian Public Service (APS) to better serve all Australians. One that maintains the highest standards of integrity and works in a more cooperative and consultative way. An APS with a strengthened ability to work with communities to design policy and services, and to deliver these more efficiently and with greater integrity, will provide better outcomes and increased value for money for the Australian people.

The Government will deliver better outcomes for Australians through an APS that:

- Embodies integrity in everything it does.
- Puts people and business at the centre of policy and services.
- Is a model employer.
- Has the capability to do its job well.

Integrity in everything the APS does

Continued cultural evolution is necessary for the APS to respond to growing public expectations, and to strengthen the APS' role as a trusted adviser to government.

Leadership is a key enabler of change, and the expectations for senior APS leaders are made clear in the Secretaries Charter of Leadership Behaviours, released in 2022. The Charter emphasises being dynamic and respectful, having integrity, valuing others, and empowering people as the essential behaviours APS leaders need to succeed.

The Government has introduced legislation to establish a powerful, transparent and independent National Anti-Corruption Commission. It will strengthen Australia's existing integrity framework by ensuring there is an agency with a dedicated focus on detecting and investigating serious or systemic corruption.

The Commission will complement other work across government to strengthen public sector integrity, including introducing new corruption prevention measures, improving protections for whistle-blowers and establishing and enforcing a robust Code of Conduct for ministers and for ministerial staff.

People and businesses at the centre of policy and services

The Government is committed to transforming services so Australians can access services designed around their needs, simply and reliably. The APS will support the Government by implementing the Government’s vision for a Charter of Partnerships and Engagement.

The Charter will support the design and delivery of services in a more collaborative and people focused way, drawing from international best practice. This will make it clear how the Government will bring services together to make interactions with government easier and outline how to design policies and programs with the people they impact.

The Government will also start a process of developing long-term insights briefings. These insights briefings will bring together experts from the APS and include consultation with the community, academia, industry and the not-for-profit sector on specific longer term policy challenges to identify solutions.

The Government is committed to improving service delivery across Australia, including rebuilding the capacity and capability of the APS through addressing excessive reliance on contractors, consultants and labour hire companies. As part of this commitment, the Government is investing in new, secure frontline service delivery jobs at Services Australia, the Department of Veterans’ Affairs and the National Disability Insurance Agency.

Face-to-face services across Australia, including in regional Australia, will be boosted to provide increased accessible and direct support to the public and deliver an improved customer experience. Expanded face-to-face services will make it easier for customers, including vulnerable people and those with complex needs, to access high-quality, connected and integrated government services.



Support Services for Veterans and their Families

The Department of Veterans’ Affairs has made extensive and meaningful cultural change, ensuring veterans and families are at the centre of all service design and delivery. Over the past 12 months, there has been a focus on improving the claims experience for veterans, with liability decisions being made for more than

74,000 conditions, an increase of 17 per cent on the previous year. Almost \$440 million was paid in compensation to more than 12,000 veterans incapacitated for work due to an injury or illness related to their service, and a further \$168 million was paid in compensation to more than 1,300 dependents.

Now over 214,000 veterans and families use MyService, the Department of Veterans’ Affairs digital service platform that enables online claims lodgement and better access to information. The next phase of modernisation will expedite claims processing, reduce wait times, and deliver proactive and tailored support to veterans and families as well as respond to recommendations contained in the Interim Report from the Royal Commission into Defence and Veteran Suicide.

Closing the Gap is transforming the way government works with First Nations peoples through an ambitious set of priority reforms, and socio-economic outcomes and targets focused on improving life outcomes for First Nations peoples.

Policies and investments developed in partnership through shared decision-making will make the biggest contribution towards achieving the Closing the Gap targets.

The Buy Australian Plan is a significant Government procurement reform program which will enable the Government to use its buying power to help businesses and industry sectors grow. The Buy Australian Plan will support businesses to compete effectively, win more contracts, employ more people and build greater resilience in our supply chains. The Buy Australian Plan will increase contracting opportunities for all businesses including regional, Indigenous-owned and small and medium businesses. It will improve economic, social and environmental outcomes through more effective national partnerships and create more jobs.

The Government has delivered the first step of the Buy Australian Plan, establishing the Future Made in Australia Office in the Department of Finance. The Future Made in Australia Office will support the uplift of procurement and contracting capability across the APS to provide government buyers with the skills, tools and resources they need. The Future Made in Australia Office will strengthen relationships with businesses, industries, and communities by delivering targeted learning events to raise awareness on how to do business with the Government.



Flood Emergencies Response

Services Australia provided critical support to millions of Australians impacted by major flood events in February, March and July 2022. Two main capabilities underpinned Services Australia's successful response: the agency's technological innovations allowed customers to easily apply online for and receive disaster recovery payments, and the agency's deployment of staff on the ground in the most severely affected areas helped people access much needed government support services.

Across these flood events, Services Australia has finalised over 3.3 million claims, providing nearly \$3.2 billion in assistance to Australians in need of support, as at 10 October 2022. The agency was able to effectively deliver this assistance through its ongoing commitment to, and investment in, digital transformation. In January 2022, the agency implemented an online claiming solution where customers can apply for disaster recovery payments through myGov at any time. Prior to implementing online claiming, customers had to claim over the phone. In the July 2022 floods, 95 per cent of customers claimed online, which enabled Services Australia to rapidly make payments. Seventy five per cent of eligible claims were finalised within 48 hours, and some customers received payments within minutes of applying.

A model employer

Striving for diversity, inclusion and a sense of belonging in the APS is important for our people, the values we model, and outcomes for the Australian public. In order for the APS to appropriately serve the Australian community it needs to reflect the diversity of that community. The Government has identified increased representation of First Nations peoples, gender equality and disability employment as clear priorities.

The Government is committed to increasing First Nations employment in the APS to 5 per cent by 2030. The APS, through the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–25, aims for greater First Nations workforce representation and retention at all classification levels and in all business areas. Through the Strategy, we have focused on improving outcomes in 3 key areas: cultural integrity, career pathways and career development and advancement.



Affirmative Measure Recruitment Hub

Launched in July 2022, the Affirmative Measure Recruitment Hub (Hub) is a suite of guidance, tools and resources to assist agencies in recruiting First Nations talent. The Hub is available to any APS or Commonwealth employee involved in attracting, recruiting and on-boarding First Nations employees. The guidance supplements and complements agencies' current recruitment processes to help agencies recruit First Nations peoples in a culturally safe way.

The Aboriginal and Torres Strait Islander Employee Value Proposition: A Tool for Recruiters, which contains templates and suggested wording, hints and checklists to help agencies create compelling recruitment campaigns specific to the agency and the vacancy, is one of the significant resources housed within the Hub.

In its first 3 months, the Hub has grown to over 300 members from more than 50 agencies across the public sector and some state and territory governments.

The Government is committed to gender equality – including taking action to address the gender pay gap in the APS.

The National Strategy to Achieve Gender Equality will provide a roadmap for whole-of-government action over the coming years and be supported by the Women's Economic Equality Taskforce (the Taskforce) for the advancement of women's economic equality and to achieve gender equality.

The Taskforce will provide independent advice to the Government on a broad range of issues facing women in Australia and includes eminent women with a range of diverse backgrounds, experiences, and expertise.

The APS has made significant progress towards gender equality. The average gender pay gap in the APS has continued to trend down over the last 6 years, likely driven by the increasing representation of women at higher levels of the APS. The current APS gender pay gap is 6 per cent, which is less than half the broader workforce.

The gap between the overall representation of women in the APS and their representation at the senior executive service (SES) classification level continues to narrow. While women reached gender parity (50 per cent) in the overall SES cohort in 2021, this has not yet been achieved at the SES Band 2 and SES Band 3 classification levels.

The APS continues to focus on embedding these gains and addressing remaining challenges. The APS Gender Equality Strategy 2021–26 includes a number of whole-of-APS actions to tackle gender inequality in the workplace, including the review of the *Maternity Leave (Commonwealth Employees) Act 1973*. There is a link between transparency and the gender pay gap decreasing, which is why as a model employer the APS will be required to report to the Workplace Gender Equality Agency.

The APS Disability Employment Strategy 2020–25 (Strategy) has a target of 7 per cent employment of people with disability by 2025. The Strategy focuses on the attraction, recruitment and retention of more people with disability and providing accessible and inclusive workplace cultures and environments.

Data is key to supporting better employment outcomes for people with disability. A project currently underway between the Australian Public Service Commission (APSC) and the Department of the Prime Minister and Cabinet, in consultation with the Australian Human Rights Commission, will apply behavioural economics to better understand and, where appropriate, identify ways to increase disability identification and support in the APS.

APS agencies understand the importance of interventions that will support a positive employee experience for people with disability. The Disability Contact Officer model is a recent example of a whole-of-APS initiative established to improve recruitment, retention and career development for people with disability.

A capable APS

The APS is focused on practical reforms to improve its capacity to do its job well. Work is underway to continue to modernise ways of working. This includes through the development of a whole-of-service employee value proposition, and approach to flexible work and location strategy to support agency decisions on the geographic distribution of the workforce to access diverse talent pools. These strategies will assist in reducing the APS' reliance on consultants and contractors.

The Government will re-institute independent capability reviews of agencies. The APSC will lead this work, initially commencing as pilots, providing independent and transparent reviews of a select number of agencies. They will be forward looking, identifying what capability is needed for emerging work and challenges.

Understanding the APS capability, knowing our strengths and weaknesses, and being transparent about how we can do better, is fundamental to building a stronger APS that is committed to improving the lives of Australians.

Evaluation is also a clear priority for the Government, as it assesses if the policies and programs deliver what is intended. The Government will work to align evaluation functions and build capability to support better outcomes for Australians and better quality government spending.

The APS Academy continues to ensure the APS has a contemporary and systematic approach to leadership development and is stewarding a new approach to building public sector capability. The Academy programs offer unique opportunities for leaders to experience thought leadership, specific public sector context, build professional networks and embrace modern systems leadership. These programs work in conjunction with the APS Academy Faculty and Talent Councils to create a systemic, one-APS approach that supports leaders to embrace the values and behaviours required of the APS.

The APSC has partnered with 4 regional Australian universities to open APS Academy Campuses in 2023 and 2024 in Launceston, Newcastle, Darwin and Townsville. These campuses will allow people to access APS data and digital entry-level programs without having to leave their community. The APSC will use the campuses to pilot new ways of supporting entry-level jobs and new ways of working across agencies.

Also within the APSC, the APS Centre of Excellence for Workforce Planning continues to build strategic workforce planning capability in the APS. The Centre supports agencies to develop modern, data-driven and business integrated workforce management and planning practices to enable workforce reform.

The APS Professional Streams have lifted the digital and data expertise of the APS workforce, helping Government meet long-term capability needs to deliver better services, focused on Australian people and businesses.

The Data Professional Stream builds and embeds a data-driven culture in the APS with a growing membership base of 2,123 members as of August 2022. The Data Profession collaborates with partners on establishing graduate recruitment programs and development modules led by APS agencies to increase specialist data roles across the APS. Recently, the Australian Bureau of Statistics collaborated with the Australian National University to develop a modularised SES Data Leadership course for delivery in 2022–23.

The Digital Profession currently has over 7,100 members from all tiers of government benefiting from access to career development and training, mobility opportunities, networking and mentorship, and a platform for recognition of their skills and expertise.



Boosting Digital Employment Opportunities and Diversity

The Government will invest in 1,000 digital traineeships over 4 years to build capability in digital related fields in the APS as a direct outcome of the Jobs and Skills Summit held in September 2022. The Digital Traineeship program will be focused on providing flexible training for digital skills, alongside employment in the APS, to

First Nations peoples, women, older people, veterans transitioning to civilian roles and their spouses.

The new initiative will support people starting their career, moving between careers or re-entering the workforce into digital roles. It will provide employment opportunities to establish a digital career in the APS with a focus on attracting people from under-represented groups. Employment opportunities will be flexible and available throughout the year in regional and metropolitan locations. Trainees will complete a twelve-month program that will culminate in a Certificate IV qualification in a digital or technology related field.

An ambitious and enduring APS

Investing in and setting clear expectations for the APS will build a stronger, more inclusive APS which holds itself to a high standard and embodies integrity in everything it does.

The Government is committed to ensuring a productive, connected and professional APS to move to a new era of policy development and service delivery. Through the Government's reforms, we will grow the APS, support greater transparency and genuine partnership with the Australian community and position the APS to work dynamically to support the Government in delivering its agenda for all Australians now and into the future.

A handwritten signature in blue ink that reads "Katy Gallagher". The signature is fluid and cursive, with the first name "Katy" and last name "Gallagher" clearly legible.

Senator the Hon Katy Gallagher

Minister for Finance

Minister for Women

Minister for the Public Service of the Commonwealth of Australia