

# TRANSCRIPT OF PODCAST

WORK WITH PURPOSE

EPISODE #92 (PART 2)

DRIVING CAPABILITY UPLIFT IN THE AUSTRALIAN PUBLIC  
SERVICE

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APS Reform Office

## **Dr Subho Banerjee (guest)**

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DAVID PEMBROKE:

Hello everyone and welcome to Work with Purpose, a podcast about the Australian public sector and how it serves the Australian community. My name is David Pembroke. Thanks for joining me.

As we begin today's program, I'd like to acknowledge the traditional custodians of the land on which we are meeting today, the Ngunnawal and Ngambri peoples, and pay my respects to their elders past, present and emerging, and acknowledge the ongoing contribution they make to the life of our city and this region. I'd also like to acknowledge the custodians of all the lands from where anybody listening to this podcast today is joining us from.

So today we're interrupting our normal publishing schedule to bring you part two of our building capability discussion with Dr. Rachel Bacon, the Deputy Secretary of APS Reform and Dr. Subho Banerjee, the Deputy Commissioner and Head of the APS Academy and Capability at the Australian Public Service Commission.

If you haven't listened yet to part one, please, it's in your best interest to go back and listen to part one because what it'll do is give you the context to this further conversation. And the reason in fact that we've got a part two is that because part one and part two together ran for about an hour and as regular listeners would know, we generally try to keep it around the half an hour mark. But it was such a compelling conversation we couldn't stop it and I'm sure those of you who have listened to part one would agree with me. And to those of you who haven't, please if you jump back before you start again, that will make a whole lot more sense.

Now in part two, we turn our attention to some of the mechanisms that are supporting capability uplift across the Australian Public Service, including the Capability Reinvestment Fund and the new in-house consulting team. Now Rachel and Subho are also sharing some of their top tips on how to drive capability uplift as a leader and a worker in the Australian Public Service. Let's jump back into the conversation.

Look, I want to jump into some of the specifics. As you mentioned before that there's a lot going on at the APS Reform team there, but in terms of the capability review program that the Capability Reinvestment Fund, what is that?

DR RACHEL BACON:

Yeah, so there's a few things we are doing that are specific APS Reform initiatives on the agenda. The Capability Reinvestment Fund is essentially a way of trying to draw out and support innovation across the service. So, the interesting thing about the fund is rather than say through a budget process, we've got these 10 projects that we want to launch on capability. We've actually

designed what is essentially an internal grants type program, that's the model. Which says that, okay, so we had \$10 million for round one of a Capability Reinvestment Fund funding round, and let's actually go out to the service and let's see what the service comes up with against some broad, I guess, parameters and clarity around the objectives we're trying to achieve and the priority areas we want to achieve them in. What are the innovations that departments and agencies who are working on this stuff every day and actually seeing the need?

It's, in some ways, a more complex version of a suggestion box with some money attached in a way. But we basically went out to the service with some funding guidelines that had clear objectives of the types of capability we were after. We spoke to a lot of people and it had quite a collaborative approach with departments and agencies who had a good idea and we worked with them and partner with them to shape their ideas so they could be the most competitive.

Then a group of us, and Carolyn Walsh from IPAA helped us with this, we're very grateful for that. Subho and I and other colleagues, as a panel, actually looked through all of the different applications that we got from the service of innovative ideas of what we can do to build capability in ways where it's not just going to benefit one department or one part of a department. But part of the requirement that we put into the guidelines, a precondition for funding, is that these would be collaborative projects that benefited a number of agencies, if not the whole service, in terms of how capability could be built.

So, we've actually got 10 projects involving 14 agencies that have come out of round one of the funds and they're really diverse. They go to things like how to promote culturally and linguistically diverse capability, to looking at called capability through development of a digital learning package. There's a project around building futures analysis capability across the service, some really interesting work going on across a number of agencies around micro-credentialing, and how you actually do micro-credentials within the APS. We've got a gender equality analysis project, a project on how you actually, through investing in cohort-based development, develop Indo-Pacific capabilities to support Australia's place in the Indo-Pacific. How you build cultural competency in the application of Commonwealth grant rules and guidelines, particularly when you're dealing with First Nations applicants and communities. How you can uplift evaluation capability. There's some data capability projects, but some really innovative and interesting approaches to collaboratively building capability across departments and agencies.

What I really like about this fund is that it asked people on the ground who could see a capability need based on the work that they did, and how they could do that work better and achieve better outcomes for government, for the Australian public. They were identifying good ideas based out of that lived experience and we had a competitive process to basically prioritise those innovations. And that's where we landed.

DAVID PEMBROKE:

When do we see the results for some of that? Or when do we see early results for some of those projects?

DR RACHEL BACON:

Well, the interesting thing about capability... So, the short answer is we've got projects that will run over a couple of years with evaluation requirements built in. So, there's the process answer. But the interesting thing about capability uplift is sometimes it takes a while, I think, to see the full impact of your capability investment. Yes, someone can say, "I have acquired these capabilities and I am using them in my job a couple of weeks after I do a training course," for example. But some of the capability we're talking about here has second order, third order, fourth order effects in terms of, if you lift the capability... Say you lift the capability of a whole lot of public servants to do place-based approaches better, and then you get public servants who can, in response to government priorities, go out and do a much better job of actually enabling the development of place-based approaches or agreements in a particular community. The implications or the impacts of doing that well, you could see in 25 years' time.

So if you take an example like the Barkly Regional deal around Tennant Creek in the Northern Territory, you've got a bunch of public servants who've worked really hard with the locals in that community, to think about what are your priorities and how do we actually enable and align investment effort across three levels of government, Commonwealth, Northern Territory government, local government, to align investment effort against community priorities. Some of the things that are being rolled out in that regional deal will have intergenerational impacts and benefits.

So, the benefit can be next week and in 25 years' time. The thing that I say about capability to my team, is that once you've built and grown someone's capability, you can't take it away. It is locked in. You can't un-know stuff. So, in that sense, I think the investment is an enduring investment for as long as public servants are contributing in some way to public purpose.

DAVID PEMBROKE:

So, for you Subho, that must be an exciting initiative.

DR SUBHO BANERJEE:

It's very exciting and I think one of the things that's really striking... And Rachel was kind enough to say some nice things about our

work together before. But one of the things that I really enjoyed working with her and other wonderful colleagues together, was an enduring interest in what capability building meant at a team level. That to care about your team is to care about their development and to look after a team is to look after where they're going and support them professionally, personally in their aspirations, for what they want to do. And I think that's something that we have had the opportunity to do at a small scale together in other roles, but now it feels like that's something that is writ large. We're really thinking about to take care for people in the public service is one of the best ways to show that is really to support them in where they want to go in terms of their professional journey.

There's no doubt that it is of course an immensely fulfilling thing to feel like you are doing a good job and you're getting better at your job, and that your manager supports you to do that and then the broader agency environment supports that as well. So, it does feel like there are some really foundational values at play here that are being writ large in that broader reform agenda. That's really exciting. It's the kind of public service I think we all hope to be part of, is a public service that does take that care and does take that pride in trying to be better at what we do and trying to be better individually and collectively in serving the government and through serving the government, the people.

DR RACHEL BACON:

And another very practical example of, not only is it your manager, your agency, your secretary backing you in to build capability, but the system doing it as well. So, a practical example, David, you mentioned before the in-house consulting model. So, the Australian Government Consulting Service launched 01 July starting its first projects now, which is pretty exciting and that's a major initiative of Minister Gallagher under the APS reform agenda.

The way that we are choosing to implement the in-house consulting model, we did a lot of design work, and we made a choice very early on, you could choose to deliver an in-house consulting model in a way that does not have a focus on uplifting capability. It could have a focus just on delivering really high-quality projects and consulting services for the agencies who use the in-house consulting model. And that would still be job well done. Yes, we're delivering high quality consulting services. We made the choice not to do that. We made the choice to deliver the in-house consulting model with the twin objective of also delivering capability uplift, and that is hardwired into the way we've designed the model.

What that actually means in practice is that the Australian Government Consulting Service is going to have a group of highly trained consultants who are expert in using a toolkit of

methodologies and tools to be able to deliver consulting services to their clients. The choices you make about what tools go into that bag of kit, that the consultants carry on every single project, really matters. It matters in part because with those highly trained consultants taking their toolkit of methodologies, part of the objective and part of the requirement of every single consulting project is not only do they deliver the product they've been asked to and engage to deliver as part of the consulting service, they have to deliver a capability uplift alongside the project. So, what that means is they've got to design, when they're scoping up the project with their client, they need to engage with their client and decide what kind of capability uplift is right for you and how do we deliver that capability uplift to your team in a way that's enduring alongside the consulting deliverables themselves, they're joint outcomes-

DAVID PEMBROKE: So, they're joint. So, solving the problem, lifting the capabilities so the people can do it themselves.

DR RACHEL BACON: Yeah. That's right, exactly. And that's generally not part of the private consulting model.

DAVID PEMBROKE: No.

DR RACHEL BACON: So, it's one way where the government consulting service stands apart and has, personally I think, a fantastic service offer because not only are we going to deliver your projects, we're also going to deliver a capability uplift that we co-design with you as part of the consulting engagement. And not only do we uplift capability one project at a time through the Australian government consultants, but also, we work very closely with Subho and the academy because the methodologies in the bag of kit that the in-house consultants have, is actually then reflective of the types of methodologies and tools that the academy is teaching as part of APS Craft. And so, you almost then have a self-reinforcing system approach where your consultants are going out, people getting on-the-job learning and experience, and then you're reinforcing that same capability uplift through the things that you were teaching through the APS Craft offerings that the academy delivers.

So, we had the choice to do that or not do that. We put to government, "We think you should hardwire capability uplift as part of what you are delivering in this APS Reform initiative." Minister said, "Absolutely, let's do that." And we're taking that same approach right across the APS Reform agenda, how we approach everything in implementing APS Reform is with the twin objective of capability uplift. So, we are looking at every single initiative on that reform agenda, whether it's a capability initiative or not, and saying how can you deliver that in a way that uplifts capability?

And so, we've built a network of over a hundred APS Reform initiative leads at the band 1 and EL2 level. These are the guys in departments and agencies right across the service who are delivering APS Reform initiatives, and we are asking every single one of them, what's your capability outcome alongside delivery of your initiative? And the reason we've done that very deliberately as part of the hardwiring capability uplift into the implementation and transformation approach for APS Reform, is that to have enduring outcomes, you need some kind of change in culture mindset or capability to have APS Reform outcomes and principles endure. And so, we've gone hard on capability.

- DR SUBHO BANERJEE: That's the only way to get it to stick, right? There's a lot of talk about various phases of reform in the APS, some have stuck more than others, and the empirics are pretty clear that the ones that stick are ones that have some degree of self-reinforcing culture change, expectation change and change in capability to do your work. It can't be an entirely externally imposed thing; it's got to be a way of making our work better. And I think a really fundamental premise of APS Reform is it's a way of making our work better. And that is really the loop back to, that's why we're so determined to think about capability in all of these reform initiatives. And Rachel's been driving that from the start, to think about that as a self-reinforcing engine of trying to push the whole thing forward and give it a degree of making it stick over time.
- DAVID PEMBROKE: How is that changing the APS Academy, every time Rachel walks into your office with another...
- DR RACHEL BACON: Another idea? He's very patient with me.
- DR SUBHO BANERJEE: Well, they're all terrific ideas.
- DR RACHEL BACON: It happens often.
- DAVID PEMBROKE: "Hey Subho..."
- DR SUBHO BANERJEE: They are all terrific ideas. So, look, it is a generational opportunity to try and think about a system-wide approach to some things that are highlighted over and over again in these set piece reviews. And so, the academy was really set up to provide a whole-of-service response to trying to support capability across the service.
- DAVID PEMBROKE: Yeah, and certainly the early models were nothing like this really.
- DR SUBHO BANERJEE: Oh, well I think David, we always had in mind that it would need to be much bigger than the commission.
- DAVID PEMBROKE: Sure.

DR SUBHO BANERJEE:

The commission would need to run something on behalf of the service, that was always the premise. And when we did a prior interview about it, we definitely talked about that. I think what's exciting and interesting and different is really leaning into the networked bit. We had that great conversation earlier about specialist sales of expertise, about generosity of sharing, trying to have a more disaggregated sense of how to access excellence and how to really practically draw on that to be able to do your work better. I think that's really exciting and that is in the implementation of the academy, that it is a different form of trying to conceptualise this. Sometimes when people hear the word academy, they think of a bricks and mortar institution or a central delivery shop. We are really about supporting the system as a whole. And once you start thinking about supporting the system as a whole at this scale, it's got to be exactly this kind of flexible, adaptable, knowledge broker way of thinking about the world.

That's really exciting. I really do think that to be a learning organisation at that scale, dealing in practical wisdom, in how you do things really on the ground, I think we're at the cutting edge of practice on that. To really think about achieving excellence on that is a really exciting ambitious thing. And I think we've talked previously about the APS aspiring to be world-class, aspiring to excellence. I think in this domain about being a learning organisation, being self-reflective and being able to improve over time, I genuinely think we can do something really exciting and innovative and amazing.

DAVID PEMBROKE:

Now there are a lot more things that we could talk about, and I think we need to come back really and have another conversation, because there is the relationships with the academia and the APS and the academy as well. And there are other elements, but we could talk all day, but we probably need to give the audience a bit of time because we've probably gone a little bit longer than normal.

But what I do want to give you the opportunity to do, is the audience is really, of this podcast, are people who are... You are looking to make change, you are looking to engage, you are looking to think differently, you are looking to inspire. What words of inspiration and aspiration might you have for the people listening as to the role that they can play in this very important critical agenda of capability building. And I'll start with you Rachel.

DR RACHEL BACON:

So, if I'm thinking about how do I do this well, and reflecting on my own leadership practice in terms of building capability, it's something I've been thinking about for a little while. But three things that I would hone in on. One is invest the time. And I think there's some really interesting data that's coming out, comparing in the



private sector, in private sector organisations, how much time do leaders invest in building capability? And then when you compare that to the public sector, how much time do public sector leaders spend investing in capability? Some of the figures that people have talked to me about is that we do it less in the public sector. We invest less time as leaders in building capability. I think in the private sector there's some interesting data on a very clear productivity uplift from investing significantly in capability.

DAVID PEMBROKE:

Is there a reason for that, as to why there was less invested?

DR RACHEL BACON:

I don't know. I don't have the reasons at my fingertips on why we would invest less, but I think when we think about, well what drives public sector leaders and what do we need to respond to; the connection in the private sector between the profit, motive, productivity, outcomes and capability, there's quite clear direct lines between all of those things. You can see the data; you can see the productivity uplift. I was looking at some data just in preparation for coming here and you can see numbers in the thirties and forties of if you get that kind of capability investment at that level in your organisation, your uptick in productivity is really quite significant. We've got many more drivers and variables in the public sector. We've got 24/7 media cycles. We've got a whole range of different... We're responsible to ministers, to the parliament, to the public in terms of outcomes. So, the drivers are really quite complex and variable and you do not necessarily have a very straight line between capability investment and all of the outcomes we're trying to manage in a complex public sector environment.

But investing the time, we know that it gets a return and it's how do we carve out the time to invest in building the capability of our people? I think there's something really important in stewardship, and with stewardship as a new value that's currently before parliament at the moment in the Public Service Act amendment bill, thinking about how would we live stewardship as a value. I think capability investment is part of the way that we do that.

The second insight I think, is that to really do a good job of investing in the capability of our people, we need to be prepared to have meaningful and sometimes hard conversations. We're all human. Sometimes to support someone or coach someone or support someone to lift their capability, unlock their potential, you do need to have those deeper meaningful conversations at times as supervisors, as leaders of people. And that requires vulnerability. So, I think there's something about the leadership, at all levels across the service, perhaps needing to get a little more comfortable with vulnerability to be able to give ourselves to building the capability of others.

And the last thing is to be aware of the tools that are available to help you in your capability uplift endeavour and be prepared to use the tools that are available. Because the types of things that Subho talks about in the academy, there's a lot of stuff available, and how do we make sure that we're aware and actually making use of the tools that are on offer across the service.

DAVID PEMBROKE:

Good advice. Subho?

DR SUBHO BANERJEE:

Always difficult going second David, particularly after such a tremendous list. And what I had in mind does have a bit of over... Can I start with one observation though, which is in the Thodey review, both in the review document and some speeches that David Thodey gave at the time. He talked very specifically about the level of expenditure on L&D in the APS, and he was really struck by how low it was compared to private sector benchmarks.

Now to start with, he found it very difficult, the panel found it very difficult, to get a really good handle on what is being spent and we are doing some work on that at the moment. They expressed a high degree of frustration that you couldn't even really get a sense of like-for-like comparisons around expenditure, but he was pretty convinced that it was low, and it was dramatically lower than he was used to seeing in comparable professional firms. And he expressed himself very firmly on that point. And particularly the idea of just how much political scrutiny there is on every dollar of L&D expenditure. Of course, we are accountable to the government and to the parliament around expenditure of public money. Of course, that has to be done responsibly and effectively. But the Thodey commentary was really, every single dollar is treated as if it's an indulgence or as if it's somehow beyond what is reasonable. And he was very strident about that.

And particularly he called out that when you invest in programs for leaders, that is by its nature intensive, that is by its nature more expensive, and so the per participant numbers look higher. But he again made the point that in the private sector there is a very clear sense of just how important it is to get your leadership right, both in an instrumental sense for running the organisation well, but also in an ethical and value sense, to make sure that people are aligned to purpose in the right way. And so again, he was really adamant about that. There's a bunch of stuff on the public record where he was very clear about his sense that we were a long way behind comparable benchmarks.

In terms of more direct advice for listeners, and there is a bit of overlap with Rachel's list, I started with intentional. I think it is really important to be intentional about capability building and learning and development, or more broadly doing your job better over time. I

think people do want to do that. And you want to set an environment where that is the kind of team that you have and thinking about that at a very local level is incredibly important.

And what's related to that then is, what can be done at a local level? You want to be curious; you want to be outward looking, you want to see what's around. You want to see what gathers people's interests. Having a discussion once a week about something that catches someone's attention. Doing that at different levels in the team, where the grad or more junior people can talk about different perspectives. Often, they're reading different things or consuming different podcasts to people at higher levels in the team.

So really being intentional, being curious, and then really trying to take advantage of the range of different development mechanisms that are out there. I do still think, and it's part of this broader pressure, it's the performance pressure, it's the busyness, it's very, very difficult to step back and really commit the time and effort to be able to develop in that way. Leaders are often very, very much guilty around this. You've got to set the right example that if you want your team to be able to take the time, you've got to take the time and make sure that you show that you're role modelling that behaviour as well. So, I think it's a combination of formal and informal learning, a whole range of different things, but in the end it is just a more fulfilling way to be. It's a more fulfilling way to be at work and it's a more fulfilling way to work with purpose.

DAVID PEMBROKE:

Well, best of luck to both of you on this exciting venture. And it will never stop, it will never end, but it sounds like there is so much going on. So much moving in the right direction, so much opportunity, so much optimism. So, it's great to hear from the leadership that the APS Reform, as it relates to capability, is certainly making great progress. So, congratulations. And thanks for coming in to Work with Purpose today.

So, there you go, the end of part two of a wonderful conversation with Dr. Rachel Bacon and Dr. Subho Banerjee. And isn't it great when such nice people, but intelligent people, hardworking people, people who are committed to making Australia a better place by building a more effective public service, when they're prepared to dedicate their careers to this great work and this great mission that they have. So very grateful to both Rachel Bacon and to Subho Banerjee for coming on.

And as I suggested during the podcast, we'll be back to discuss the other pillars of APS Reform, but also to continue to talk Subho about capability building and how it is changing the Australian Public Service. It will be an ongoing topic of discussion.

So, if you could, I would, and certainly everyone at IPAA ACT and contentgroup would be very grateful, if indeed you could rate or review the program on your favourite podcast listening app. Because what that does is help us to be found, and we do have lots of reviews on lots of different sites and so that's why the program has been so successful. So please, if you do have time, a quick rating or review, that would be great.

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Now, Work with Purpose is produced in collaboration between contentgroup and the Institute of Public Administration of Australia, ACT, supported by our good friends at the Australian Public Service Commission. So, we'll be back at the same time next week with another episode of Work With Purpose. My name's David Pembroke, thanks for joining us. And it's bye for now.

VOICEOVER:

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