

TRANSCRIPT OF EVENT

Minister for the Public Service, Senator the Hon Katy Gallagher's
Annual Statement on APS Reform

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SELINA WALKER:

Thank you. [Ngunnawal] Hello, my name is Selina Walker, and this is Ngunnawal Country.

I just want to first start by acknowledging my elders, the Ngunnawal Elders, and pay respect to my elder's past, present, and future. I'd also like to acknowledge the recent passing of my grandmother, Aunty Agnes Shea, who was the most senior Ngunnawal Elder here.

I want to acknowledge any other Aboriginal and Torres Strait Islander people that are with us here this morning. Welcome my brothers, sisters, aunts, and uncles. And I'd like to extend that to all our non-Indigenous friends that have joined us. Welcome.

The Ngunnawal community are the traditional custodians of Canberra and the region. You may not be aware that the Ngunnawal Nation is made up of several family groups, and not just individuals who represent this country.

Therefore, as a community we have an elected body known as the United Ngunnawal Elders Council to represent us, along with the Aboriginal and Torres Strait Islander elected body of the ACT. This is important for you to understand and acknowledge, for our identity is a collective identity.

There are other Indigenous and non-Indigenous people from around the nation, the country, and the world who've come to live on Ngunnawal land. I'd like to acknowledge and welcome you all.

The tradition of welcoming the people to country is a practise that was handed down by our ancestors, old people, and elders from the beginning of time. Before entering another person's country, you would first announce your arrival and not enter onto the traditional owner formally welcomed you.

The reason for this practise was to protect your spirit whilst in another person's country, and to show respect for the country of which you are entering. It's wonderful to see this practise is now recognised and respected. I suppose it's not unlike entering someone's home unless you're first invited.

The Ngunnawal people, as within all Aboriginal people, have a great heritage that we would like to share with all Australians from every walk of life.

As you are aware, "Canberra" means "meeting place." and Canberra has been a place of gathering for many Aboriginal tribes of Australia to come together to deal with important business, and for ceremonial purposes.

Our Ngunnawal ancestors believe in the importance of people gathering to build relationships, share knowledge, and to celebrate the gift of heritage and history. We believe it's important for all to recognise our unique history. And again, understanding that our land is our heritage. And our loss of the lands has disconnected so many Aboriginal people from their spiritual links, cultural heritage, and identity.

"Reconciliation" is not just a word. It's an action, and it's a human rights movement. As an Aboriginal person in this country, I've only been counted as a human being for 57 years. Let me repeat this while this sinks in. I, as a beautiful Black woman in Australia, have only been counted as a human being for 57 years. I'm only 43.

We are very young in our reconciliation journey here in Australia. But we're on the right path. By incorporating proper cultural protocols like Welcome to Country, Acknowledgement of Country, smoking ceremonies, etc cetera, we are on the road to true reconciliation.

It does still hurt me, though, that my dad was born a tree, that my grandmother was a mother in this country before she was a human being. So, I ask you all to take a moment and think about how old you are, how old your elders are, how old your children are, and what you are doing to contribute to that reconciliation human rights movement.

The referendum that happened last year was another huge milestone in our reconciliation journey: not the result that we wanted, but it did bring a lot of truth telling. Helps us to identify where we must focus our efforts, and what states need the most amount of help.

I'm so proud to be a Canberran, and I'm proud of my fellow Canberrans for the Yes vote here in the ACT. Still a lot of work to be done, but it's a demonstration that the work that my grandmother and many other elders here have done towards reconciliation can influence that change that we all want.

Remembering that that vote was not a vote for me to be Aboriginal. It was not a vote for me to be a traditional owner. It was a vote to edit a document. And that's what Australia said, "No" to. So, we'll recalibrate, we'll reassess, we'll find another way forward to continue to fight for First Nations Justice that works for

all Australians.

I stand on the shoulders of giants, and I want to honour those giants. Every time I mention the word "referendum and vote," I see people get fidgety and uncomfortable. We've got to stop this. It is a shared history, so there must be shared accountability. If we continue to live in shame here in Australia, we are never going to progress forward.

I don't want my boys to be standing up here in 20, 30 years' time fighting and advocating for the same things that I am today, that my grandmother's done for the past 60 years, and my ancestors for the past 200 years. That change happens with us.

So, I encourage you all to continue to have those conversations, have those awkward discussions. We're learning and understanding which what true reconciliation lies is. It lies in a simple yarn.

You will not remember me this morning for the words that I have said. You will remember me for how I made you feel. We are humans. Our emotions make us human. And it's our emotions that create long-term memories. That's where the change lies. The feeling that you're feeling right now, that's what you need to carry forward for the future of this country.

I'm particularly excited to hear the update on the reform. Reforms are a way to evolve. If we change nothing, nothing's going to change. So, I'm particularly excited to hear about the changes that are happening within the APS that can make this country better, and particularly for Aboriginal and Torres Strait Islander people.

So, thank you for inviting me here to the Welcome to Country. I'll now finish in the words of my people and get to the report. [Ngunnawal], which means, "You may leave footprints on our land now." Or in other words, Welcome to Country. Thank you very much.

TRISH BERGIN:

Oh, thank you. Thank you so much, Selina. That was a thoughtful piece that I think has set us up well for the ongoing evolution discussion. Thank you.

Okay, so now Senator Katy Gallagher, Federal Minister for Finance, Women, and the Public Service probably needs no introduction to this audience. As a lifelong Canberra local minister, Minister Gallagher entered politics in 2001 in a bid to boost women's representation in the ACT Legislative Assembly. There you go.

Since then, she has dedicated her career to public life and delivering future-focused policies. The range of portfolios Minister Gallagher holds makes her uniquely placed to lead the Albanese government's effort to rebuild the public services capability, after almost a decade of outsourcing and APS staffing caps.

From reducing the APS reliance on external consultants and contractors, to properly staffing front-line agencies that deliver the services Australians need, modernising wages and conditions to attract the best and the brightest, Minister Gallagher is committed to building a public service that all Australians can rely on. Please join me in welcoming Senator the Honourable Katy Gallagher to the stage.

VIDEO:

Each day across Australia, public servants go to work with one shared purpose: to serve the Australian people, the Parliament, and the government. In times of crisis and in our everyday lives and looking to the future, we count on you. You deliver the services and support that help us survive and thrive.

I chose to work in the APS for the ability to make a difference.

Everyone I've engaged with is really enthusiastic, really positive.

Everything I do contributes to the bigger picture.

From protecting our incredible landscapes and wildlife, to serving our communities on the front line, Australian public servants are at the forefront.

I joined the APS because I was really curious to understand how federal government worked, and how I can contribute on a bigger scale.

The work that we do within the APS is critically important.

People are always thinking about the end outcome on the public. And I think that's really uplifting to see.

Behind the scenes, you're planning and problem-solving to deliver the programmes and policies that uplift our communities and support our economy.

Once you've done a job or delivered a project, you have that fulfilment in your heart that you delivered service for the Australian public.

Someone like me, coming from Zimbabwe to Australia, having such a great opportunity being in this landscape. And yeah, just returning that favour to Australians as well, it's such a great feeling.

To every one of you, thank you. Together we're building a strong APS for all Australians: serving our people, supporting our communities, and leading our nation forward.

KATY GALLAGHER:

Thank you. Well, I could just say what the video said, and we could all go straight to refreshments. But thank you, Selina, for the Welcome to Country and for sharing with us a path out of the referendum and reminding us of the importance of the continued walk towards reconciliation in this country.

I would also like to acknowledge the Ngunnawal people as the traditional Owners on the land that we gather this morning, and I thank them for their ongoing custodianship, their care of this beautiful country that we call home. I also acknowledge Aunty Agnes Shea, Selina's grandmother, who we all miss and grieve deeply.

Thank you to the team at both the APSC and IPAA for putting on this morning's event. I know there's a lot of probably tired people clustered in this room. A lot of work goes into this, so I appreciate that. Thank you very much.

That video was excellent. So, whoever put that together, thank you very much. It powerfully demonstrates the essential role and the varied role that the public servants play in the life of this country and in the lives of the Australian people.

Before I begin, I'd also like to acknowledge the Assistant Minister Patrick Gorman, who can't be with us today, but is a huge help to me in my role as Minister for the Public Service, and I enjoy working with his team enormously. He's doing an incredible job with the State of the Service Roadshow and other areas of the APS portfolio, so I acknowledge him.

I also to the secretaries here, Dr. Glyn Davis to Jenny Wilkinson to Dr. Gruen, to Katherine Jones, and of course Dr. de Brouwer, who I work with very closely on APS reform. Thanks for coming. Padma, sorry. Padma Raman, who I also work with so closely in my role as the Minister for Women.

It's great to see so many senior leaders here in the room. And I think it speaks of the volume of the

investment that we've all put into the work that the APS does, the important role and how much we respect it.

So, two years ago when I spoke for the first time at an event like this as Minister of the Public Service, at the IPAA National Conference, I did commit to providing a statement annually on the APS. This was really to share progress and outline our priorities as a government as we began the task of rebuilding the public service.

Today in my speech I'll be doing something a little bit different. And I hope it doesn't make people too uncomfortable to previous speeches, where this address will be perhaps a bit more pointed and a bit more political in context. I don't do this just simply because I'm a politician and that's what politicians do, and you expect us to do that.

I think the chat there is a change in tone and content of this year's speech, because of how important the next six months will be, the election contest that we are heading into when it comes to the future of the APS.

I think it really will place the APS at a crossroads. And I can't really do this speech today without addressing that, as the contest goes right to the heart of, and will challenge all the work we have been doing to put the APS on a more sustainable footing and to strengthen its role and its independence in our democratic system.

Within the next six months, there will be an election. We know the future of the public service will be at the centre of some of that election contest. A contest where the government will argue to enhance, promote, and protect the role of the public service and the role it plays in our political system, and our opponents who are openly campaigning on cutting 36,000 jobs, a cut equal to reducing the size of the APS by 20%.

Now, just to prove I'm not scaremongering here, I can give you a direct quote from David Littleproud, the leader of the National Party who said, "The first thing we'll do is sack those 36,000 public servants in Canberra."

Now the Australian Public Service is in one way or another touching the lives of every single Australian. Services provided by the APS as they enter and exit the lives of the Australian people at different points as they need it.

When a baby is born, new parents rely on the public servants at Services Australia to process their parental

leave claims and issue that first Medicare card. When young Australians enter the workforce, teams at the ATO help them take that next step with their tax file number.

When travelling overseas, it's public servants processing your passport application. And at our airports across Australia, it's biosecurity officers and their dogs protecting our nation from pest and disease outbreaks that can threaten our agriculture and our unique environment.

It's AFP officers and staff across Defence and Home Affairs keeping Australians safe, protecting our borders, and defending our national interests. Staff at the National Emergency Management Agency, just heading into probably their busiest time of the year, and Services Australia help coordinate disaster relief response during times of need.

It's public servants behind my health record that ensures that Australians can securely access their health data. And public servants right around the country regulate quality and safety for our loved ones in aged care and in the National Disability Insurance Scheme. It's public servants supporting the clean energy transition and ensuring the stability of our energy grid.

The public servants embody what Australians value most: delivering those critical services, stepping up when times are difficult, and working together to build Australia's future with all those difficult and complex public policy challenges that are coming right at us.

Now, a lot has been done over the past two-and-a-half years to ensure we are delivering on our commitment to invest in the APS, and thereby deliver better services to the Australian people.

When we came to government, we did inherit an APS with growing demands, increasing pressure, complex and challenging public policy dilemmas against a backdrop of diminishing or reduced resourcing to deal with all of that.

In 2022, the APS was struggling with under-resourcing. Years of sidelining the important role the APS plays as an enduring and independent entity quite separate to that of executive government had taken its toll.

There was a failure to recognise that the APS was not solely a delivery arm of executive government decisions, but that it has a broader and just as important role as an independent institution that serves the Australian people, that's there to confront our most difficult problems, and to do so across the generations. To outlast governments and parliaments, and to always be there working in the interests of the nation.

As an incoming minister, I could see the results of a decade of under-investment in the APS, and I do not use the term "under-investment" in simple dollar terms; it was much more than that. Core capabilities outsourced, service standards in decline, and Australians waiting too long for essential services they relied on.

Now, these outcomes were not the fault of the APS. They were the direct result of choices made by government that valued expensive outsourcing over internal expertise, and artificial staffing caps over actual service delivery outcomes.

Where the championing of not growing the APS beyond 2006 levels was somehow seen as something to strive for, without any acknowledgement that the job of the public service was getting more demanding and more complex as Australia's population and economy grew.

And we all learned the real story of the true impact of the staffing cap, when the Audit of Employment found what we had all suspected but couldn't pinpoint: in keeping the size of the APS artificially low, a shadow workforce of 54,000 was really underpinning the service, costing taxpayers \$21 billion every year.

At its extremes, this included consultants sitting on department executive teams, consultants writing Cabinet submissions, and core public service work outsourced at premium rates, while Australians waited longer and longer for services.

Across the APS, departmental spending rose by 35% between 2013 and 2022. But ASL reduced by 4%. Costs went up, public service numbers went down, but people were still employed to do the work. They were just off the books.

Now we will continue to call out this ridiculous claim that's not supported by any evidence that the ASL staffing cap was keeping costs down. It's simply not true. Now, some of the other issues we inherited included a biosecurity system left vulnerable and underfunded, with the Department of Agriculture

operating a loss and would've gone broke without a bailout. Our energy system was struggling to cope with demand pressures and lack of new energy supply into the grid.

Critical agencies like Home Affairs suffered cuts that compromised their ability to combat organised crime and human trafficking through our immigration and visa system. Three independent reports confirmed the failings and broken elements of the migration system that required immediate fixes.

And then of course there was Robodebt, the poster child of this false economy and poor culture of a timid and reduced public service unwilling or unable to stand up for itself against the instructions of the executive government of the time.

From our position, we saw some of the obvious problems across the APS. And we made no secret of our plans to reinvest in the public service and to seek to repair that damage. Under the prime minister's leadership, we made specific commitments to rebuild the APS.

We promised to abolish the staffing cap that had distorted the workforce. We committed to audit government spending and reduced external labour use. We pledged to be a model employer, to improve paying conditions and to reduce the reliance on consultants. And, where appropriate, convert and secure external arrangements into permanent public service jobs.

Now, these weren't just campaign promises. They were a recognition that good governance and good government requires a strong public service. And as Australia's population and economy has grown, it follows that we need to continue to develop and grow a fit-for-purpose public service.

Now, the job of today's APS is much bigger and much more complex than it was 20 years ago. New technologies, global challenges, and changing threats mean our public servants are taking on responsibilities that didn't even exist two decades ago. New functions such as the NDIS have required the public service to grow.

Australia faces the most complex strategic circumstances since the Second World War. And that's why we've undertaken a huge amount of work led by the Deputy Prime Minister Richard Marles and Minister Pat Conroy to support the work of the ADF, including additional investment to make sure they can acquire

and deliver on those new capabilities to keep our nation safe. And this has required more public servants to manage these more complex projects.

And as Australians and most politicians have accepted the science of climate change, the public service has had to grow to respond to and deliver an effective transition to a net zero economy: one that supports jobs, that seizes those economic opportunities that come from our natural assets, whilst also doing the hard but important work of stabilising the energy grid to keep the lights on and the air conditioning running across the country.

Services Australia had to grow in line with increased demand for services, as the combined impact of our ageing population and new support payments like paid parental leave have driven a 35% increase in Medicare and Centrelink claims since 2012. That's around 121 million additional claims processed in the last year alone.

The idea that we can deliver these expanded services, policy, and regulatory responses with a workforce the same size as two decades ago is simply unrealistic. It ignores how much our nation has grown and changed and the increased expectations from the community, that services will be delivered and policy challenges dealt with.

Coming into government, we set out a clear reform agenda early on. In my first speech, I outlined four fundamental pillars in what we were focused on for public sector reform.

The first was having integrity in everything we do. Second, putting people and business at the centre of our work. The third, being a model employer. And fourth, building the APS's capability to do its job well.

And whilst there is much more to be done; I feel like it's probably a piece of work that's never complete; we have made significant progress against all these areas. And to those who care deeply about the APS; I see many of you in this room; what it does, what it is, and who it serves. Its independence and its enduring intergenerational responsibilities. I really have been honoured to work with all of you.

So, to go to our first pillar of reform, integrity. The Robodebt Royal Commission showed us what happens when integrity systems fail. An illegal scheme that saw innocent Australians hunted down by their own government, threatened with jail times for debts they

never owed.

Robodebt was trumpeted at the time as a \$4.8 billion savings measure. But instead, the pursuit and illegal persecution of vulnerable citizens delivered a minimum \$1.8 billion bill to the taxpayer.

But Robodebt wasn't just a policy failure. The tragedy of Robodebt was born out of a system where speaking up was discouraged and independence was compromised, where public servants who tried to raise concern found their voices silenced.

That's why one of the most significant reforms to the APS in this term, the Public Service Amendment Act, put integrity at the centre of everything we do.

This legislation enshrines stewardship as a core APS value, recognising public servants as guardians of the public interest, responsible for leaving the service stronger than they found it.

This is about building a culture where "integrity" isn't just a word. It's a part of everyday decision making, where transparency drives better performance and where our most senior leaders are assessed not just on what they achieve but how they achieve it. Where the independence of the public service is protected with requirements that ministers cannot direct agency heads on employment matters. And where the APS commissioner, back at the centre of government, quite rightly has the power to investigate code of conduct breaches by current and former agency heads, including secretaries.

These reforms matter, because integrity isn't optional. It's essential and ongoing to delivering services Australians can trust. But I know that rebuilding trust requires more than just strong frameworks. It requires excellent service delivery.

Australians need to know that the APS will be there for them, ready and able to deliver when they need it and what they need. And that's where the second pillar comes in: putting people and business at the centre of everything we do.

When we talk about service delivery, we're talking about moments that matter in people's lives. A parent awaiting their paid parental leave application to care for their newborn, a veteran seeking support after serving their country, an elderly Australian accessing their pension.

When we came to government, these essential services were not delivering. Veterans could wait over 100 days, or even up to two years just for claims to be allocated for processing. Families couldn't get through to Centrelink. But with the extra investment in people, the APS has turned this around.

Today, veterans' claims are allocated within two weeks. PPL claims that took 31 days now take just three. Youth allowance claims that took 28 days now take 10. Centrelink and Medicare calls are answered faster. And these improvements matter now more than ever. With rising cost-of-living pressures, Australians can't afford to wait weeks for support they're entitled to.

But these gains are also fragile, and they can be taken away much quicker than the time it takes to turn the performance around. So let me be blunt. A promise to cut 20% of the current public service, or 36,000 public servants, will compromise the work the APS does and the services it delivers.

There will be longer wait times for payments, fewer staff to answer calls, reduced capability to protect vulnerable Australians. There will have to be cuts to Defence and Border Security and Biosecurity staff, delays to environmental approvals, making business wait longer. And a return, I imagine, to more expensive consultants and contractors doing the core work that can't be pushed away.

As I've mentioned earlier, in Veterans Affairs they've cleared the backlog of 42,000 veterans' claims, with 97% of them now completed. The NDIS Quality and Safeguard Commission has increased banning orders against dodgy providers by 35%, and issued 160% more compliance notices this year.

Public servants have doubled the average on-time rate for environmental approvals. And recently, one large solar farm was approved within 20 working days. More than 500,000 attempts by cyber criminals have been blocked from using Australian's stolen identity documents. And at Services Australia alone, the 3,000 additional frontline staff have delivered remarkable results in the first year: half-a-million claims resolved in just 10 weeks. 1.2 million Centrelink claims and Medicare activities processed, and 1.7 million customer calls answered.

And I acknowledge the work that outgoing Minister Bill Shorten has done to drive these improvements by arguing that we need to invest in people to deliver the services, and never forgetting the people who use the

services that they are the priority.

But these improvements aren't just about having enough staff. They also came about because we were able to attract the right people who want to work and stay in the APS. Which is why our third pillar, being a model employer, is crucial to maintaining these improvements. And it is critical to being a contender in the global race for labour and skills.

When we came to government, the APS was struggling to compete for talent. Decades of outsourcing had created a precarious workforce. Paying conditions varied substantially between agencies, and our workforce didn't reflect the diversity of the community it served.

We knew that to deliver better services, we needed to fundamentally change how we employ people by starting to create secure jobs, with 8,800 public servants now doing the work that was previously outsourced. Because you can't build capability when your workforce is constantly changing.

On pay, for the first time since 1995, almost 30 years, we completed centralised bargaining across the APS. That bargaining successfully delivered real wage increases for public servants, with 11.2% pay raise over three years. We also agreed on 59 common conditions across the service, reducing the fragmentation of paying conditions that had built up over decades.

And through this reform, we've cut pay disparities across the APS agencies from an average of 25% to just 13, with nearly 8,000 employees across 80 agencies who received additional payments to create that greater pay consistency.

But being a model employer means more than just fair pay. It means supporting our people to build rewarding long-term careers while balancing their other responsibilities. And that's why all APS agencies are increasing parental leave for both parents to 18 weeks.

And while we've introduced consistent flexible work arrangements across the service, this flexible work approach is delivering efficiencies as well, with desk vacancy down and property costs per head also down.

Most importantly, we are building a public service that reflects the community it serves. Women have now reached parity at almost every level. Our gender pay gap is just at 4-1/2%. It's less than half the national

average, and we could abolish it entirely if more men wanted to go and work in that great Department of Services Australia.

Through our SES100 initiative, we've increased First Nations leaders from 54 to 85 in just one year. And I really thank the APSC for the extraordinary work they have done there. I'm confident we will hit 100 in the first half of 2025. And we're extending this commitment to diversity in leadership roles through our new APS Culturally and Linguistically Diverse Employment Strategy.

Whilst overall the service broadly reflects the population, with CALD employees making up 25% of the APS, at senior levels the CALD representation drops to just 11%. And this needs to change.

Because, as I told the Neurodiverse Community of Practise last week, the APS is at its best when it reflects the full diversity of the community it serves. And the results speak for themselves, with 82% of staff expressing satisfaction with their employment conditions, which is the highest satisfaction rate in years.

Which brings me to the fourth and final pillar, building the capability we need to serve all Australians, no matter where they live. When we commissioned the Audit of Employment, the results were shocking. For every \$4 spent by agencies on departmental purposes, \$1 was going to external labour.

We weren't just losing money under these arrangements; we were losing the skills and the knowledge that Australians count on. So today we are rebalancing the mix of public servants and external labour to rebuild capability.

At the same time, we have delivered 4 billion in savings from reduced spending on external labour since coming to government. We've almost halved spending on the big firms, reducing it by almost a billion dollars in just two years.

And through the Strategic Commissioning Framework, agencies have identified over \$500 million of work to bring back in-house in '24- '25. This means that core public service work like developing Cabinet submissions, drafting legislation, and leading policy development can and is being done by public servants again.

We're also keeping interesting and important projects in-house too, through initiatives like the Australian Government Consulting, which so far has delivered 15 engagements including projects in strategic policy and organisational transformation across major departments like the Department of Health and Aged Care and the Department of Employment and Workplace Relations, as well as with smaller agencies like the Mint and the Net Zero Economy Agency.

In just a little over 12 months, the AGC has displaced over an estimated \$3.6 million in external consulting spend, and it is growing quickly. Starting with 20 staff in its first year, demand has exceeded supply. And they're now on track to have 40 staff by the end of their second year.

This is important because the challenges facing Australians are becoming more complex and more interconnected, from climate change to economic transformation. Their impacts are felt differently in different communities. And that's why it's important that we have an APS that is truly national, with staff in 583 locations across Australia.

63% of our workforce is located outside of Canberra, including nearly 23,000 employees in regional areas. In fact, almost three-quarters of the new public servants employed as part of our reinvestment are outside Canberra. So, when 36,000 jobs are threatened with cuts, we know that almost two-thirds of them, or around 22,700, would have to be cut from the regions and other state capital cities.

Regional APS jobs are important employment bases in regional communities. And these public servants bring unique local insights to national challenges. They are a fundamental part of good government, and the guarantor of quality services that Australians depend on every day, no matter where they live.

Now, the opposition has been clear about their plans. I'll give you another quote. There will be 36,000 public servants that will go. The Shadow Treasurer describes the recent investments in the APS as "unnecessary spending."

Now for me, who's been around the traps for a while, it's the same old lazy playbook. And sure, it's good click bait. I accept that. And it's easy to run a line on, especially if you drop and do a bit of Canberra-bashing in the grab. But history has shown with job cuts of the size that are being talked about, we know that it will be the Australian people who pay the price in the end, one

way or another.

And while there is no doubt that the next six months will be dominated by political debates, including those about the future of the APS, we will continue to press on with the important work of APS reform. Because we know the challenges ahead are real, just as the opportunities are. And they will require resolve and leadership and continued investment.

For example, if you just look in the space of AI, it's no longer a question of if, but how, AI is adopted into the work of government and business. And we must make sure that we have a public service capable of rising to this, with a public service that can harness those opportunities to deliver better services and more responsive policy in a way that is safe, responsible, and proactive.

We know there are huge opportunities that come with access to more data. And I pay tribute to the work that Dr. Dave Gruen is doing and his team at the APS, and how we can use that data to inform policy decisions and the evaluation of those decisions to make sure we are delivering efficient and effective public policy.

And how do we make sure that we have a public service that attracts the skills and the talent we need for the future? These are big, big dilemmas. And I know a lot of people in the room are working on them.

A lot of work is being done to build the workforce the APS needs now and into the future through initiatives like the Data, Digital and Cyber Workforce Plan, which will be released next year. And that'll outline a comprehensive strategy to attract and retain the workforce required to keep up with technological change and growing demand for digital services.

There'll be increasing flexibility in the use of merit lists and pools to enable better internal mobility for employees across the APS. And maintaining our nationwide licence for the skills framework for the Information Age, which is helping the APS to better understand the skills needed across digital, data, cyber, and AI.

And there is plenty more to do to make sure that we have the public service that reflects the Australian community we are here to serve. This means increasing representation of CALD employees at the SES level, continuing the SES100 on its path to achieving 100 First Nations employees in SES roles.

Continuing to support flexible work with appropriate guardrails, and a distributed APS so that we attract people from regional Australia. Supporting people with a disability who have so much to offer, to join and stay within the work of the Australian Public Service.

And we still have more to do to strengthen integrity in everything the APS does. The APSC has just completed a consultation process on introducing our own motion powers for the APSC commissioner to investigate alleged code of conduct breaches by current and former APS employees; extending APS values to other PGPA bodies; and improving management to avoid conflicts, where senior or specialist people may leave the APS and move into a new role that is directly related to their previous APS employment.

We've got a bit more to do to work through this feedback and to build a workplace where integrity isn't just aspired to. It's fostered, encouraged, and modelled.

Now earlier in my speech, I spoke about how a public service touches the lives of Australians at various stages of their lives. From babies to supporting families in crisis, helping young people enter the workforce, preparing for a holiday, or ensuring dignity in retirement. The trust Australians place in their public service shows the real impact of this work.

A few weeks ago, Assistant Minister for the Public Service Patrick Gorman released the survey of trust in Australian Public Services, which showed that nearly 3 in 4 Australians trust the services they personally use. And more than three-quarters are satisfied with the outcomes of their interactions with public servants.

Overall trust in government service stands at 58%, which is still above the pre-COVID levels. And I can't help but think there's probably a bit of marking down there in relation to politicians in that figure. But these numbers tell a powerful story.

They tell us that when we invest in our public service, in its people, in its capabilities, and in its integrity, it can do a better job of serving the Australian community. And that that is repaid and acknowledged by that Australian community.

Over the past two years, APS employees have shown exactly what those investments and numbers mean. You've cut wait times for critical payments. You've improved supports for vulnerable Australians. You've delivered better services in communities right across

our nation. And this success belongs to each of every one of you here today and watching online. Your dedication, your professionalism, and your unwavering commitment to serve the Australian people makes our country a better place.

The trust that Australians have in their public service is built on the work that you do each day in communities around the country. And it's built on thousands of interactions, when you've been there for Australians when they need it most.

When I look at everything that the APS has achieved over the past two years, I honestly couldn't be prouder to serve as your minister. I know that the APS will be front and centre at the next election campaign: not by choice, but by decisions of others.

And as the APS rightly stays silent on these matters, as minister, I do stand ready to defend what has been achieved to date but could so easily be taken away. Not just because I'm the minister, but because I believe it truly matters. A strong, independent, and capable APS is worth fighting for. And I'm not going to sit by and allow a lazy, arrogant, and reckless anti-APS campaign be waged without a strong rebuttal.

The Albanese government has always understood that delivering for Australians requires good government, and good government needs a strong independent public service. That's why we prioritised from day one, a commitment to rebuild the APS. We will always back a strong public service so that we can continue building a better future for all Australians.

Thank you very much.

You want me over here?

TRISH BERGIN:

Why don't you have a seat? Thank you. Thank you very much. That's quite a comprehensive stock take, isn't it?

TRISH BERGIN:

No, no. I mean, I think it's incredibly powerful tool for people in the room here, in the audience as well as those online, to see themselves reflected at the more micro level rather than just, "It's all improving" and so on. It's acknowledging the way they do their work is as important as what they're doing, and that they're valued: a huge thing.

I'm going to kick off with a few questions. We're going to have just a bit of an in-conversation before we open it up to you, the audience. So, prepare your questions please, please.

And just to explore this in a bit more detail, one of the questions that is always something that I think a lot about is the role of culture. And you touched on that quite a bit. Management consultants talk a lot about "culture eating strategy for breakfast," and all that kind of thing.

Recognising that the APS is many cultures, I guess I'd really like to explore your sense of where you see the culture is, and what you would like to see more of in the future.

KATY GALLAGHER:

That's a big question.

TRISH BERGIN:

Yeah.

KATY GALLAGHER:

And it's hard to speak about one culture across the APS, because I think the work is so varied and different. But I would say overall in my assessing of the data, my interactions with ministers, and some of the results in the surveys that we are now publishing, I would say it's improving. But there is more work to do.

I think in any workplace anywhere, when I knock around the boardrooms of Australia and the not-for-profit sector, workplace culture is always an issue that is front and centre for any big or small organisation, really. And I don't think I've been to one area where they go, "We've got a perfect workplace culture. It's excellent, and this is how you do it."

I think leaders of the public service have a big role to play, but it's not just the responsibility of those at the top. There was a debate about whether we have stewardship in the Public Service Amendment Act, and whose responsibility stewardship was. And where we landed was, we felt that it was everyone's responsibility.

Because when you look at some of the issues people face at work, and if it's a poor workplace culture, it's not necessarily the SES or the secretaries. In fact, it's rarely that. It's happening at unit level and things like that.

So, I would like the APS to be the best place to work. I think it should be. It should be the place that sets the standard and that has interesting work and is a great place to work, and helps people manage all of their different responsibilities in these busy lives we lead. And I think there's room for that.

We might not always beat on pay, but we should be always leading in every other area. And culture has a lot to play with that. So, I think there is a huge amount of work going on. I mean, talk about culture at Parliament House for a while too.

TRISH BERGIN: Yeah, yeah.

KATY GALLAGHER: I mean, I feel everyone probably saw that last week on display.

TRISH BERGIN: Yep.

KATY GALLAGHER: So, I don't pretend to sit here and say things are perfect at the political leadership level. They're far from that. But yeah, I think a lot of people are leaning in on it. I think it's changed, and changed for the better, but more work to do.

TRISH BERGIN: Yeah. And certainly, I think just the act of the amount of investment in the APS makes the average person feel much more valued. That can also contribute to a sense of being a partner in delivery.

KATY GALLAGHER: Yeah, I think certainly taking the pressure off when you're doing more with less, a recognition that the work is complex. And you need people, and you need to try and pay people as well as you can.

TRISH BERGIN: You mentioned several of the pillars around employing a much more diverse workforce that is more representative of the community that we serve.

Where do you think that we've got more to go? We've got the gender balance at almost every level is very heartening to see. But where do you think that there's still a nut to be cracked? A bit more nuancing of how we attract, retain, support people to work?

I mean, you've mentioned the CALD strategy and certainly the SES100. Are there any other things that you think are particularly outstanding there that you think, "Oh, gee"? Any bright thoughts on that would be welcome and well received.

KATY GALLAGHER: Well, I'm always happy to take bright thoughts.

TRISH BERGIN: Yeah.

KATY GALLAGHER: Always looking for the silver bullets to solve lots of problems that sit on my desk. So please, everyone, feel free to shoot those through.

Look, I think that in every area of building a diverse workforce, there is more to do. Even in women, where we are certainly doing well, though gender segregation that we see in other parts of the economy exist in the low-paid, more transactional jobs. If we could get some more men in there, we would deal with the gender pay gap in a flash. So that would be good.

But it's also recognising, and I've had discussion with several women about the shifts between EL1 and EL2, and being able to manage some of that, looking at how we provide leadership opportunities at part-time level. Which a lot of people, especially when they have caring responsibilities, start to make a choice about, "Is there any point going there? Because I can't do it part-time." And being better about that I think is important.

A shoutout to Subho Banerjee who's been doing the work on the CALD strategy, really, really leaning in on that. There is something not right. We broadly reflect the culturally diverse nature of our population. But then something happens at senior level where people aren't going through the career points.

That's something structural there. And we need to deal with that, how we can make sure that the APS is flexible and supportive for people who have a disability, or who identify as neurodiverse, for example, and have so much to offer. How do we make the public service work for them? And all that makes us better at everything we do.

The First Nations employment, again, I think a target had been set forever about trying to reach a certain point. But there had been a general acceptance that we would never reach it. Well, I think we can be better about that and try and work out why we've never reached it. And why do we not retain people at the level that we should?

That's why the SES100 programme is important. And I acknowledge the APSC for the work there. But I should also acknowledge all the departments that have partnered with the APSC on that, and indeed all of those strategies. Because the APSC can't do it alone. It requires an accepting and embracing agency response, which we have seen as well.

TRISH BERGIN:

You mentioned there the need for the whole APS to be working and coordinating on that. And certainly, as you mentioned, with the sort of shifting back to a more centralised wage bargaining and reduction in the pay differentials between departments, that's certainly a step in the right direction.

Do you see that there's other avenues that could be pursued to really try and drive that? Not reinventing the wheel, connecting with different parts of government that have got expertise in certain areas, and driving more of a sense of one APS. That was certainly the way it was decades ago. But not so much, or it's coming back.

KATY GALLAGHER: Yeah.

TRISH BERGIN: Yeah.

KATY GALLAGHER: I mean, I think there's a balance. There is just core to everyone and should be standard to everyone. And I'm not talking about industrial relations here, I have a different view on that but allow for specialisation. Because the nature of the work that's happening across the APS, and I've only touched on a bit of it in my remarks, is so different.

TRISH BERGIN: Right.

KATY GALLAGHER: There are many and increasing areas where you require specialist skills. I think a couple of things: one I would like, and I think this is acknowledged by all the leaders in the APS, how we can get better movement, better agility across departments? So, you expose yourself to the shock and horror of the Department of Health from time to time, and then you go and enjoy life. There's Department of Climate Change, I don't know, but you can sort of move around and broaden your skills.

I know from having different jobs that I've had in my career, you learn something at every job. Even if it's a job you didn't want to do, you learn and you develop your skill set by doing it. So, I like the idea of much more portable arrangements. And that's hard. When people have good talent, they'll do whatever they can to keep that where they want them.

On the industrial relations front, though, I mean the sad reality of decentralised bargaining was that those with more power and influence or prestige did better than those who didn't.

And it's no surprise that it was big-service delivery agencies that weren't at the top of the pecking order. But also places like Aboriginal Hostels and AIATSIS and places like that, that were in some cases 25 and 30% below what you would get in a central agency. That is just wrong. That had happened because of the way the bargaining system had operated.

So, in the first tranche, we have pulled that back. We couldn't do it all at once. Because some people would've gotten 50% pay rises, probably, and we couldn't have afforded it. But we'll keep working on that in the second round.

TRISH BERGIN: Keep going. Yeah.

KATY GALLAGHER: And that will help with the movement across the public service. Because it started distorting why you might have an interest in a job somewhere else. But if you're going to take a pay cut to transfer at level, why would you do it? So that hurts the public service as well.

TRISH BERGIN: Just one more from me, but I think your set of portfolios: finance, women, and the APS; well, first for the nation, but also quite unique. How much do you think that's really helped bring lots of the elements of what you've talked about in terms of APS reform together? The fact that you have a window and an influence in those other areas as well.

KATY GALLAGHER: I think it's probably got to help. And I've got Jenny Wilkinson sitting here. My focus is on the sort of efficiency and effectiveness of public services. So, they kind of align.

And the Department of Finance, in my experience of working with them, genuinely tries to respond when there is genuine need. And so, I guess it helps that I've got the insight on the public service. And I'm sitting as finance minister that I can reconcile some of that. It doesn't mean you give into either, or you prefer one portfolio over another.

But I think the approach I've tried to bring by having all those jobs and running gender equality policy through them all as well, it helps. It does help.

And I think the other thing with probably the public service and women, more so than finance, is having that perspective at those decision-making tables like ERC and things like that. I think that matters as well.

TRISH BERGIN: Yeah, having that real voice in ERC too.

KATY GALLAGHER: Yeah. Yeah.

TRISH BERGIN: Absolutely.

KATY GALLAGHER: Well, it's not someone else's problem, you see.

TRISH BERGIN: No, that's true. That's true.

KATY GALLAGHER: And they are in the room.

TRISH BERGIN: Yeah, yeah. And in my mind, it's really looking at the effectiveness. Because it's not just efficiency in terms of budget rigour and all that kind of thing. It's looking at what works in terms of quality-of-service delivery. So, it's bringing that.

KATY GALLAGHER: And a great example there that we've got right before us right now is the NDIS. I mean, if we are going to put efforts to make the NDIS more budget-sustainable going forward, you are going to have to accept that there must be a level of resourcing to realise that.

And so having that in your head, and not just pretending you can drive savings, but pretend that someone, other minister's problem. And I think that's the approach we've tried to bring. It's really just normal responding to problems that come on your desk.

TRISH BERGIN: Yeah. Okay. Well, I think we might be just about ready to take some questions. We have some people running around with microphones, if you are ready for some of these. Thank you very much.

KATY GALLAGHER: Yeah. I might be ready.

TRISH BERGIN: If you could say who you are and-

AUDIENCE MEMBER: Thank you.

KATY GALLAGHER: Please be kind.

AUDIENCE MEMBER: Thank you.

KATY GALLAGHER: Be kind.

AUDIENCE MEMBER: Well, you asked me to be kind last time, and I was.

KATY GALLAGHER: Remind, yeah.

AUDIENCE MEMBER: My question is about that. Last time you made a commitment about changing the way in which secretaries are appointed, the commissioners are appointed, and processes of that sort. You haven't mentioned that today, and it hasn't happened. Is that commitment still there?

KATY GALLAGHER:

Yeah, I think what I've tried to do today is not ignore the elephant in the room, right? I mean, there's a whole range of areas that APS reform can be moving into, and we can be continuing with legislation and directions and all the rest of it. But that's a moot point if there's going to be 36,000 less of you.

And this is, again, I don't usually use this platform to be as political as I have been today. But that's because I can't see how you deal with public-sector reform while there is this big contest and contrast between what the next 12 months looks like.

So yeah, we're staging APS reform. We're trying to get the wins where we can. So, changing the legislation has been part of that, sorting out the wage bargaining, sorting out resourcing and departments that were going to go broke. It's all been a triage, in a sense, of the pressures and the different work. And some of it involves other ministers and some of the work forward. And so, we just continue to work through all of that.

But yeah, I mean, I think part of what we've learned out of some of the work that's been done in the past two years is the importance of having strong and secure leadership across the APS, which I believe in deeply.

AUDIENCE MEMBER:

Minister, I missed unfortunately the Neurodiversity Network Awards last week and acknowledge the work of our colleagues in building that network, both through their own networks and the IPAA ACT, future leader's groups as well. And my question is about the future leaders.

So, all this reform, all of this work is looking at an enduring 10-year horizon. When you think about Generation Alphas, who started high school this year and are actually coming into that horizon and entering the workforce within those 10 years, what would you say to really young people who are looking to do something in their career, something in their life with purpose, as a public sector minister who's asking them as the talent of the country to come forward into our profession?

What are we building for them? And what's the clarion call to them to think about a career in this sector?

KATY GALLAGHER:

That's a great question, and I think it is on the mind of all the leaders of the APS. We must better articulate. And I guess my speech today was an attempt to do that in part, to articulate what the public service does and why it's important.

I don't think that the generations coming through have any less commitment. In fact, many will argue, and the evidence shows they have more of a commitment to communitarianism and dealing with big national challenges and equality and all of those that perhaps people in my generation have had more hang-ups about.

So, I think it's about ensuring that they know that it's not a job for 30 years doing the same thing. But it's an exciting, purposeful, meaningful job. And the more it gets specialised, I think the more that will attract people. And the more we're able to allow people to move around and come in and out of the public service, and that moving in and out of the public service is seen as a good thing and to be encouraged, I think the message will get there.

And we are seeing some of it. I mean, any of you who have young people with TikTok and things, Defence are, I think, probably leading the way. That's probably because they've got all the money as well. But in recruitment campaigns, I mean, they're targeting this generation now. They need people to sign up. And so, looking at some of the creative ways that they are reaching out, I think will show us a bit of a path.

And acknowledge Alicia Payne, who is here today, who's a close colleague and friend of mine, a big supporter of the public service and who I work with closely on all matters relating. Obviously, it's a big thing in the city we represent. So, thanks for being here, Alicia.

TRISH BERGIN:

Lovely, thank you.

Well, I think that brings us to the close of today's address. And thank you, Senator Gallagher. I really appreciate the depth that you've gone into, the way that you've really connected the initiatives, but also the outcomes. But also, the vision that you have: in particular, going into this next context of the election, which we know context can be everything. So, thank you very much.

KATY GALLAGHER:

Thank you.

TRISH BERGIN:

Will you join me in thanking Senator the Honourable Katy Gallagher?