

Self-initiated Internal Capability Review



Australian Government

Comcare





Foreword

We are pleased to have been asked to undertake the review of the capability of Comcare as part of the APS Capability Review Program.

We acknowledge that Comcare initiated this review and note this is a clear demonstration of the organisation's willingness and appetite to understand their strengths and weaknesses whilst positioning the organisation for the future. The review has been undertaken at a timely juncture with a relatively new CEO seeking to shape the organisation for the future challenges.

The review has been enhanced by the input of considerable number of staff (95 staff across six focus sessions) from across the organisation as well as from a range of 33 stakeholders across government, industry, and unions. We thank them all for their thoughtful contributions.

Comcare is a complex organisation which includes the role as government regulator, workers' compensation insurer, claims manager and scheme administrator. These business lines are each seeking to achieve their specific outcomes as well as their joint Comcare objectives. Combined with managing as a self-funding entity can prove challenging. They need to balance the tensions which can emerge when needing to deliver excellent customer service while weighing up their role as a regulator.

We heard very favourable feedback on how Comcare is performing several of their functional roles from stakeholders and heard of opportunities which they could seize to ensure they are positioned to deliver now and into the future.

As well as an assessment against each of the Capability Review Program elements, we have identified a few key areas which we believe are necessary to pursue.

- Sharpen strategic directions and review priorities to ensure implementation.
- Joined up and united leadership to deliver strategic directions and improve external influence.
- Organisational form for Executive Leadership (SES) could be improved.
- Consideration of the funding model as it limits the ability to invest and innovate.
- Improve use of data internally and externally to be more predictive for stakeholders.
- Prioritise and accelerate current workforce strategies with a view to ensuring full enterprise uptake (recruitment problems having critical impact).

Some of these priority areas have been recognised by Comcare with work underway through several initiatives. These efforts need to be harmonised, prioritised, and clearly articulated to staff and stakeholders to ensure effort is harnessed in a unified and consistent way.

The highly engaged workforce will be an asset to the journey ahead.

We would like to thank all staff and stakeholders who participated in this review. Their positive contributions were very much appreciated. Our thanks also go to Kate Groves and Natasha Jonoski who provided invaluable assistance through the review and framing of this report.

Carmel McGregor PSM

David Wilden



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Context

About the review

Comcare initiated an Internal Capability Review (the review) using the Capability Review program framework which is used by the Australian Public Service (APS) as part of ongoing APS reform.

Capability Review Framework

Reviews are independent, forward-looking and assess an agency’s ability to meet future objectives and challenges. Reviews aim to facilitate discussions about an agency’s desired future state, highlight organisational capability gaps and identify opportunities to address them. Agencies have opportunities to fact check and provide feedback throughout the process. The program is an investment in the long-term capability of the agency and the APS.

The Capability Review framework is made up of 2 parts:

- an ‘excellence horizon’, which establishes what capabilities the agency needs now and in 4 years.
- an analysis of organisational capability, which is used to identify capability gaps and opportunities across 5 domains – leadership and culture, collaboration, delivery, workforce, and enabling functions.

The review assesses the agency’s current capabilities and preparedness to deliver critical capabilities in the medium-term. The review provides a maturity rating against the standard 18 capability elements to indicate the most promising areas for growth. The elements in scope for this targeted review are as follows. A description of these elements is included in the Capability Review framework for this targeted review at Appendix A.

| LEADERSHIP AND CULTURE | COLLABORATION | DELIVERY | WORKFORCE | ENABLING FUNCTIONS |
|--------------------------------|-----------------------------|--------------------------|-----------------------------------|-------------------------|
| Leadership and governance | Public sector | Ministers and Parliament | Strategic workforce planning | Financial management |
| Purpose, vision, and strategy | Non-government partnerships | User focus | Staff performance and development | Technology and data |
| Integrity, values, and culture | Internal collaboration | Strategy | Staff culture and inclusion | Core enabling functions |
| | | Implementation | Staff safety and wellbeing | |
| | | Review and evaluation | | |



Comcare Internal Capability Review methodology

At Comcare's request, the Senior Reviewers conducted a targeted 8-week review. This consisted of focus sessions with staff at all levels across the organisation, and interviews with external stakeholders, other federal government agencies, industry representatives and other non-government stakeholders.

The review methodology included:

- Desktop research of key strategic and contextual documents.
- Self- assessments by Comcare Senior Executive against the elements to highlight internal understanding of organisational capability strengths and opportunities for improvement.
- Contributions from over 95 staff who participated in 6 focus sessions.
- 33 individual interviews with external stakeholders.

Background

As part of its enduring plan for APS reform, the Australian Government committed to a pilot Capability Review program, which was a recommendation in the 2019 Independent Review of the Australian Public Service led by David Thodey AO. The aim of the program is to:

- embed a culture of continuous improvement across the APS.
- ensure APS agencies can deliver government priorities and outcomes for Australians.

The Australian Public Service Commission administers the Capability Review program. They also provided resources to support self-initiated reviews to use the Capability Review framework.



About the agency

Portfolio Overview

Comcare is an agency of the Department of Employment and Workplace Relations. Comcare reports to *The Hon Tony Burke MP* Minister for Employment and Workplace Relations Minister for the Arts Leader of the House.

Comcare has several important roles – a work health and safety regulator, a scheme manager, a claims manager, and an insurer. It also has essential enabling roles, supporting our workforce and driving engagement and better practice approaches to health and safety across our scheme.

Acting as the regulator across a diverse range of industries requires not only expertise in the various Acts it administers, but a detailed knowledge of the industries it regulates in. It covers a broad range of occupations and industries including government services, defence, law enforcement, transport, logistics, financial, banking services, manufacturing, construction, telecommunications, health services, higher education, and postal services.

As well as the regulatory role and associated challenges it is also an insurer. These two significant roles do not occur in isolation. They require a good understanding of the broader regulatory environment and insurance schemes run both nationally and at a State and Territory level. Such complexity is a challenge for a small agency such as Comcare.

Legislation and roles

The *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) establishes Comcare. Comcare has functions and responsibilities under both the SRC Act and the *Work Health and Safety Act 2011* (WHS Act), which includes regulatory functions and compliance and enforcement powers.

The SRC Act also establishes the Safety Rehabilitation and Compensation Commission (SRCC), which has powers in relation to the management of self-insured licensees operating under the SRC Act, other than those attributed to Comcare.

Comcare has established an Audit and Risk Committee (ARC) to provide independent assurance and assistance to Comcare's CEO on risk, the control and compliance framework, and external accountability responsibilities. The ARC does not have management functions or powers. It is directly responsible and accountable to Comcare's CEO for the exercise of its responsibilities.

The *Seafarers Rehabilitation and Compensation Act 1992* (Seafarers Act) establishes the Seafarers, Safety, Rehabilitation and Compensation Authority (Seacare Authority) which is responsible for overseeing the Seacare scheme. Comcare provides secretariat and other assistance to the SRCC and the Seacare Authority in the performance of their functions.

Comcare manages the Commonwealth asbestos claims under the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act). We also administer compensation claims for members of



parliament and the Prime Minister’s spouse under the Parliamentary Injury Compensation Scheme (PICS), which was established by the *Parliamentary Business Resources Act 2017*.

The Public, Governance, Performance and Accountability Act 2013 (PGPA Act) establishes a system of governance and accountability for public resources. Under the PGPA Act, Comcare is a corporate Commonwealth entity and is:

- a body corporate.
- governed by an accountable authority.
- legally financially separate from the Commonwealth.
- subject to the Commonwealth Procurement Rules under section 30 of the PGPA Rule.

Budgets

Comcare’s 2022–23 financial results demonstrate that Comcare’s financial position remains strong, and that the Comcare premium scheme continues to be sustainable.

Comcare continues to efficiently deliver upon its outcome to promote and enable safe and healthy work.

In 2022–23 Comcare had an operating surplus of \$1.8 million as shown in the table below.¹

Table 10: Comcare financial operating result

| | 2018–19 | 2019–20 | 2020–21 | 2021–22 | 2022–23 |
|--|----------------|---------------|---------------|---------------|---------------|
| | \$m | \$m | \$m | \$m | \$m |
| Workers’ compensation premiums | 242.3 | 163.3 | 167.4 | 161.6 | 175.5 |
| Other cost-recovery revenue | 35.5 | 36.4 | 37.0 | 45.0 | 39.1 |
| Interest and other revenue | 36.1 | 24.0 | 13.9 | 9.2 | 20.9 |
| Revenue from government | 60.3 | 61.2 | 51.2 | 44.0 | 51.2 |
| Claim payments | (234.3) | (216.9) | (207.9) | (196.2) | (206.3) |
| Administration costs (business-as-usual) | (98.5) | (101.1) | (106.8) | (107.7) | (113.8) |
| Administration expenses (projects) | (4.2) | (4.2) | (6.9) | (9.0) | (11.6) |
| Administration costs (finance costs) | (2.2) | (3.2) | (7.2) | (0.9) | (0.2) |
| Surplus of revenue over expenses | 35.0 | (40.5) | (59.3) | (54.0) | (45.3) |
| Movement in claims provisions and appropriations receivable | | | | | |
| Movement in provisions for outstanding claims liabilities | 81.7 | 124.3 | 88.9 | 150.3 | 21.0 |
| Available funding from movement in claims provisions | (117.1) | (92.9) | (37.6) | (88.8) | 26.2 |
| Surplus/(deficit) on continuing operations | (0.4) | (9.1) | (8.0) | 7.5 | 1.8 |
| Net equity | 23.0 | 17.2 | 9.1 | 22.7 | 24.5 |
| Cash and cash equivalents | 1,005.1 | 986.6 | 943.8 | 497.3 | 435.3 |

¹ Comcare and SRCC Annual Report 2022-23, p91



Our people

Comcare has approximately 671 staff across nine locations, with the majority in Canberra and Melbourne.



Stakeholders

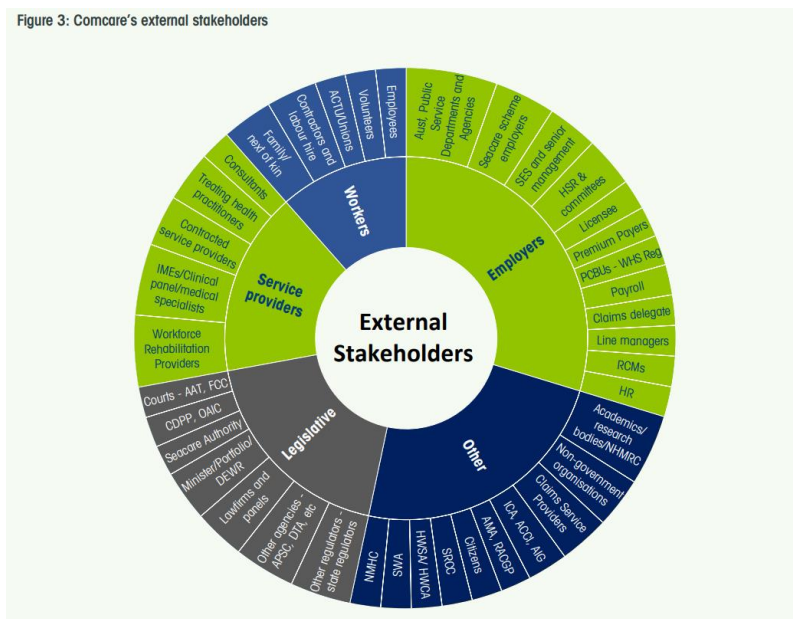
Comcare services are used by:

- Australian Government agencies, Commonwealth authorities and their employees, and parliamentarians
- national companies and other organisations licensed by the SRCC and their employees.
- members of the Australian Defence Force including reservists and cadets.
- individuals making claims against the Commonwealth for asbestos-related conditions.

On 30 June 2023 Comcare’s scheme comprised of 451,965 full-time equivalent (FTE) employees covered under the *Safety Rehabilitation and Compensation Act 1988*, and 424,841 FTE under the *Work Health and Safety Act 2011*.

The Corporate Plan section on Cooperation details the ways in which Comcare interacts with stakeholders to conduct its business.

Figure 3: Comcare’s external stakeholders



² [Comcare Corporate plan 2023-2024](#) p17



Overview

Excellence Horizon

A clear sense of purpose

Over the next 4 years, Comcare seeks to continue to excel at promoting and enabling safe and healthy work and be a trusted partner and influencing others where it can. A single-mindedness is required to prevent work related injuries and illness and deliver better return to work outcomes. Attention must be squarely concentrated on addressing psychological injuries and illnesses as the greatest risk to the employers and employees they serve and support and to the overall sustainability of the Scheme.

This success and sustained achievement of these two priorities: prevent work related injuries and illness and deliver better return to work outcomes must be aided across Comcare by data driven decisions, uplifting leadership, effectiveness and efficiency and elevating customer-centric service design capabilities.

The work of Comcare literally saves lives. One might argue that it not enough to excel in this arena, but rather bold moves are required to ensure that Comcare is equipped to meet the challenges ahead.

People are at the core of Comcare's business. It necessitates a modern and contemporary service approach: excelling in service provision, influential engagement with stakeholders, proactive support and education for workplaces to intervene early on issues that are life and death, underpinned by practices that are rich in data, evidence and insights, and an executive team and staff that are able to lead well and adapt in the face of rapid and evolving change and material work, health and safety risks.

All these expectations pose challenges for how Comcare operates today, but also how it anticipates the future and ensures it has robust and modern business systems and technology and importantly a skilled and capable workforce that can thrive and is trusted to deliver for Comcare and its clients and diverse stakeholders.

Trends and Environmental Factors

Over recent years there has been a greater focus on mental health and psychosocial safety. The claims are complex and have lower outcomes for individuals and organisations compared to claims for physical conditions. In 2023, changes to the work health and safety laws imposed a legal obligation on organisations and PCBUs to eliminate psychosocial risks or take reasonable steps to minimise.

Comcare will need to position itself to capitalise and influence in this important area of change. It will be required to continue to provide national leadership in prevention and early intervention through delivery of and engagement in relevant forums, cross-jurisdictional activities, research, and better practice initiatives.

Comcare engage and collaborate with stakeholders to create mentally healthy workplaces and manage psychosocial risks. These legislative shifts are driving increased demand for Comcare to help organisations mitigate workforce risks by offering more and different types of services, or work in close partnership with other peak bodies to uplift employer capability.



There are a range of other trends and environmental factors that will undoubtedly impact Comcare over the coming years. These environmental factors reinforce the case for turning the spotlight sharply on preventing work related injuries and illness and delivering better return to work outcomes as well. They also underscore the importance of ensuring it has strong enabling capabilities at its core- to enable the business – the insurer, the regulator and the claims/compensation manager to focus on its main services. The most critical forces relate to:

- The change in the nature, volume and complexity of incidents and notifications, injuries and illnesses – these are on the rise in the context of psychosocial hazards and psychological injuries.
- The changing patterns of work accelerated by the COVID-19 pandemic, and both the associated uncertainty and opportunity that flows from this.
- The rapid advancements in technology including generative AI; and the promise to alleviate workers from manual tasks juxtaposed against the anxiety it may present. Technology trends, including increasing cyber security risks, and employee and community expectations for responsive, reliable and environmentally sustainable services add to the challenge.
- Increasing customer expectations on government and the public sector more broadly, epitomised in the 2023 Trust in Australian Public Services, which importantly for Comcare’s business and clients indicates the greater a person’s vulnerability, the higher the bar is for services to gain that person’s trust.³
- As a cost recovered agency, the continuing fiscal and economic pressures. While the government’s 2023-24 Mid-Year Economic and Fiscal Outlook notes the fiscal position has strengthened resulting in an improvement of \$12.8 billion since the 2023–24 Budget, this significant budget improvement is the result of the Government’s fiscal restraint and continued focus on reprioritisations and savings. In this MYEFO, the Government has identified \$9.8 billion in savings and reprioritisations and Comcare’s client’s and stakeholders are likely to be experiencing ongoing pressures to reprioritise and save which requires Comcare to make their case for cost recovery and investment even more compelling.⁴

The complexity of work, health and safety (WHS) concerns, incidents and notifications is on the increase. Psychosocial hazards are aspects of work which have the potential to cause psychological or physical harm; prevention of the harms associated with psychosocial hazards is a key focus and priority for all WHS regulators.

The Australian WHS Strategy lists managing psychosocial risks as a persistent WHS challenge for Australia, and there is significant work underway nationally to provide support and guidance to PCBUs in relation to preventing psychological harm. Comcare is aiming to build the datasets and intelligence required to understand psychosocial hazards and risks that contribute to bullying and harassment in the scheme.

The proportion of workforce with workers compensation claims are on the decline across Australia and for Comcare, with the proportion of Australian workers claiming WHS injuries or illnesses has decreased by 45% in less than two decades. Comcare experiences a similar trend within the Australian Government segment where claims have reduced by 43% in less than a decade, mostly due to a decrease in injury claims.

³ APSC, Trust in Australian Public Services, 2023 Annual Report, page 13.

⁴ MYEFO 2023-24, page 2 [Mid-Year Economic and Fiscal Outlook 2023–24 \(budget.gov.au\)](https://budget.gov.au)



There has been no reduction within self-insured, though the profile of work covered has changed over time with additional higher-injury risk licensees joining the scheme (such as transportation)

Proportion of claims within Comcare's workforce base remains below nation-wide levels (~2% vs 3.5%).

There will be a priority focus on needing to continue to evolve our WHS regulatory practices in response to recent amendments to the WHS Act and the Work Health and Safety Regulations 2011. This includes the introduction of regulations on managing psychosocial risks at work, noting the increasing prevalence of psychological claims across both premium payers and licensees, and the need for both our claims and scheme services to respond to this. The Respect@Work report and Safe Work Australia's Australian Work Health and Safety Strategy 2023–2033 also influence how we improve our approach to regulating health and safety within the jurisdiction.

Modern and client focused business systems

Comcare's purpose to promote and support safe and healthy work is underpinned by agreeing in 2022 to three core principles: **client centric**, **simple and easy** and **quality service** for a seamless client experience. Enterprise adoption and further embedding of these principles and a Service Delivery Model and Channel Strategy will provide Comcare with the essential framework, vision, principles and preferred channels/capabilities at an enterprise level to streamline communicating effectively with clients. An enterprise delivery model will enable Comcare as a whole and demonstrate each Group works together to create a unified experience tailored to clients' needs.

Preliminary work has commenced to give practical application to these core principles with the initiation of a Service Transformation Enablement Program or a STEP change. STEP is seeking to embed human centred design practice to improve initially the claims management outcomes and performance and longer-term support transformation across the entire business lines of Comcare, including for licensees and those that are regulated by Comcare. The modernised platform and processes will focus on how we can make it easier for customers and organisations to interact with Comcare.

Stakeholders are very keen for Comcare to assist in anticipating and predicting trends for which they will need to prepare. Comcare recognises to do this, they need to advance intelligence and risk analysis to inform and prioritise prevention and regulatory activities, including a renewed focus on proactive regulation. The STEP data elements are a key enabler of this goal, integrating data from platforms to improve analysis and insights across the customer life cycle.

Comcare's recent analysis of drivers of premiums reinforces its credibility as a well-regarded partner. The work demonstrated high return on investment if organisations focus on early intervention, supported by Comcare and others in the sector. This will be of significant benefit to stakeholders aiming to improve outcomes for their people and their organisation.

The work underway to update the ICT Strategy and develop a new Digital Strategy 2023 – 2028 promotes an adaptive, secure, digital environment, enabling the agency to serve the needs of stakeholders in an efficient and effective way. A clear business and enterprise architecture will also enable a clear and compelling business case for these investments and should be widely adopted and embedded to guide Comcare to its target state and prioritise investments to deliver a robust enterprise strength capability model.



A capable, skilled, and thriving workforce

Comcare needs to position itself to adapt to more change. On 7 December 2023, Minister Tony Burke announced that the Government will provide \$4.3 million over three years from 2023–24 to establish an independent panel to undertake a comprehensive review of the *Safety, Rehabilitation and Compensation Act 1988*, which underpins the Comcare workers' compensation scheme. The review will address all aspects of the scheme, including governance, usability and entitlements, and provide recommendations to modernise and futureproof the scheme.

This is an exciting time, as the outdated legislation has been a barrier to modernising services and arguably is not equipped to meet the challenges of the modern twenty first century workforce and its changing patterns of work.

The ability to deliver on the strategic priorities requires investment in its 633 people, to ensure the organisation continues to have a strong, capable, and engaged workforce to meet current and future needs. The 2023 APS Census⁵ saw 89 per cent of Comcare staff participate and provide feedback. The results confirm high levels of employee engagement, 3 percentage points higher than the APS average of 73. Comcare staff feel supported to work flexibly, feel that the work they do promotes health and wellbeing, and many highly committed to the Comcare purpose go the extra mile when required.⁶

Now and in the future, Comcare will need people who can leverage new technologies, including targeted modernisation of internal and external systems, as well as leveraging new and emerging technologies such as Gen AI. It will also be critical to finalise and implement the refreshed People Strategy which has been in development for some months and embeds a robust and strategic workforce planning capability across the enterprise. The expected focus areas include capability, agility, wellbeing, and stewardship. Real step changes in practice and process are required to ensure an agency wide view is hard wired into these arrangements.

The strategic workforce planning approach commenced in 2022 supports the identification of critical job roles and the functional, technical, and new and emerging capabilities that we must grow and enhance to be ready for what the future may present. The ongoing investment in this work will ensure alignment with capabilities and the business strategy and direction.

⁵ [APS Employee Census 2023 - Highlights Report Comcare](#)

⁶ [Comcare employee census 2023 - Action plan](#)



Key findings

Agency strengths

Comcare is a key agency within government with a key mandate to promote and enable safe and healthy work. It is viewed as an agency that has acquitted this role well over time and is held in good regard across the public sector and its broader environment.

It has made considerable improvements to its managing of the premium and has recalibrated effort to improve workplace health. Importantly a focus on early intervention and active strategies to manage worker rehabilitation has led to improvements and raised knowledge and awareness of workplace health across the jurisdiction.

Comcare has a highly engaged and committed workforce as evidenced in census results. There is considerable expertise which can be drawn upon to assist the organisation meet the challenges of the future.

Comcare is seen as a very collaborative partner, is proactive in looking for better ways to acquit its business. In recent years, Comcare's efforts to lead interventions in the psychosocial, mental health areas has been appreciated.

Comcare has a wealth of knowledge and data which it shares and is of great assistance to clients and stakeholders.

Stakeholders are very pleased with the scheme, comparing it favourably against other schemes.

Self-insurers are very appreciative of Comcare's approach to working with them and building capability and insight. They are seen as an exemplary player in this field.

Priority areas for capability improvement

While acknowledging the complex nature of Comcare's business and its reliable performance in delivery of its core business, there are several areas which are limiting its effectiveness to evolve to meet future challenges.

Importantly we see challenges for the leadership of Comcare, both in terms of operating style and behaviours, as well as possible functional realignment to enhance performance. The executive need to better balance operational imperatives and committed effort on strategy and whole of Comcare outcomes.

The instability of the leadership team has seen a more siloed approach to SES managing their functions, and not necessarily operating as a unified leadership team for the whole of organisation. This has resulted in several issues which need remediating and impact across all five domains in the review.

It is unclear or not apparent to the review that the current operation of the Executive decision making is able to progress whole of organisation initiatives.

Large scale implementation which requires whole of organisation effort will stymie and be at risk. This is notable in several workforce initiatives, where shadow efforts are duplicating core functions, but also business transformation projects.



The review considers that the Executive leadership structure needs to be assessed to ensure each role has capability and capacity to deliver against the agency's strategic priorities.

While noting work is underway to review strategic directions, it was evident to the review that improvements are needed to sharpen the priorities and ensure alignment throughout the organisation. This will also reduce the pressure on staff who feel stretched to meet varied priorities and unsure of their relative merit.

Relatedly clarity of decision making and at what levels throughout the organisation is needed to ensure appropriate input and expertise is brought to the fore and ensure that decisions "stick" and are not necessarily reworked or relitigated.

Opportunities are being missed to engage greater input from staff by the level of delegations and decision-making being vested so high in the organisation.

Conversely collaboration opportunities are not seen as impactful where staff cannot see their contributions being harnessed or making a difference.

The agency needs to accelerate work on the People Strategy and Strategic Workforce Planning to ensure it has the capability and capacity to deliver its services effectively and efficiently.

The agency should ensure centralised functions are not duplicated across the business, for example recruitment and training.

The introduction of Human Centred Design has not had traction and needs to be in place to ensure STEP and other initiatives are incorporating customer experience and co-design in to service design.

Comcare could also build on or leverage its good standing with stakeholders by building better influence and positioning for the future.



Recommendations

Leadership and Culture - Leadership and Governance

1. Review executive structure to ensure it is appropriately structured, capable, and resourced effectively to achieve organisational outcomes.
2. Review of governance arrangements following review of executive structure to achieve greater clarity, limit the number of duplicative efforts and ensure decision making is at the correct level.

Collaboration – Internal Collaboration

3. Assess systems in place across the agency to ensure staff and leaders have regular opportunity to connect outside their group and gain deeper understanding of the business.

Delivery - implementation

4. Consider increasing inhouse capability to support efficient and effective delivery, including Human Centred Design and Change Management capability.

Workforce – Strategic Workforce Planning

5. Accelerate work on the People Strategy and Strategic Workforce Planning, with particular attention to alleviate the pressure from recruitment and stabilising critical roles.





Enabling Functions – Financial Management

6. In addition to the work to uplift the financial planning capability, consider opening discussions with the portfolio Department on options for funding in regards reinvestment, outside cost recovery.



Detailed assessment of agency capability

This section provides an assessment of agency capability based on the Capability Review framework - **Appendix A**.

| Maturity rating | High-level maturity rating description |
|--|--|
| <p>Leading</p>  | <ul style="list-style-type: none"> • Excellent current capability. • Strategic and systematic approach to forecasting future capability challenges and opportunities. • Widespread environmental scanning identifies opportunities to learn from others. • Continuous improvement is an agency-wide priority. • Capability uplift activities are highly likely to equip the agency for challenges identified in the excellence horizon. |
| <p>Embedded</p>  | <ul style="list-style-type: none"> • Good current capability. • Widespread activity to forecast future capability challenges and opportunities. • Some environmental scanning identifies opportunities to learn from others. • Widespread evidence of continuous improvement activities. • Capability uplift activities are mostly likely to equip the agency for challenges identified in the excellence horizon. |
| <p>Developing</p>  | <ul style="list-style-type: none"> • Inconsistent current capability. • Limited forecasting of future capability or opportunity gaps. • Early-stage activities to improve in areas of future and current capability gaps. • Limited environmental scanning or evidence of learning from others. • Limited focus on continuous improvement. • Capability uplift activities are limited and will not fully equip the agency for challenges identified in the excellence horizon. |
| <p>Emerging</p>  | <ul style="list-style-type: none"> • Capability does not meet the agency's current needs. • Little or no evidence of forecasting future capability or opportunity gaps. • Little or no awareness of current capability gaps. • Little or no evidence of environmental scanning or learning from others. • Little or no evidence of continuous improvement. • Agency is unlikely to be ready to meet for challenges identified in the excellence horizon. |



The Senior Review Team and Review Team’s assessment of Comcare’s capability is outlined below.

Leadership and Culture

| Element | Maturity rating |
|--------------------------------|-----------------|
| Leadership and governance | Developing |
| Purpose, vision, and strategy | Developing |
| Integrity, values, and culture | Embedded |

Collaboration

| Element | Maturity rating |
|-----------------------------|-----------------|
| Public sector | Embedded |
| Non-government partnerships | Embedded |
| Internal collaboration | Developing |

Delivery

| Element | Maturity rating |
|--------------------------|-----------------|
| Ministers and Parliament | Embedded |
| User focus | Emerging |
| Strategy | Developing |
| Implementation | Developing |
| Review and evaluation | Developing |

Workforce

| Element | Maturity rating |
|-----------------------------------|-----------------|
| Strategic workforce planning | Developing |
| Staff performance and development | Embedded |
| Staff culture and inclusion | Embedded |
| Staff safety and wellbeing | Developing |

Enabling functions

| Element | Maturity rating |
|-------------------------|-----------------|
| Financial management | Developing |
| Technology and data | Developing |
| Core enabling functions | Developing |



Leadership and Culture

| Element | | Maturity rating |
|--------------------------------|---|-----------------|
| Leadership and governance | The capability of the agency to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective. | Developing |
| Purpose, vision, and strategy | The capability to articulate a purpose, vision and strategy based on government priorities and legislative responsibilities, and successfully communicate this to staff and stakeholders. | Developing |
| Integrity, values, and culture | The capability to embed integrity and APS values in the work of the agency. The agency engages with risk appropriately and embodies integrity in everything it does. | Embedded |



Leadership and governance

The capability of the agency to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective.

Greg Vines and his leaders are seizing the opportunity to reset and refresh strategic directions following his appointment as Comcare’s CEO in April 2023. Leaders are supporting this refresh by progressing initiatives on many fronts to achieve on desired outcomes. This review will inform and help Comcare accelerate its program towards its future focus.

Cohesive leadership and direction

The CEO and six supporting SES Band 1s are recognised internally and externally as very capable executives. A number have been in the role for considerable time, providing stability for the organisation, deep corporate knowledge, and continuity of relationships with external stakeholders.

Internally, leaders are respected for their leadership and commitment to excellence in their respective operations. Feedback and census results show both immediate leadership and senior leaders are well regarded across the agency.

External stakeholders regard the Senior Executives highly. The review heard there are open and trusted relationships with the jurisdiction, and the agency is viewed as very responsive to feedback. Leaders are recognised for taking an active role in building the sector’s capability to operate in the changing environment. Succession planning to replenish the supply of leaders is discussed in the Workforce section of this report.



During interviews, stakeholders acknowledged the challenge for leaders to provide cohesive direction encompassing the diverse roles the agency plays. The lack of cohesion, often referred to as operating in ‘silos’, is a recurring theme across all domains. This may have been exacerbated over the 15 months the agency was awaiting a permanent CEO to lead joined up strategic direction, resulting in groups focusing on operations while in a period of uncertainty.

The Executive Strategy session on 7-8 December clarified the agency’s direction over the next 4-5 years. The leadership team will need to develop and demonstrate trust with each other and present a united front and staff and stakeholders to deliver on these objectives. Excellence cannot be achieved without this underpinning capability.

Organisational structures

Senior Reviewers heard the current organisational structure has served the agency well over several years.

Over time, executives have taken on the additional responsibilities of responding to emerging stakeholder needs. The resulting high workload impedes the ability to be high performing.

Need to create space for people dealing with complex and important issues, and space to do more on strategic issues. Staff member

Like his executive team, the CEO’s ability to focus on his key responsibility to influence and position the agency is impacted by the administrative responsibility for day-to-day management of six direct Executive reports and being drawn into operational matters.

This review contends that consideration should be given to establishing a SES Band 2 position responsible for Corporate Management and Strategy functions to support the CEO. The role could provide focus on the operational running of the organisation and management of the General Managers. The APS has examples of similar arrangements for organisations of comparable size. Other options could also be explored through an independent review of the executive structure.

- 1. Recommendation: Review executive structure to ensure it is appropriately structured, capable, and resourced effectively to achieve organisational outcomes.**

Governance arrangements

The desktop review found evidence of appropriate governance arrangements to effectively manage the organisation. Further exploration suggests while structurally the arrangements make sense, the performance of the governance arrangements is not optimal. There were reports of issues moving in and out of committee or working group, and inefficient decision-making.

Implementation on several initiatives started but not clear of their relative value. Pick a few, most important/high value and do those well before moving onto the others. Internal



Stakeholders suggested this occurs because accountability for delivery on business lines seems clear, but there does not seem to be the same clarity or discipline when agency decisions are required. Consultation revealed a level of confusion about the criticality and relative priority of the range of initiatives. The recent EP MO uplift partially addressed this by clarifying the governance arrangements between EC and the Project Management Board, including prioritisation of initiatives. The concurrent Executive Strategy work provides further clarity by developing far more focused agency strategy to anchor initiatives to.

Leaders relayed how the current governance arrangements are impacting their already limited capacity. They advised many initiatives involved collaboration through working groups. Often the same people would represent their business area at various meetings but the forums lacked clarity on decision making and accountabilities. The review was advised that in the past, decision making occurred at lower levels with only high risk or notifiable decisions being escalated to the Executive Committee.

Staff and leaders are looking for a more unified approach from leadership in leading agency-wide initiatives to give greater clarity and guidance on decision making and role of working groups and committees.

- 2. Recommendation: Review of governance arrangements following review of executive structure to achieve greater clarity, limit the number of duplicative efforts and ensure decision making is at the correct level.**



Purpose, vision, and strategy

The capability to articulate a purpose, vision and strategy based on government priorities and legislative responsibilities, and successfully communicate this to staff and stakeholders.

The Senior Reviewers were impressed with the consistently high praise for Comcare's ability to read the environment and to collaborate with the deepen knowledge of new and emerging trends. This engagement is embedded in the agency's ways of working, occurring through existing relationships. It is particularly noted how they showed what they were capable of in the way they stepped up and delivered on its purpose during the pandemic.

"Comcare is a competent organisation but on a maturity journey." Stakeholder

Stakeholders see great potential for Comcare to build on this solid foundation but were unclear of their future focus. They envisaged a joined-up vision of moving beyond operations and regulation, using their data and research capabilities to lead best practice and influence the sector and government. The Senior Reviewers note Comcare is already developing a more focused strategy based on changing government priorities and legislative responsibilities, including the recently announced changes to the SRC Act. This is an opportunity for Comcare to demonstrate its influence in the sector.

Stakeholders and staff

External stakeholders demonstrated a clear understanding of the role Comcare plays in a complex ecosystem. They recognised the challenge of a joined-up vision, noting a sense of separate and sometimes competing visions of the agency's future. Stakeholders from smaller agencies sometimes felt they received lower priority and were engaged through process, rather than being treated as valued partners.

Think they plan well – but a level where they meet obligations, not in a way that drives performance or enable the focus on areas where performance isn't strong. Needs to be more human centric and outcomes focused.

Comcare is regarded as good at identifying problems, less recognised for actively influencing legislation and policy. During interviews, stakeholders expressed they are generally happy with production of useful data and information to support their operations. They felt Comcare could be more ambitious in using their data and research capabilities to predict emerging impacts and systemise their engagement to support the sector.

For Comcare to evolve its service offer to include more preventative and proactive activity, it will be critical to partner and build influential relationships with centre of government. Senior Reviewers note the current refresh of the agency's ICT Strategy and development of a Digital Strategy is a key enabler for this transformation, providing a clear vision of what it wants to achieve digitally over the next 4-5 years. It will also require changes to the funding model to appropriately resource new offerings, discussed in more detail in the Financial Management section later in this report.



Staff were clear on Comcare's purpose, particularly in relation to their own roles and responsibilities. There was a more limited understanding of what occurs in other parts of the business. This results in some duplication and insufficient comprehension or acknowledgement of the respective roles of other parts of the organisation. There was a perception enabling initiatives are seen as a non-essential or overheads.

The reviewers heard the plethora of initiatives and projects to deliver on the current strategy is overwhelming, masking the clarity needed to acquit important objectives. A staff member queried whether strategy was driving initiatives or whether the activity is driving strategy. As highlighted in previous sections, there is work underway to develop more attention to address this pain point. This clarity will be important to strengthen joined up leadership and enable the strong program management and measurement of milestones and performance needed to evolve the organisation.

Integrity, values, and culture



The capability to embed integrity and APS values in the work of the agency. The agency engages with risk appropriately and embodies integrity in everything it does.

Monitoring issues

Integrity is a high priority for the APS. There is increased scrutiny on all APS to ensure high standards of professionalism and integrity, and demonstrate they are doing the right thing. As discussed in earlier sections, Comcare is regarded as a non-controversial agency, reflecting an embedded pro-integrity culture.

Comcare is active in its integrity efforts, with a dedicated lead supporting the agency to stay in step with the APS Reform activities. There are systems in place to monitor measure and address issues as needed through documented procedures and clear lines of accountability. These framework and policies are current, accessible, and reinforced through interactions with staff and stakeholders.

Leader and staff behaviours

Stakeholders praised Comcare for their professionalism, in particular their work with the sector and stakeholders to understand and respond to emerging workforce risks following legislative change. The review notes there are multiple examples where Comcare was quick to engage with the sector and share insights, develop practical resources, and deepen understanding of workforce risks in consultation with stakeholders.

In focus groups, there was positive recognition for the way leaders and staff conducted themselves in the agency. Discussion revealed good interpersonal relationships between staff, and with their immediate supervisor. This was supported by the census results.

Issues of trust amongst executives and across the organisation were raised during the consultation. It was suggested that the inability to be more interdependent had caused a somewhat conservative disposition to emerge and that it may stifle innovation. Executives are more comfortable in managing within their own domain and did not take opportunities to advance new agency wide initiatives. Examples cited were in relation to elevated levels of decision making discussed in the Governance Arrangements section of this report. As work to



address this evolves, the agency can consider how it encourages staff to experiment in a way that balances risk and opportunity.



Collaboration

| Element | | Maturity rating |
|-----------------------------|---|-----------------|
| Public sector | The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities. | Embedded |
| Non-government partnerships | The capability to establish enduring and collaborative relationships with non-government entities to support agency and government priorities. | Embedded |
| Internal collaboration | The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities. | Developing |



Public Sector

The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities.

Comcare has a multi-faceted relationship with the public sector. In its role as work health and safety regulator, scheme manager, claims manager and insurer it reaches into all agencies across the APS. Feedback from the sector indicates Comcare has a range of well-established mechanisms in place which serve the sector well. Many respondents spoke highly of the key role senior executive have in driving collaboration, noting their competence, intellect, and responsiveness to support outcomes. The Senior Reviewers noted relationships are enduring through leadership changes, indicating they are built into the way the agency conducts its business.

The sector is looking to Comcare for operational guidance and strategic insights on new and emerging workforce trends, particularly for smaller agencies who lack capacity and capability to resource a team dedicated to the function.

Supporting the public sector

Comcare is known as an active contributor and collaborator. This was a widely held view. Stakeholders note positively the steps Comcare had taken over recent years to engage with them. They are seen as effective “problem solvers” and highly active partners, very much appreciated by a wide range of stakeholders. Their role in committees and conducting regular industry forums supports others to deepen knowledge and fosters relationships across the sector. These opportunities were connected to operational objectives, such as the Claims Manager and Rehabilitation Case Manager Forums, or priority items, such as supporting APSC with key mental health initiatives.

There was a view expressed during the consultation that Comcare’s potential is currently under realised. Given the positive view in which Comcare is held, they should leverage this goodwill to work with others in a more proactive, predictive way to position the sector for success. Stakeholders suggested greater use of predictive analytics, early sharing of insights and information, and a Community of Practice for the sector.



Track record

Comcare have a good relationship with Department of Workplace Relations (DEWR) and other agencies in the portfolio. They are regarded as capable and reliable. The Senior Reviewers noted a perception their good performance and reputation meant they did not attract attention from the Minister or DEWR. While this is positive, it also limits their ability to meet and influence. The Minister recently noted Comcare as a contributor to review the SRC Act, providing an excellent opportunity to exert greater influence and bring their strong knowledge and expertise to the fore.

Non-government partnerships



The capability to establish enduring and collaborative relationships with non-government entities to support agency and government priorities.

Comcare has a wide range of interactions with non-government entities through their work as a regulator, insurer, and scheme manager. Stakeholders reported both operational interactions and proactive engagement on strategic issues occurred frequently. Organisations with large workforces and/or high volumes of interactions reported high levels of satisfaction, indicating Comcare is targeting organisations where they can have most impact. Smaller organisations noted while they were happy with services, they could benefit from additional support as they were too small to dedicate resources to respond to strategic issues.

Comcare's expertise is widely valued, with stakeholders reporting knowledgeable staff, strong process, and a strong connection to purpose particularly in more experienced staff. The turnover of staff has impacted the consistency of service they receive in some areas. This issue is discussed in the Workforce section of the report.

Organisations who had experience with other schemes provided a favourable comparison for Comcare. Self-insurers were particularly complimentary and appreciative of the collaborative style, noting Comcare's role in growing a community of practice to build capability.

Comcare is also a partner to organisations, academia and peak bodies supporting the sector to operate more effectively and efficiently. Stakeholders called out the role of senior leaders in participating in industry committees and events to highlight the value of these relationships. There is a strong appetite for Comcare to continue to evolve in these partnerships.



Internal collaboration

The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities.

Through the staff consultation, there were numerous examples cited of staff contributing to a variety of initiatives through working groups. They enjoyed learning about other areas of the business, contributing their own unique skills and experience to achieve outcomes for the. Outside of these workshops, they were able to find information on a broad range of initiatives through internal communications including the CEO News and group updates.

Whole of agency view

Groups do tend to be supportive of each other but as stated earlier there is still siloing – not in the way of turf protection, rather reflects workloads and priorities. Focus sessions.

The whole agency-view is a recurring theme through this report and is being actively addressed by the agency. Staff reported impacts in everyday operations, a feeling of operating in “siloes” or not fully appreciating what their colleagues in other teams or locations did. They reinforced this with examples of duplication or “reinvention of the wheel”, such as engaging the same stakeholders for different purposes. Senior reviewed noted several staff attending workshops had not met many others from outside their own work group, indicating there are limited systems in place to support engagement across the groups.

Staff reported this disconnect flowing through to their collaboration on initiatives. There was tension when decision-making powers were not clear, as discussed in the governance arrangements section. They became disengaged when decisions were not timely, or if finalised work was returned with changes to scope to action.

- 3. Assess systems in place across the agency to ensure staff and leaders have regular opportunity to connect outside their group and gain deeper understanding of the business.**

Innovation

Staff reported high enthusiasm for innovation. Many of the staff in workshops entered the agency within the last 5 years and felt their relevant industry experience could be used to benefit the organisation. However, they found it challenging to surface their ideas. The reviewers noted individuals and their leaders often drove innovation. The agency is currently seeking an Innovation Champion, which may help to put in place systems to encourage further innovation at all levels.



Delivery

| Element | | Maturity rating |
|--------------------------|--|-----------------|
| Ministers and Parliament | The capability to meet the needs of ministers and the Parliament | Embedded |
| User focus | The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them. | Emerging |
| Strategy | The capability to understand the system/s the agency operates in, the government’s agenda, and to develop high quality advice to deliver outcomes for Australians. | Developing |
| Implementation | The capability to deliver efficient and effective services, programs, and other initiatives. | Developing |
| Review and evaluation | The capability to use review and evaluation activities to maintain performance and drive improvement. | Developing |

Ministers and Parliament



The capability to meet the needs of ministers and the Parliament.

Senior Reviewers heard the Minister and Parliament are satisfied with the performance of the agency. They are well prepared for parliamentary processes, although their items are not considered highest priority in this environment. It is seen as competent in its business and non-controversial.

Should have greater ambition with change and getting Government on board. Internal.

Comcare is seen as a valuable contributor but not as a leader in the key policy areas within which they work. As such there is an opportunity for Comcare to raise its profile and become more influential with Government and key stakeholders. They increased influence would benefit them in lobbying for legislative and policy change, including the recently announced review of the SRC Act and issues of funding.



User focus



The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them.

Comcare conducts a range of collaboration activities to engage with stakeholders to understand their needs. These activities are embedded in the way Comcare operates, with a dedicated function for strategic partnership and engagement as well building relationship through regular operational and strategic interactions.

Engages to understand needs

Stakeholders spoke of ways Comcare is meeting their expectations, reflecting the long history the agency has delivering these services and their heightened focus in recent years on improving engagement.

Moving forward, stakeholders are looking for Comcare to deepen their understanding at a cohort level. They want Comcare to understand their business at a level that supports early identification of risk, enabling them to address them at the earliest stages.

Senior Reviewers noted this aligns with Comcare's priority areas of focus and will be enabled by work that is planned or already initiated.

Design and update services

Stakeholders noted the responsiveness of the organisation to update processes and improve their experience with the agency. They suggested the current environment provided the catalyst to review service design more holistically. Senior Reviewers noted STEP is seeking to deliver improved service design by upskilling in Human Centred Design. Once embedded this will be expanded into other parts of the business.

Senior Reviewers agreed that introducing Human Centred Design this mindset would be important to delivering on the agency's future focus and will need to build the internal capability to support this approach.



Strategy



The capability to understand the system/s the agency operates in, the government's agenda, and to develop high quality advice to deliver outcomes for Australians.

Stakeholders reported the agency's long history of delivering services provided them a deep understanding of the operating environment.

Senior reviewers noted this deep understanding to deliver services today does not always translate into an agency-wide vision for the future. The myriad of competing priorities impacts the agency's ability to be more precise and directive of the mission critical initiatives it needs to deliver and foster for the future. The agency is aware of this issue and are addressing as they re-cast agency priorities.

Understanding the operating environment

Stakeholders had high regard for the way Comcare deliver their legislative responsibilities well and are active participants in a complex eco-system. They appreciated the way the agency partners with others to share expertise though data and research. They cited they role Comcare supporting the APSC with the government's high priority work on mental health as an excellent example of this.

Senior Reviewers noted that given the high regard in which Comcare is held, there may be a case for the agency to take more of a leading role in emerging issues such as work from home, and impacts related to the future of work. This reinforces the earlier points about the agency's profile and ability to exert influence in their relationships.

Developing high quality advice

Comcare is recognised as early adopters in the growing mental health and early intervention priorities across the Work Health and Safety eco-system. Stakeholders appreciate the way Comcare provides strategic and practical advice, products, and education to support capability uplift in these priority areas.

Feedback indicates Comcare uses its data well to form insights on trends. Senior Reviewers noted a more retrospective analysis is deployed rather than a predictive or informed view of possible issues. The data component of the STEP aims to improve data insights and improve the quality of advice Comcare provides.

The agency anticipated the stakeholders desire for more predictive insights, enabling them to take early intervention on emerging issues. Work is being undertaken to explore how this can be sustained within the cost recovery funding model. Senior Reviewers noted stakeholders agree to the additional costs, provided they could see the return on their investment through additional services and realising intended benefits.



Implementation



The capability to deliver efficient and effective services, programs, and other initiatives.

Stakeholders agree Comcare is good at delivering efficient and effective services for its current business.

There was some feedback that services were sometimes prolonged, especially in complex cases. Senior Reviewers noted ANAO audit of Comcare's Administration of the Workers Compensation Scheme found it is effective. It also found 'Comcare has external efficiency and effectiveness measures and has been meeting its targets, however the target for the efficiency measure is not based on benchmarking'.⁷ Comcare has accepted their recommendation to improve corporate performance measures relating to claims management.

Effective and efficient implementation

Comcare recognises the environment is right to modernise services and is seeking to implement a range of transformational initiatives which are overseen by the Enterprise Portfolio Management Office (EPMO).

The recent EPMO capability uplift strengthened the rigour and discipline around delivery, and enhanced reporting. This is supporting improved decision making at the Portfolio Management Board.

The points raised in the Leadership and Culture section of this report also impact in this domain, contributing to deferred decision making, and changes to scope and time frames for delivery. Addressing them will further strengthen this capability.

Senior Reviewers also heard there is limited capacity to effectively execute initiatives in addition to core business. Consideration should be given to how resources are assigned, especially for critical programs such as STEP.

Methodologies

Comcare have attracted staff and leaders across a range of disciplines to deliver efficiently and effectively. Senior Reviewers note individuals have expertise in modern methodologies including elements of Human Centred Design and Agile methodologies, but these have not been embedded in the agency. Staff observed this in the way initiatives would implement in different ways as opposed to following a standardised framework.

Senior Reviewers noted there have been several consultants engaged to support the high priority initiatives. As the agency priorities are embedded and the level of activity settle, Comcare will have the opportunity to consider and develop the capability to support this work internally. It will be important to see this reflected in strategic workforce planning.

- 4. Consider increasing inhouse capability to support efficient and effective delivery, including Human Centred Design and Change Management capability.**

⁷ [Comcare's Administration of its Workers' Compensation Scheme Claims | Australian National Audit Office \(ANAO\)](#)



Review and evaluation



The capability to use review and evaluation activities to maintain performance and drive improvement.

Activities driving performance and improvement

Comcare have several formal mechanisms in place to routinely review and evaluate performance, such as an annual employer survey and reviewing the premiums each year. The insights shared with the Senior Reviewers indicated these established practices drove continuous improvement, with adjustments being communicated with stakeholders.

Senior Reviewers noted the agency has strong risk management approaches in place. The Audit Committee was complimentary of the attention paid to Audit findings and the development of the 3-year rolling program. They did note that once findings were accepted, Comcare was diligent in acquitting their response, but could be more flexible and responsive as changes in the environment impact on issues. Being more agile gives Comcare the opportunity to use the Audit process as a driver of change not just a compliance and due diligence process.

In focus groups, it was raised that it is challenging to evaluate delivery of internal initiatives due to the previously mentioned issues with changes to the prioritisation, scope and change. It was recognised the recent EPMO change were starting to improve the situation.

The opportunity for Comcare is to bring together the broad range of initiatives into a single stream a work that is overseen and actively managed, by the EPMO or another governance construct. This would enable focus on key priorities that drive performance and improvement and de-commissioning of those which add the least value.



Workforce

| Element | | Maturity rating |
|-----------------------------------|--|-----------------|
| Strategic workforce planning | The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs. | Developing |
| Staff performance and development | The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams. | Embedded |
| Staff culture and inclusion | The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued. | Embedded |
| Staff safety and wellbeing | The capability to maintain a physically and psychologically safe working environment for staff. | Developing |

Strategic workforce planning



The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs.

Comcare recently expanded its strategic workforce planning practices, developing a new People Strategy and Strategic Workforce Plan. The practices are in early stages and not yet adopted across the business.

Alignment with agency’s vision, purpose and strategy

The People Strategy and Strategic Workforce Plan were developed prior to the recent reset on agency priorities. There work is well regarded, although several people highlighted the work should have been sequenced after the priorities were known. There is opportunity to refresh in the new year to ensure the workforce planning enables the agency priorities.

Workforce expertise

Comcare need a workforce with diverse skills to deliver their various functions. They have well established processes in place to understand the expertise required at an individual and whole-of-organisation levels. Their job profiles are tailored to recruit appropriately skilled and professional applicants where they agency needs specific capabilities. There were a few comments that listing professional qualifications as desirable skills was limiting the supply pool for some roles. Reviewing this requirement might assist the agency to meet their workforce needs.



The agency's priority is to address the current skill needs, and they have successfully reduced attrition over the past few months. Senior Reviewers noted the agency is yet to mature its capability to strategically use workforce strategies to attract and retain future capabilities.

An issue raised in all staff consultations was that recruitment was slow and costly and that retention rates were poor in certain areas. The issue of recruitment is complex given the different functions Comcare perform. Certain groups have high turnover and are in a loop of recruitment and training as staff often exit within the first year.

The agency acknowledges the issue and work has been done in the enabling functions to resolve, to date progress has been limited. Some branches have implemented their own processes to meet their specific needs.

It would be beneficial if recruitment was centralised and funded appropriately, supported by clear service standards. The whole workforce process needs to be developed and implemented in a whole of organisation context. This includes:

- Recruitment – including appropriate testing for fit and resilience.
- Induction – setting expectations, demonstrating support for staff, and mentoring during the initial period (particularly in claims roles).
- Training – to ensure staff are job ready for their current roles and are prepared for future roles, particularly as staff move into supervisory positions.
- Staff rotation – enabling movement out of difficult and stressful position to avoid vicarious trauma and ensure staff wellbeing.

5. Accelerate work on the People Strategy and Strategic Workforce Planning, with particular attention to alleviate the pressure from recruitment and stabilising critical roles.

Talent pipelines

Comcare experience high competition for staff, particularly where other entities offer higher incentives and more flexible conditions for experienced staff in the claims management, regulator, and inspectorate roles. It is imperative they understand the supply pools available for the various roles, and actively develop people into critical roles.

Consultation revealed there is limited management of the talent pipeline for staff or leaders. Staff reported the supply pool such as claims management could be exhausted if the high turnover and competition for resources continue. They were unsure how they would source people with the correct skillset in the current operating environment.

The agency does not have any standardised learning to support progression in to critical and hard to fill roles, or a plan to retain staff in challenging roles by offering lateral moves or incremental training into other areas of the business. Some staff reported finding it hard to win a promotion internally. They felt the flat structure provided limited opportunities for progression. They also felt they did not receive enough development to be competitive in recruitment to the next level. There was a perception from staff it was easier to be promoted outside the agency and then re-enter the agency at the higher level.



The agency acknowledges the need to mature their talent pipeline strategies and have prioritised the actions required.

Staff performance and development



The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams.

The staff at Comcare are an asset to the organisation. They are highly engaged and motivated to support the work of Comcare in assisting clients and stakeholders.

Development activities

In focus sessions, it was observed that staff felt they needed to be responsible for driving their own development in partnership with their leader. Their experiences varied dependent on the skills of their leader to actively support their aspirations.

They were seeking clarity on the career pathways available in the agency, and incremental learning needed to prepare for these roles. Senior Reviewers could not identify technical learning programs for each role.

Similarly, people progressing into leadership skills needed to rapidly develop their skills once they were promoted. There was no mechanism for identifying talent or standardised training program to develop skills required at each classification. Skill mastery took longer because the individual had to self-identify learning needs and resources.

As with recruitment, there are multiple learning and development areas. They are divided into corporate and technical training, although there is some duplication of functions. The agency should assess whether this arrangement is delivering optimal outcomes.



Staff culture and inclusion

The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued.

Diversity

Comcare demonstrate high awareness of diversity and inclusion practices, as expected for an agency who are experts in the drivers of psychosocial claims. The agency has a dedicated Diversity and Inclusion Group, who actively fosters a positive culture of inclusion through activities such as celebrating days of significance and raising awareness of lived experience.

'It's a great work culture, supportive and inclusive.' Staff member

In the focus groups there was an appreciation for diversity of thought based on skills and experience and for different cultures and beliefs. Census results supported this observation, with consistently good performance over several years. Senior Reviewers noted how many of the staff had joined the agency within the last 5 years, and their fresh thinking was welcomed.

Engagement

Comcare's census results for 2023 had an engagement index of 76, 3 percentile points higher than the APS average. Highlights noted the staff are engaged and have a strong positive sentiment about the agency's purpose. This was also evident in focus sessions, where people showed genuine enthusiasm to improve the customer experience through their diverse ideas and thinking.

There was some feedback that the previously mentioned siloes drove sub-cultures across the agency, where staff felt highly connected to their group but less so to others in the agency. The limited connection was seen as a barrier to fully understanding agency operations in a way that drove innovation and experimentation. This theme was also discussed earlier in the report, under the Delivery section.



Staff safety and wellbeing

The capability to maintain a physically and psychologically safe working environment for staff.

Knowledge of work health and safety

Comcare's knowledge of work health and safety is high due to their role in delivering legislation. There are established systems in place to understand workplace health and safety risks and embed appropriate controls. Initiatives such as the Healthy Mind Hub are promoted through internal communications and senior executive teams. In this respect, they are a model employer for the standards they expect to foster a physically and psychologically safe working environment.

Prevention and response

Consultation highlighted Comcare is aware of their areas of high-risk areas. Senior Reviewers noted Comcare have good practices in place to partner with and support staff.

A recurring example in the focus sessions was the impact of difficult interactions for those in direct contact with customers and organisations. There is high attrition in these roles. Several staff in workshops expressed a perception Comcare were not "walking the talk" in relation to high stress roles and workload as a contributing factor to staff leaving. They felt staff and leaders accepted this was the nature of the job and did not always access the support available in the agency.

Senior Reviewers consider there is an opportunity to explore if more can be done to understand why people are leaving and take remedial action. Some of the remedies required in this area may require ensuring staff do not remain in these roles for extended periods.



Enabling functions

| Element | | Maturity rating |
|-------------------------|---|-----------------|
| Financial management | The capability to deliver financial plans that support the agency’s strategic objectives, and to ensure the use of public funds is transparent, accountable, and fit for purpose. | Developing |
| Technology and data | The capability to make efficient, effective, and forward-looking use of technology and strategic data assets to support the work of the agency. | Developing |
| Core enabling functions | The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work. | Developing |



Financial management

The capability to deliver financial plans that support the agency’s strategic objectives, and to ensure the use of public funds is transparent, accountable, and fit for purpose.

Investment strategy

The Senior Review team noted the complexity of functions performed and the cost recovery model. While the model is well understood by some internal teams, there were differing views on its effectiveness, with no clear methodology to gather sufficient funds through the cost recovery mechanism to fund internal re-investment.

The agency has already acknowledged the challenges of operating in a cost recovery model, including investment of funds which advance the agency’s effectiveness but are not driven by the agency’s strategy. There is work underway to improve understanding of the funding model, and uplift financial planning in line with business planning cycles.

Stakeholders expressed a view they would accept an increase in charges from the agency if it demonstrated value for money. They cited examples such as more predictive analysis of emerging risk and working collaboratively through a community of practice on emerging issues/best practice.

- 6. Recommendation: in addition to the work to uplift the financial planning capability, consider opening discussions with the portfolio Department on options for funding in regards reinvestment, outside cost recovery.**



Monitoring and adjusting

Senior Reviewers note the agency has good practices around tracking and reporting spending during the year, however it is challenging to track this against a budget when costs are recovered through premiums and fees. In the past the agency has been challenged to have a single view of expenditure when there were different mechanisms in place to approve spending. It is critical there is a single source of truth for the agency's financial position. The agency priorities will help to guide the investment in line with the business planning cycles.

Technology and data



The capability to make efficient, effective, and forward-looking use of technology and strategic data assets to support the work of the agency.

Technology for now

Throughout the consultation the review heard very favourable commentary about the way staff felt supported with access to technology and support. They were particularly complementary about the efforts during the pandemic to assist with the availability of ICT products and systems to support them in different working environments. Staff felt the current platforms enabled them to be productive in office or with flexible working arrangements.

The agency has in-house resources to develop and maintain their technology. There were no issues reported with resourcing these roles. A recent example of their established incident management capability was the way Wi-Fi stability issue was thoroughly investigated to identify the root cause and addressed with the relevant vendor.

Technology for the future

Senior Reviewers noted the agency is seeking to modernise several platforms. They commend the agency for taking the opportunity to extend the New Claim Management Process to the agency wide STEP, including a data component to improve data insights. This is timely as it coincides with the refresh of the ICT Strategy.

The agency is also proactively seeking to improve its technologies. Their Digital Strategy is under development to consider how emerging technologies such as GenAI may be support future business needs. Again, this is timely as it follows the re-casting of the agency priorities.

Related to points made earlier about implementation, Comcare will need to strengthen its governance and decision making so that the strategies are adequately supported and monitored so execution does not drift and Executive is apprised of remediation as and when necessary.

Agency data

Departments and agencies acknowledged Comcare was relatively easy to deal with in terms of its technological interfaces and were able to conduct their business with ease through the established channels. Those who were aware of the STEP change were excited by the possibility of digitising and automating routine tasks to improve



efficiency. They were also excited about the capability for improved data insights to be delivered through the change.

Comcare have good practices in place to monitor the security of agency data and systems. An example of this is the planned exercise to test these capabilities was to take place in December but was deferred to enable key staff to participate.

Core enabling functions



The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work.

Centralised and distributed functions

Senior Reviewers noted the agency has made a deliberate decision to centralise several functions, including Corporate, Legal, Strategic Partnerships and Engagement. The intent of clear lines of accountability has been achieved in some areas e.g., Legal, but the emergence of shadow functions or multiple areas committing resources outside the CFO domain highlights there is still work to be done on clear accountability lines and appropriate governance processes to support decision making on corporate and business priorities.

Core functions

As mentioned earlier in this report, the variable levels of connection across groups results in a lack of understanding for services provided across the agency. This is particularly evident in the recognition of the of the criticality of the enabling functions. There was evidence through the consultation that several reforms are underway in the Enabling areas, though insufficient traction was being gained to progress.

At the same time, it was evident that some enabling functions are being replicated within groups, which is inefficient and impeding agency-wide improvements. The frustration with recruitment was evident in all workshops and needs to be addressed so that there is clarity of role and effort to be deployed in the Enabling area as well as the relevant business line. To a lesser extent, the separation of technical and corporate training creates some duplication of effort and needs to be examined to optimise return on investment.

This work could be sequenced once there is a greater understanding of the funding model and how the enabling functions and transformation are to be funded.



The agency's response

I welcome the report on Comcare's Internal Capability.

I chose to initiate this independent Internal Capability Review to understand how we are performing and are positioned to meet our aspirations. The findings align well with our new strategic priorities and will help shape our future work plan.

I would like to thank all those who contributed to the focus sessions and provided other information and experience to the review. The review heard your energy and enthusiasm to support our customers, our stakeholders and each other. Comcare's diverse and vibrant workforce is our greatest asset as we change and evolve.

I am proud of the strong collaborative relationships our stakeholders spoke of. They share a desire to see us continue to grow our reach and influence, and their continued support is important to help us get there.

The review findings have reinforced the importance of harnessing new technologies and using data to inform our initiatives and actions. Accelerating the implementation of our strategic workforce planning will ensure we have the capability and capacity to follow through with these actions.

I want to thank Carmel McGregor and David Wilden for leading this review. Their extensive expertise in organisational change and governance in the public sector provides useful insights as we design our future work plan. Carmel and David have been capably supported by Kate Groves and Natasha Jonoski and I would like to thank them for their efforts.

Greg Vines

Chief Executive Officer

Comcare



Abbreviations and acronyms

| Abbreviation or acronym | Description |
|-------------------------|--|
| APS | Australian Public Service |
| Census | APS Employee Census |
| EL | Executive Level |
| FAS | First Assistant Secretary (SES Band 2) |
| SES | Senior Executive Service |
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Appendix A: Capability Review framework

Leadership and culture

| Element | Description | Characteristics |
|---------------------------------------|---|---|
| Integrity, values, and culture | The capability to embed integrity and APS values in the work of the agency. The agency engages with risk appropriately and embodies integrity in everything it does. | <ul style="list-style-type: none"> • Agency can monitor, measure and address integrity and cultural issues as needed • Agency ensures third party providers also embed integrity and APS values in their work for the agency • Leaders model the APS values • Staff are committed to the APS values • Staff balance risk and opportunity in a way that is consistent with the agency's risk appetite |
| Purpose, vision, and strategy | The capability to articulate a purpose, vision and strategy based on government priorities and legislative responsibilities, and successfully communicate this to staff and stakeholders. | <ul style="list-style-type: none"> • Agency has meaningful strategy that aligns with government priorities • Staff can link the purpose, vision and strategy to their work • Agency is future focused and anticipates changes to its operating environment • Purpose, vision, and strategy can adapt to external change |
| Leadership and governance | The capability to provide cohesive leadership and direction, and to establish organisational structures that are efficient and effective. | <ul style="list-style-type: none"> • Leadership team is of a high quality • Leadership team works together effectively • Agency has effective and efficient organisational structures, including optimal management structures for the agency's needs • Effective governance is in place (including cadence of meetings, membership, meeting discipline, and documentation) • Leaders are identified and developed at all levels to meet emerging agency needs |



Collaboration

| Element | Description | Characteristics |
|------------------------------------|---|--|
| Public sector | The capability to establish enduring and collaborative relationships with other public sector agencies that support agency and government priorities. | <ul style="list-style-type: none"> • Agency identifies and acts on opportunities to collaborate with local, state, Commonwealth and international bodies • Agency has mechanisms in place to ensure relationships are sustainable • Consultation with public sector agencies is systemic and built into standard processes • Agency’s collaboration reflects agency strategy • Agency’s collaboration supports the public sector to operate more effectively and efficiently • Agency has a track record of delivering outcomes in partnership with other public sector agencies • (for departments of state) Department has clear lines of communication and works collaboratively with portfolio agencies |
| Non-government partnerships | The capability to establish enduring and collaborative relationships with non-government entities to support agency and government priorities. | <ul style="list-style-type: none"> • Agency identifies and acts on opportunities to collaborate with business, not for profit organisations, academia and peak bodies • Agency has mechanisms in place to ensure relationships are sustainable • Agency assesses the value of collaboration on an ongoing basis • Agency’s collaboration reflects agency strategy • Agency’s collaboration supports entities within the sector to operate more effectively and efficiently • Agency chooses appropriate methods to establish and maintain relationships based on their purpose and audience, drawing on APS, Australian and/or international standards |
| Internal collaboration | The capability to engage and establish effective and collaborative internal partnerships, ensuring the agency can make best use of its collective capabilities. | <ul style="list-style-type: none"> • Agency presents a whole-of-agency view that reflects cooperation across different functions • Agency teams share their expertise to benefit the whole organisation • Consultation with internal partners is systemic and built into standard processes • Staff report it is easy to find help or the answers they need internally • Agency encourages innovation through systems that enable engagement at all levels |



Delivery

| Element | Description | Characteristics |
|---------------------------------|--|---|
| Ministers and Parliament | The capability to meet the needs of ministers and the Parliament. | <ul style="list-style-type: none"> Agency sustains effective working relationship with ministers and offices Agency demonstrates an understanding of the different roles of the APS, government and parliament Agency provides impartial, evidence-based advice and information that is responsive to the needs of government and the parliament and consistent with APS values Agency engages effectively and appropriately with parliamentary processes (Senate Estimates, Questions on Notice, inquiries, legislative processes, reporting etc.) |
| User focus | The capability to use an understanding of the people and organisations affected by the agency to deliver effective and fit-for-purpose outcomes for them. | <ul style="list-style-type: none"> Agency regularly engages with the people and organisations it serves in an open and authentic way Agency understand the needs of the people and organisations it serves, including at the cohort level Agency designs and updates services and policies to reflect feedback and research into user needs Agency anticipates and responds to changing needs of users Agency considers the views and needs of a diverse range of stakeholders Agency chooses appropriate engagement methods for their purpose and audience, drawing on APS, Australian and/or international engagement standards |
| Strategy | The capability to understand the system/s the agency operates in, the government's agenda, and to develop high quality advice to deliver outcomes for Australians. | <ul style="list-style-type: none"> Agency understands the system/s it participates in, including trends and likely changes, the levers for reform, and the government's vision System participants, roles and responsibilities are clearly articulated and understood by staff and stakeholders Agency's advice is timely, clear, well-reasoned, forward looking and provides relevant context Agency provides advice on different delivery options (e.g. technologies, engagement models, uses of data), including assessing risks (for departments of state) The portfolio has the strategic policy capability to consider complex, whole-of-government issues |
| Implementation | The capability to deliver efficient and effective services, programs, and other initiatives. | <ul style="list-style-type: none"> Agency implements government policy, programs and services effectively and efficiently Agency designs performance indicators to track progress for any services or programs |



| Element | Description | Characteristics |
|------------------------------|---|---|
| | | <ul style="list-style-type: none">• Agency routinely improves implementation methods• (where relevant) Agency can efficiently and effectively use third party providers to deliver outcomes for the Commonwealth |
| Review and evaluation | The capability to use review and evaluation activities to maintain performance and drive improvement. | <ul style="list-style-type: none">• Agency routinely reviews and evaluates policy advice and implementation• Review and evaluation findings inform policy advice and implementation• Review and evaluation practices are embedded in agency processes and are sustainable |



Workforce

| Element | Description | Characteristics |
|--|--|---|
| Strategic workforce planning | The capability to understand and act on current and future operating and workforce requirements, including critical job roles, succession management and recruitment/retention strategies to prepare for future needs. | <ul style="list-style-type: none"> • Workforce planning activities are consistent with agency's vision, purpose and strategy • Agency understands the expertise of its workforce at individual and whole-of-organisation levels and applies them effectively • Agency understands its future skill needs and strategically uses recruitment, retention, succession management, mobility, reskilling and other activities to meet those needs • Agency proactively manages the talent pipeline for the agency |
| Staff performance and development | The capability to develop staff in ways aligned to the future needs of the APS, and to improve the performance of individuals and teams. | <ul style="list-style-type: none"> • Agency identifies and supports high value staff development activities based on workforce planning activities and individual needs • Managers understand, value and enable staff development as a core responsibility • Agency measures the effectiveness of skills development • Agency effectively encourages high performance and remedies low performance • Managers encourage and enable staff development and learning relevant to their role and the future needs of the APS |
| Staff culture and inclusion | The capability to develop and maintain an inclusive working environment that gives staff a sense they belong and are valued. | <ul style="list-style-type: none"> • Agency recruits, retains and values a diverse workforce • Agency encourages diverse ideas, cultures and thinking • Agency staff are empowered to take risks and experiment • Staff engagement is high |
| Staff safety and wellbeing | The capability to maintain a physically and psychologically safe working environment for staff. | <ul style="list-style-type: none"> • Agency meets its work health and safety obligations • New policies and initiatives consider the health and wellbeing of staff in their design • Staff consider their workplace to be physically and psychologically safe • Agency takes proactive measures to improve safety • Responses to incidents are effective in reducing risk |



Enabling functions

| Element | Description | Characteristics |
|--------------------------------|---|--|
| Financial management | The capability to deliver financial plans that support the agency’s strategic objectives, and to ensure the use of public funds is transparent, accountable, and fit for purpose. | <ul style="list-style-type: none"> • Investment and resourcing decisions are aligned with agency priorities • Financial planning is effective and appropriate across all parts of the agency • Agency can provide a single source of truth on budget and spending • Agency understands its economic environment and likely financial trajectory • Resources can be adapted and shifted as priorities change • Agency can identify, investigate, report on, and address financial issues. |
| Technology and data | The capability to make efficient, effective and forward-looking use of technology and strategic data assets to support the work of the agency. | <ul style="list-style-type: none"> • Technology capability meets staff needs • Agency maintains and monitors the use of technologies • Agency has mechanisms to ensure a pipeline of contemporary digital and technology expertise • Agency makes strategic decisions about the comparative value of different technologies, including when to use whole-of-government or in-house solutions • Agency proactively improves the agency’s technologies and considers emerging technologies to meet future needs • Agency ensures the quality of information and data held by the agency and enables its use internally as well as share appropriately with external stakeholders. • Agency manages data ethically and confidentially • Agency ensures the security of agency data and systems. |
| Core enabling functions | The capability to effectively identify, design, resource and deliver whole-of-agency shared functions to internal customers that are most important to the agency and its work. | <ul style="list-style-type: none"> • Agency actively decides which staff-facing functions will be delivered centrally (for example finance, legal, research, procurement, ethics, technology, property etc.) • Agency manages the tension between central and distributed functions effectively • Core functions are adequately resourced and supported by leadership • Core functions meet staff needs. |