Talent

Building a future-ready public service:

Talent management strategies in a budget-constrained era

Contents

What does the future hold for government workforces?

As someone who has spent nearly 25 years supporting the federal government in navigating various eras of change, I have witnessed the remarkable resilience and adaptability of the public service. The evolution of government workforces reflects broader societal shifts, and today, as we face the realities of a budget-constrained environment, the need for effective talent management has never been more pressing.

With the Albanese government focused on reducing reliance on external consultants and contractors while strengthening internal capabilities, government leaders once again find themselves working to achieve the right balance in the workforce. The government's initiative to save $1 billion in consulting costs as part of the 2024-25 Budget highlights a clear intent to invest in a stronger, more capable public service that can deliver for the Australian community.

Over the years of working in the recruitment industry in Canberra, I have seen firsthand how the transition from a contractor-heavy workforce to a more permanent one can shift organisational dynamics. When it works, this shift can enhance efficiencies and cost-effectiveness while building in-house expertise that is critical for long-term success.

However, rebalancing the workforce is not without its challenges. Specialist contract experts bring invaluable knowledge, experience, and flexibility that can drive innovation – and fast. Addressing potential skill gaps, ensuring effective onboarding, and providing ongoing training will be crucial in this transition.

The strategies outlined in this report offer insights for federal leaders seeking to navigate this transformation. From utilising flexible non-ongoing engagements to embracing an agile approach to project delivery, these recommendations are designed to empower agencies in building a responsive and engaged workforce.

Moreover, as the government accelerates the adoption of artificial intelligence (AI) to drive efficiencies, establishing a robust governance framework will be vital for managing the ethical and effective use of these technologies. As AI becomes integral to public service operations, the need for skilled professionals - particularly in cybersecurity and data analysis - will only intensify. Addressing these talent shortages and promoting a culture of continuous learning will be valuable over the coming years.

We trust that the insights and strategies presented in this report will serve as a valuable resource as you navigate these changes. Of course, with 2025 being an election year, it's wise to take these predictions with a grain of salt, as the landscape could shift once more.

As the government evolves, and whichever direction it takes, Talent will continue to adapt to meet the emerging needs of the public service. Together, we can harness the opportunities the future presents, fostering a resilient workforce capable of delivering exceptional outcomes for the Australian community.

Robert Ning
Managing Director
Talent, Australian Capital Territory

Rebalancing the public service: The shift from contractors to a permanent workforce

The Australian government is rebalancing its workforce to reduce reliance on external consultants and contractors, build internal capabilities, and create a strong, fit-for-purpose public service.

Reducing spending on external consultants and contractors

The Albanese Labor government is committed to reducing reliance on external labour and rebuilding the public service to deliver the expected outcomes for the Australian community. As part of the 2024-25 Budget, the government plans to save an additional $1 billion by reducing spending on consultants and contractors, totalling $4 billion in savings since 2022. A second Audit of Employment will also be conducted to accurately monitor and assess how the government is progressing in its commitment to reduce reliance on external labour.

This approach contrasts with global trends. In the United States, federal agency spending on external contractors has grown by $33 billion since 2022. This strategic divergence illustrates a significant shift in how different governments manage operational needs, with Australia focusing on long-term sustainability and self-sufficiency within its public service.

Building internal capabilities

The focus now is to build internal capabilities, with public servants being positioned to replace external contractors and do the work that was previously outsourced work. The government has already reduced the use of large consulting firms, lowering spending by $624 million compared to the 2021-22 financial year.

The Australian Defence ICT workforce, for instance, is moving from a 20:80 permanent to contract workforce, to a 60:40 arrangement, resulting in 500 new internal hires. This move will help build in-house expertise and reduce reliance on consultants and contractors for any technology, strategy, architectural and commercial decisions.

Finding the right mix of insourcing and outsourcing

However, this transition is not without its challenges. The process may create potential skill gaps and limited flexibility for projects that require specialised knowledge and expertise. Also, managing the change from a contractor-heavy workforce to a permanent one can be challenging, particularly in implementing a seamless onboarding process for new public servants.

When transitioning contractors to permanent positions, there is often a significant remuneration disparity, with salaries sometimes reduced by as much as 40%. While benefits like sick leave and annual leave add value, the drop in base salary is a concern. Many professionals accept these lower-paying roles during downturns due to limited opportunities, deferring the issue. If permanent salaries remain uncompetitive, agencies and companies risk a departure of talent when the market improves. Addressing this disparity is essential for retaining skilled workers.

When considering the true cost of permanent staff versus outsourcing, it's also easy to look at initial costs without looking at the ongoing impact to the bottom line.

Rebalancing the workforce will take time, and although the focus is still on building internal capabilities, the key to a successful transition is to determine the best possible mix of in-house and outsourced workers.

> **Since the election, there are around 8,700 roles that were done by contractors or labour hire that are now being performed by public servants.**
>
> Senator the Hon Katy Gallagher, Minister for Finance

> **While permanent staff may seem cost-effective at face value, additional costs of leave, training, and productivity can impact delivery. Contractors might appear more expensive upfront, but they help avoid long-term costs tied to permanent hires.**
>
> Steve Jobson, Account Director at Talent International

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Creating a strong, fit-for-purpose public service

To effectively rebalance the workforce and build a fit-for-purpose public service, senior leaders can adopt several key strategies that address the challenges and lay the foundation for long-term success:

1. Implement structured onboarding and ongoing training programs: Pinpoint suitable external contractors and enable a smooth transition into permanent internal roles. Ensure these contractors are upskilled on internal processes prior to insourcing to ensure a seamless integration.

2. Determine core functions to insource: Identify key functions to be delivered internally to improve control and long-term capabilities, while outsourcing specialised, short-term requirements.
When planning to insource, consider the service components that are most critical, those that require flexibility, and those that require specialist skills. When implementing, adopt a staged approach that begins with critical roles in cyber security, followed by development roles in fast-paced customer facing areas, then finally less critical roles in service management, end use computing, and service desk functions.

3. Address potential skills gap: Develop comprehensive training and development programs to equip public servants with the necessary knowledge and skills to future-proof the agency. Consider training in core functions such as cyber security, development and networking. These programs should also foster agility, enabling staff to fill both day-to-day operations and long-term strategic roles.

4. Maintain a flexible talent pool: Maintaining a flexible labour hire workforce ensures flexibility and continuity of work for short-term projects and specialised tasks, particularly in areas like service desk and hosting services, where needs may fluctuate.

5. Employ robust change management processes: Implement effective change management strategies that minimise disruptions and support workforce adjustments during the transition from an external to internal workforce. This is especially important when moving critical IT functions in-house, as effective change management will help ensure service continuity and minimise risks during the transition.

Creating a more responsive government: The move to non-ongoing engagements

The continuous shift to non-ongoing engagements across the Australian government enhances workforce flexibility and responsiveness, enabling agencies to deploy skills and expertise as needed to meet changing public sector demands.

Workforce mobility through non-ongoing engagements

In 2021, 20% of Australian Public Service (APS) employees have taken on temporary roles, with 85% moving within their 'home' agency. The goal is for the government to be more responsive, permitting staff to take on temporary assignments with non-ongoing engagements, based on their interests and capabilities. This initiative is designed to give employees greater flexibility but also enables APS leaders to deploy talent and expertise as needed to deliver short-term projects and meet changing demands.

In practice, workforce mobility is not without its challenges. While developing workforce capability is essential, acting staff retain the right to return to their permanent roles. This prevents their positions from being permanently filled, often hindering decision-making as acting staff may hesitate to commit to long-term actions. Also, in many jurisdictions, temporary public servants become eligible for permanency after a set period. This creates a need for senior leads to regularly conduct strategic workforce planning to minimise disruptions.

Building a more responsive, engaged and capable workforce

The continuous shift to non-ongoing engagements creates a more dynamic and flexible working environment across APS agencies. This temporary mobility delivers a number of benefits:

Flexibility in changing demands: Non-ongoing engagements enable agencies to adapt their workforce to specific projects or seasonal demands without the long-term commitment associated with permanent positions. Through short-term agreements, employees can be moved and onboarded quickly to address any surges in public service demands.

A diverse approach to solving complex problems: As employees move between roles and across agencies, this mobility allows for skills sharing and delivers a diverse or multi-disciplinary approach to complex problems.

Enhanced employee development: When employees take on temporary roles, they have the opportunity to learn and develop new skills. Upon returning, these newly acquired skills can then be shared with their original teams, fostering knowledge transfer and collaboration.

> **Non-ongoing engagements, especially in government, are becoming increasingly popular due to budget and salary considerations. Some labour hire is still being used for project-based work which need specialist skills.**

Connie Tong, Account Manager at Talent International

> **There is a shift to re-balance the mix of labour hire and consulting with permanent and non-ongoing staff. We anticipate that demand for labour-hire will remain steady for specialist and project-based resources, while operational and business-as-usual roles will continue to shift to permanent.**

Kylie McManus, Account Manager at Talent International

> **The ability for employees to move within and between roles, across APS agencies and sectors allows for the sharing of expertise, builds capability and brings a diversity of perspectives to public policy problems.**

Australian Public Service Commission

💼 Challenges with non-ongoing engagements

Although the shift to non-ongoing engagements brings several benefits, there are still some challenges that need to be addressed:

Lack of awareness of temporary opportunities: There is still a lack of awareness of temporary public sector roles available. Despite the launch of the APSjobs website, agencies are still struggling to communicate the open temporary roles that are available.

Finding the right level of mobility: Allowing too much mobility or temporary movement across the workforce can adversely affect the agency's ongoing operations and performance. On the other hand, agencies with too little mobility risk missing out on valuable benefits. As a general rule of thumb, aim for no more than 10% staff turnover and no more than 20% of roles filled with temporary staff.

🖥️ Enhancing workforce flexibility and responsiveness

The continuous shift to non-ongoing engagements can help enhance flexibility and responsiveness across the APS. Here are some strategies that senior leaders should consider to maximise the benefits while overcoming the challenges with temporary employee movements:

1. Assess the specific needs of your agency: Carefully plan for temporary staff movements and determine the best level of mobility that addresses specific needs and goals. Start with a thorough review of current and upcoming projects to identify where flexibility is most required. Evaluate the nature of the work - whether it's short-term, seasonal, or tied to specific project deadlines - and determine the skills required to complete it. Additionally, consult with department heads to understand staffing needs across functions, ensuring that temporary staff align with both immediate demands and long-term goals.

2. Ensure clear guidelines: Review your current guidelines for the implementation of non-ongoing engagements to ensure they are transparent and consistent. At a minimum, these guidelines should outline the criteria for contract length, onboarding, and the transition back to original teams.
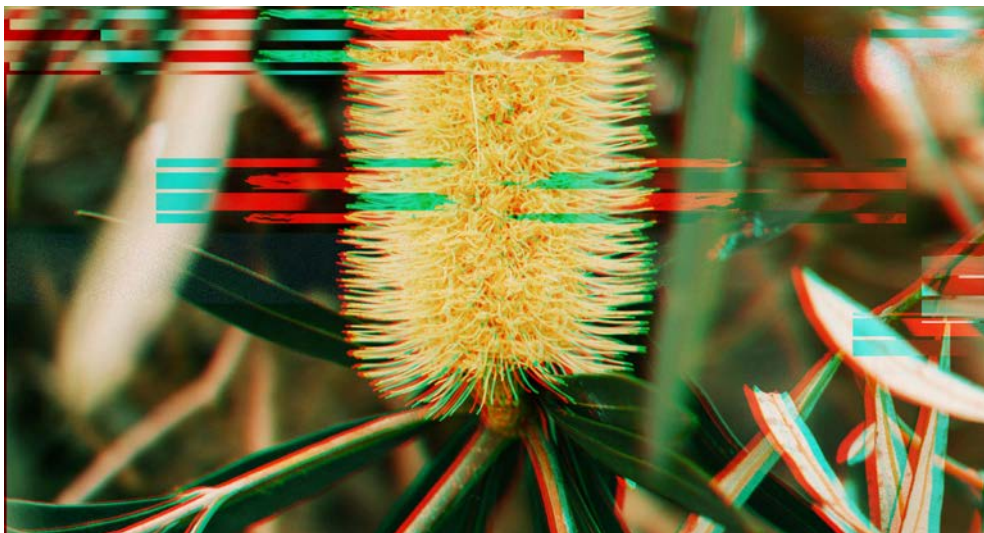
Implementing a more agile approach: The shift to project-based delivery for IT projects

The Australian government is shifting to agile, project-based delivery for IT projects to optimise technology investments and accelerate the adoption of data and digital capabilities.

Significant technology investment to boost data and digital capabilities

In the 2023-24 budget, the Australian government has allocated more than $2 billion for digital and ICT projects, and up to $3.7 billion within the next four years. The technology investment focuses on modernising outdated legacy systems, improving service delivery and boosting data and digital capabilities.

Moving to an agile, project-based approach

The government is shifting from delivering large IT projects to a more agile, project-based approach. According to Government Services Minister Bill Shorten, the Federal Government is looking to implement the INVEST method — independent, negotiable, valuable, estimable, small and testable — to keep projects small and self-contained. With technology spending expected to reach $3.7 billion over the next 4 years, the government is focusing on funding numerous smaller IT projects that are less risky, easier to manage, and meet individual agency priorities.

This approach has proven successful with the government's recent announcement of digital statutory declarations, with Mr Shorten confirming that development spend was kept to $1.5 million with a further $1 million in running costs, with savings of more than $156 million each year from a simplification of services and productivity gains.

This approach marks a divergence from other governments around the world. For example, the United States government continues to undertake a mix of large-scale IT projects alongside smaller initiatives, utilising structured frameworks like capital planning and investment control (CPIC) for risk management. While both Australia and the United States are embracing more agile methodologies, Australia's project-based approach allows for greater flexibility and more frequent evaluation.

The significant technology investment is part of the government's commitment to build "simple, secure and connected public services" through world-class data and digital capabilities by 2030.

Senator the Hon Katy Gallagher, Minister for Finance

Improving transparency and accountability around project delivery

As the government increases its investment in data and digital capabilities, there is a heightened expectation for transparency in how the funds are used and the outcomes they achieve.

The Digital Transformation Agency (DTA) is recommending that departments and agencies align specific delivery milestones with funding requests. The DTA is collaborating with the Department of Finance and other key agencies to implement policies that link funding requests with specific project-based milestones and measurable benefits. This approach aims to minimise cost risks, enhance transparency, and build accountability measures to track the performance and outcomes of IT projects.

However, it's important to note that while this stage-gate approach can be effective, it may not always align seamlessly with agile methodologies, which prioritise flexibility and iterative progress. Senior leaders should consider how to integrate these milestone-based policies with agile practices to ensure both structured oversight and adaptive project management.

The need for greater scrutiny and collaboration

The shift to project-based delivery of IT projects can bring in benefits of a more flexible and responsive approach. However, to ensure ongoing success, senior leaders need to implement strategies that increase scrutiny in projects and improve collaboration across teams.

1. Increase scrutiny and oversight: Implement oversight mechanisms to ensure that projects are delivering on their intended outcomes. Regular reviews and milestones should be established to monitor progress, assess risks, and make adjustments as needed. Additionally, robust portfolio planning, delivery assurance, and dependency management are crucial, particularly for larger IT projects. For smaller agencies or projects, implementing a project management office may be more challenging but is equally necessary.

2. Improve team collaboration: Better collaboration between IT teams and other stakeholders is crucial for the success of a project-based approach. Breaking down silos and building open communication can help align stakeholders on project objectives, plus encourage skills and knowledge sharing across teams.

3. Strengthen strategic planning: To avoid a project portfolio being shaped by the loudest voices in the room, a stronger strategic planning function is critical. This ensures that projects support the long-term goals of the agency, rather than being a collection of discontinued initiatives.

Driving efficiencies through AI adoption: The need for a robust governance framework

With the Australian government accelerating AI adoption to drive greater efficiencies, there is an increasing need to implement a robust governance framework for the safe and responsible use of AI and other emerging technologies.

Increasing AI adoption across public sector agencies

According to the Australian National Audit Office (ANAO), 27 federal agencies have already adopted AI as of July 2023 - and many agencies are looking to build an in-house AI capability through the recruitment of a Chief AI Officer (CAIO).

AI is currently being used for social media, financial processing, research and development, cyber threat detection, and advanced data analysis, but its use cases will expand further through greater adoption.

Driving greater efficiencies through AI and other technologies

APS agencies are under immense pressure to deliver more with the same, or even fewer, resources. With a headcount freeze and an ageing workforce, the challenge is to meet the growing citizen demands for efficiency, transparency, and cutting-edge services.

Need to embrace AI and other digital technologies: Those clinging to traditional methods are quickly being outpaced by agencies that are leveraging automation and digital transformation to enhance their service delivery.

Aligning with the 2030 vision: With the government's commitment to deliver simple, secure and connected public services by 2030, APS agencies need to transform their organisations through the use of data and digital technologies to improve efficiency and effectiveness.

By 2030, it is estimated that Artificial Intelligence (AI) and associated machine-assisted decision-making technologies will contribute more than $20 trillion dollars to the global economy. AI can present many benefits to government and users of their services.

Digital Transformation Agency (DTA)

Larger-scale AI adoption across the Federal Government can automate many processes and roles - but it requires leadership to drive its safe and responsible implementation. AI is necessary for advancing into the new age.

Ben Raward, Senior Account Manager at Talent International

✓ The safe and responsible use of AI

The large-scale adoption of AI in APS agencies promises significant efficiencies by automating various processes, from routine tasks to complex decision-making. However, AI brings unique risks and challenges that must be carefully managed.

Implementing governance frameworks: To ensure AI is used responsibly and effectively, establishing robust governance frameworks is crucial. These frameworks guide the ethical use of AI to meet compliance with regulations, manage risks and achieve ongoing transparency and accountability.

Establishing a joint approach to safe and responsible AI: On 21 June 2024, a National framework for the assurance of artificial intelligence in government was released to serve as a joint approach to safe and responsible AI across Australian federal, state and territory governments. The framework is part of the broader governance of AI use and provides practical guidance on implementing Australia's AI Ethics Principles to ensure responsible and ethical AI deployment.

> **A number of entities reported not implementing governance frameworks to manage their adoption. Of the 27 entities that adopted AI, 15 did not create policies to support their use of AI.**
>
> ANAO

👍 Adopting AI effectively and ethically

As AI adoption accelerates within the government, senior leaders play a pivotal role in ensuring that these technologies are integrated effectively, ethically, and in a way that enhances overall public service delivery. Here are key strategies that leaders should consider:

1. Develop robust governance frameworks: Establish governance frameworks to manage AI adoption, ensuring compliance with ethical standards and regulations.

2. Provide training for staff: Equip employees with the necessary skills and knowledge to effectively use AI tools, implement governance practices, and facilitate smooth integration.

3. Regularly assess AI impact: Continuously monitor the impact of AI adoption on processes and workforce dynamics to optimise performance and address any emerging issues.

4. Encourage a culture of innovation: Create a workplace culture that embraces emerging and innovative technologies like AI, while balancing the benefits of automation and efficiency with human oversight and decision-making.
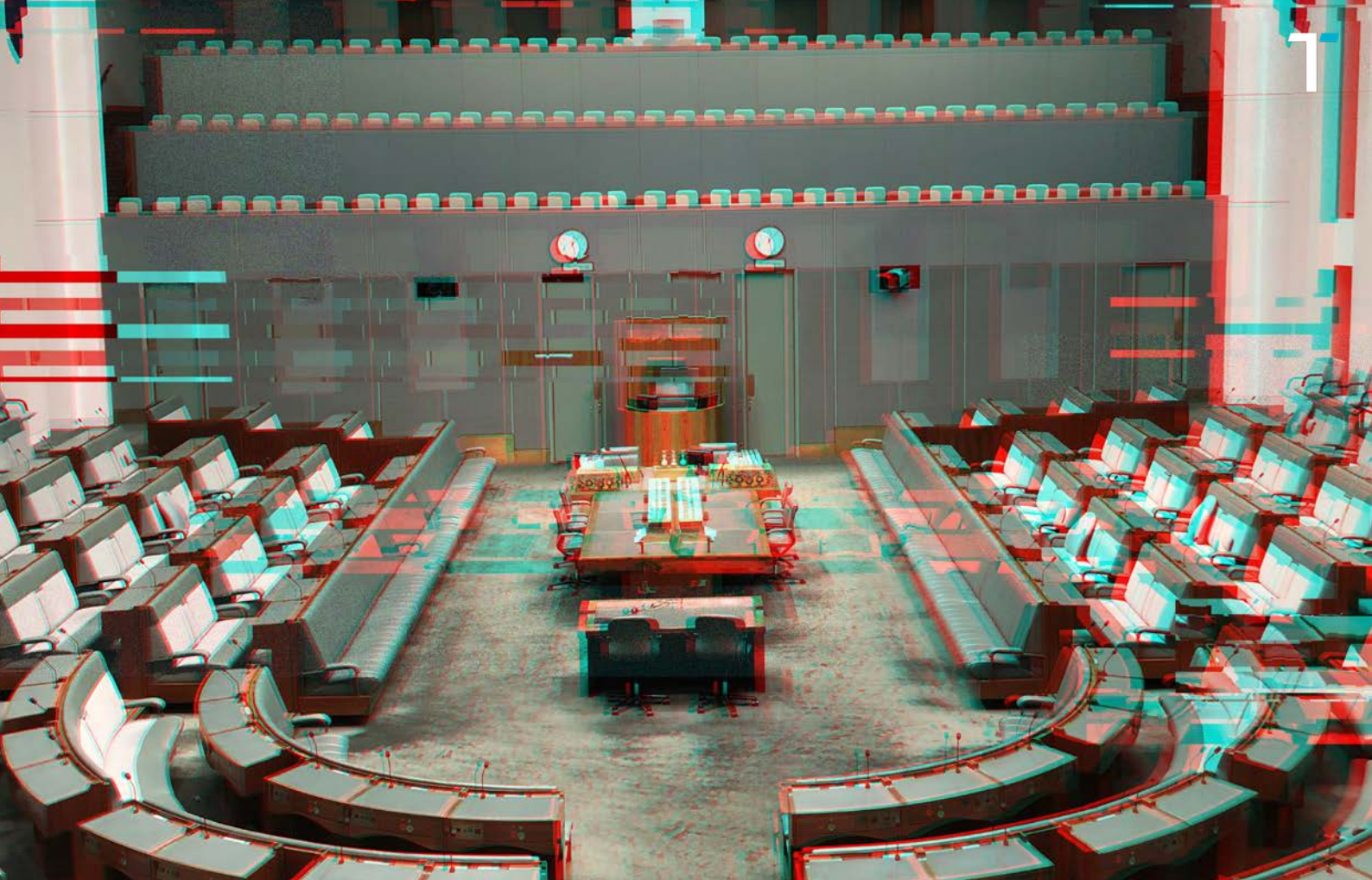
Building simple, secure and connected public services: The need for more technology workers across cyber, data and cloud

As part of the government's commitment to build simple, secure and connected public services, APS agencies are investing heavily in cybersecurity, data and cloud solutions — but require more qualified workers to meet the growing demand for technology jobs.

Investing in cybersecurity to become a global leader by 2030

The Australian government is investing an additional $586.9 million on top of the $2.3 billion already committed to boost cybersecurity, manage threats and risks, plus help secure Australian communities and businesses. This is part of the 2023–2030 Australian Cyber Security Strategy, which implements a plan to make Australia a global leader in cybersecurity by 2030.

Heavy recruitment for software developers, data analysts and cybersecurity roles

Across government agencies, the majority of development is now centered on cloud platforms and capabilities. Within the APS, Azure is more widely adopted over Amazon Web Services, with low-code solutions like Salesforce and Oracle also in high demand. Salesforce in particular has become a cornerstone CRM solution that drives automation across various functions. Due to Salesforce integrations, ERP upgrades, and cybersecurity implementations, agencies are recruiting heavily for software developers, data analysts, cybersecurity specialists, and other technology professionals. Australia's technology workforce has already grown to 935,000 by mid-2023, putting the government back on track to create 1.2 million technology-related jobs by 2030.

By 2030, Australia will be a world leader in cyber security. We envisage a future where stronger cyber defences enable our citizens and businesses to prosper, and to bounce back quickly following a cyber attack.

2023-2030 Australian Cyber Security Strategy

The need for more qualified cybersecurity workers

As cyber threats become more frequent and sophisticated, the demand for experts in this field is expected to significantly increase. According to a recent study by AustCyber, 74% of security professionals reported a huge shortage of cybersecurity talent. Each year, Australia needs an extra 5,000 workers to fill cyber jobs to avoid a massive shortfall by 2030.

To address this gap and strengthen Australia's security posture, the government must not only attract and retain cybersecurity professionals but also focus on education and upskilling to develop qualified workers. Additionally, many agencies need to mature their existing cyber teams by shifting from an advisory role to a project management and implementation focus.

According to our recruitment specialists, filling permanent cybersecurity roles in the public service can take up to 20-30% longer than other IT positions. This is due to below-market salaries and unclear skill requirements, highlighting the need for a review of recruitment processes and the use of specialists with pre-identified talent pools. This proactive approach is essential given the significant demand for cyber skills and the current shortage of candidates.

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Insourcing and adapting to technological change

While insourcing and maturing internal capabilities are essential to strengthening Australia's IT and cybersecurity workforce, it's important to note that an over-reliance on an insourced workforce can pose challenges.

As technology evolves, the skills of an insourced team can quickly become outdated. This may result in agencies being left to manage obsolete technologies like COBOL long after their decommissioning. This issue is compounded by the inflexibility of the public sector workforce, which requires finding alternative roles for employees whose skills are no longer relevant, supporting their retraining, and facilitating their placement in other positions or agencies.

Such constraints can slow the adoption of new technologies and restrict innovation. In this instance, outsourcing will provide greater flexibility and allow agencies to quickly adapt to technological advancements without being tied to outdated systems.

Creating a strong and resilient technology workforce

One of the key challenges facing APS agencies is the current shortage of skilled professionals in cybersecurity, data, and the cloud. To address this challenge and build a resilient technology workforce, senior leaders should consider implementing the following strategies:

1. Focus on education and upskilling: Collaborate with educational institutions and industry partners to implement targeted programs that address emerging technological needs and enhance the technology workforce.

2. Optimise recruitment processes: Review and refine recruitment processes to attract and onboard qualified candidates more efficiently. This includes streamlining application procedures, reducing time-to-hire, and offering competitive benefits that appeal to cybersecurity and other technology professionals.

3. Broaden the talent pool: Consider hiring graduates with Certificate IV or diplomas in relevant fields and offering pathways to permanent residency and employment for international students in Australia. By expanding the criteria for what constitutes a qualified candidate, agencies can tap into a wider range of skills and experiences. It is important to note this approach may be hindered by existing policy and require agencies to leave roles unfilled until permanency is assured. Addressing these policy constraints would need priority for this strategy to be effective.

4. Invest in training and development: Provide ongoing training and development opportunities to upskill current employees and retain top talent in cybersecurity or other technology roles.

Addressing the talent shortages: Government strategies to attract and retain workers

With APS agencies experiencing a significant talent crunch, the government is implementing strategies to position itself as a modern, flexible employer that values regional diversity and flexible working.

Tapping into the broader labour market beyond Canberra

According to the State of the Service Report 2021-22, 38.8% of APS workers are based in and around Canberra, ACT. However, with agencies facing significant skill shortages and a limited willingness among candidates to relocate to Canberra, the government is tapping into the talent outside the Australian capital. This strategy allows the APS to attract and recruit employees in regional communities and other areas, accessing a wider pool of candidates who might not have been previously considered.

However, now that agencies are looking for candidates outside of Canberra, it has quickly become apparent that the talent pool does not hold the necessary active security clearances. If agencies were to focus only on those candidates, it would become near impossible to find a sufficiently large or diverse group of qualified talent.

This limitation underscores the need to also consider candidates who may require time for clearance processing. Senior leaders should compare the typical notice period against the time required for clearance to make an informed decision about whether waiting for a candidate with the right skills and experience is more advantageous:

Clearance level	KPI target	FY24-25 Performance	% Within KPI	Cases Completed
Baseline	20 days	12 days	92.1%	3,817
Negative Vetting 1	70 days	45 days	62.6%	4,774
Negative Vetting 2	100 days	85 days	63.8%	1,448
Positive Vetting	180 days	184.5 days	34.1%	548
Positive Vetting priority	90 days	95 days	41.4%	146

"

Given the current market conditions, waiting 45 business days for a strong candidate is worth the wait when compared to the typical notice periods.

David Gonsalves, Account Manager at Talent International

Promoting flexible working arrangements to attract and retain staff

In 2022, 55% of APS employees had flexible working agreements in place to work remotely or from home some days of the week. To help attract and retain staff, agencies are continuing to promote and expand flexible working, which includes part-time work or job-sharing, flexible working hours, and remote or work-from-home arrangements. The ability to offer flexible working is a major aspect of the APS employee value proposition, enhancing job satisfaction, and boosting attraction and retention of new talent.

Strategies to attract and retain public sector employees

The APS is facing a talent crunch. To attract and retain more qualified workers, government senior leaders should consider strategies focused on regional diversity and flexible working conditions.

1. Tailor recruitment campaigns: Highlight the benefits of working in the APS and the advantages of regional and remote work opportunities to attract talent. For instance, the Australian Signals Directorate (ASD) launched REDSPICE, a 10-year program to grow its workforce by 1,900 people. The program aims to "take the work to the workers" and offer flexible location arrangements, with a goal to have 40% of ASD workers located outside Canberra.

2. Promote remote work flexibility: Offering remote work options allows the APS to widen its talent pool by attracting individuals who prefer or require the flexibility to work from home or in remote locations. This approach not only helps address the talent crunch but also increases job satisfaction and staff retention.

3. Balance cross-skilling with staff retention: While cross-skilling can strengthen internal talent pools, it may inadvertently encourage staff to leave for higher-paying or more senior roles once they've acquired new competencies. Often employees will seek promotions or external opportunities due to limited salary increases or the formal re-application process required to move to a higher salary band. To mitigate this, consider options for wage increases or career development within the same role to retain skilled employees. Additionally, fostering a culture of recognition and long-term growth can help reduce the desire to change roles solely for financial gain.

4. Build a talent pool of candidates: Maintain a pool of candidates, including former employees and those on expired contracts, to tap into when resources are required. Services Australia, for example, maintains a talent pool of candidates for an average of 12 months, comprised of people who used to work with the agency and ones with existing contracts. As the need for specific talent arises, these candidates are contacted and encouraged to apply for the new permanent roles.

> **In 2022, more than three-quarters of APS Employee Census respondents (78%) agreed they are confident that if they requested a flexible work arrangement, their request would be given reasonable consideration.**
>
> State of the Service Report 2021-2022

> **Remote or work from home is a key differentiator for job seekers. Candidates are far more likely to accept a role in the private sector or with State Government if remote work is included in the employment contract.**
>
> Steve Jobson, Account Director at Talent International

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Increasing Indigenous employment outcomes: The goal to attract and retain Indigenous talent, particularly at the senior level

The APS is focused on attracting and retaining Indigenous staff to increase representation at each employment level in government, particularly across middle management, executive level and senior executive leadership roles.

👤 The need for more Indigenous representation at senior levels

As of 30 June 2020, most Aboriginal and Torres Strait Islander federal government employees were employed at APS 3 (18.1%) and APS 4 (30.4%) levels. Only 1.4% worked at senior levels or were members of the Senior Executive Service (SES). With Indigenous employees significantly over-represented at the trainee to APS 4 levels, there is a need for APS agencies to build a 'talent pipeline' to increase representation at middle management, executive level leadership, and senior executive leadership roles.

✳️ Building a framework to enhance Indigenous employment outcomes

The Commonwealth Aboriginal & Torres Strait Islander Workforce Strategy 2020–2024, which delivers a framework to improve Indigenous employment outcomes, aims to achieve 3% Aboriginal and Torres Strait Islander employee representation at the executive level or SES by 2024. The strategy focuses on creating inclusive workplaces with Indigenous representation at all levels and in all business sectors. This will be achieved through targeted recruitment and professional development to help promote Indigenous employees to senior roles.

☀️ Creating positive, culturally diverse workplaces

Implementing the government's workforce strategy requires each agency to promote diversity and inclusion in the workplace and create positive employee experiences.

Enable capability building and professional development for Aboriginal and Torres Strait Islander staff to enhance employee retention and progression into senior roles.

Improve APS employee value proposition to build trust across regional communities, plus attract and retain Indigenous talent.

Connect and establish stronger relationships across regional and remote Australia to better meet the needs of Indigenous communities.

> **❝ Improving the representation of Indigenous Australians at all levels is vital to building a workforce that reflects the communities we serve and provides lived experience that can help shape Australian Government policies to improve outcomes for Indigenous Australians."**
>
> Ray Griggs, CEO, National Indigenous Australians Agency

Strategies to attract and retain Indigenous talent

Increasing Indigenous representation at all employment levels is a key priority across APS agencies. Here are key strategies for senior leaders to consider in attracting and retaining Indigenous talent, particularly at the senior level.

1. Develop targeted programs: Create and support employment programs specifically designed to attract and retain Indigenous talent. The programs should include mentoring and professional development opportunities tailored to the needs and goals of Indigenous staff, helping them advance their careers in the public sector.

2. Foster an inclusive work environment: Implement cultural awareness training for all staff and establish support networks and employee resource groups. This approach provides Indigenous staff with a sense of community and belonging within the workplace.

3. Ensure compliance with Indigenous employment policies: Set clear guidelines and accountability measures to ensure compliance with Indigenous employment and supplier engagement policies. This not only supports hiring goals but also builds respectful and effective partnerships with Indigenous communities.

Enhancing talent recruitment, retention and development in a budget-constrained era

The Australian government is undergoing a significant transformation to build internal capabilities, drive efficiencies across the sector, and enhance service delivery to meet changing citizen needs. To enable this transformation, APS senior leaders must overcome the challenges of limited budgets and resources by implementing innovative and strategic approaches that attract, retain and develop talent across the different areas of the organisation.

The strategies highlighted in this whitepaper will help leaders navigate workforce management priorities across key government initiatives — from shifting to a permanent workforce, implementing non-ongoing engagements, and embracing project-based delivery to adopting AI, hiring and retaining more technology workers, and increasing Indigenous representation at all employment levels.

These strategies provide a clear path for maximising talent resources and building efficient, future-ready public services, even in a budget-constrained environment.

About Talent

For over 28 years, Talent has been a trusted partner to government agencies across Australia. As the #1 supplier of specialist talent to government, our strength lies in deep, long-standing relationships with over 50 federal government agencies, complemented by a national presence in all major capital cities, allowing us to source even the most difficult-to-find roles. To date, we have connected government with over 17,000 people.

We deliver across Technology, Accounting and Finance, Administration, Human Resources, Communications, Procurement, Policy and Program, Legal, Senior Executive and more. With over 100 years of combined experience in Canberra alone, our team has the expertise to match the right talent to the right roles, from entry-level to senior executive positions.

We provide comprehensive recruitment solutions, including contract, permanent, and payroll services. Beyond that, we act as advisors to our clients, providing live market intelligence and insights into trends that impact government hiring. With deep connections, extensive reach and decades of experience, we can support government initiatives at every level, ensuring you have the right professionals to achieve your goals.

Find out more about our government capability [here](#).

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for a **better world** of **work**

About Avec

Talent's IT consulting arm Avec provides a value-driven alternative to traditional technology consulting, blending capacity and capability with our superpower—delivery. Our experienced consultants bring expertise, accountability, and an unwavering commitment to delivery to make life easier for our clients through Automation, Architecture, Business Analysis, Data, PMO, Testing and beyond. Together, we provide a refreshing, no nonsense, human approach to project delivery – empowering people and technology to build a better world of work, one project at a time.

We have a wealth of government experience, implementing and supporting a range of solutions for over 60 government agencies. Put simply, we get IT done better.

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