



**Department of Education,
Employment and Workplace
Relations (DEEWR) — Budget
Workshops**

**Response to Australian Business Award
for Innovation Selection Criteria**



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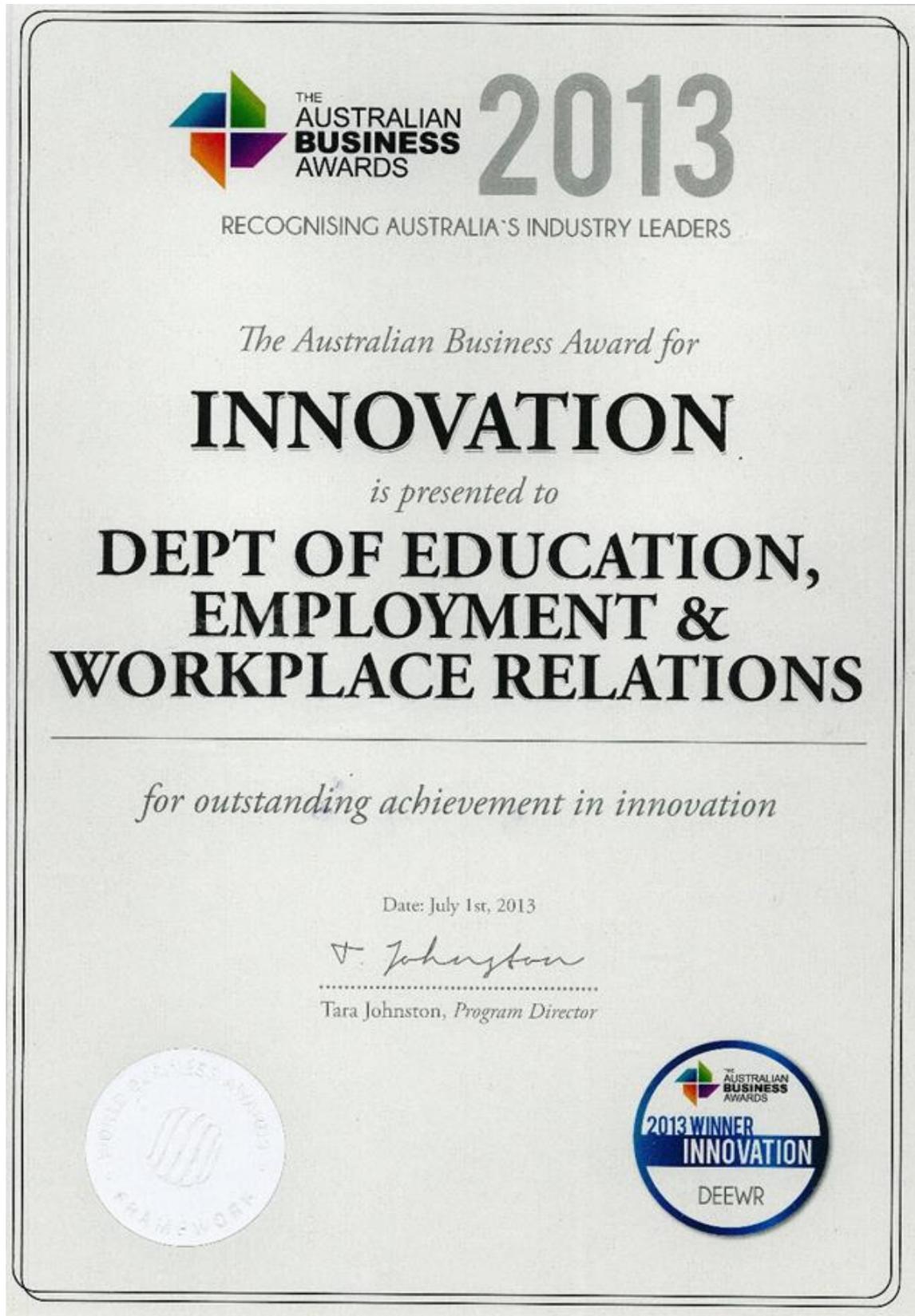
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The 2013 Australian Business Award for Innovation was awarded to DEEWR for outstanding achievement. Their approach and work was based on a combination of the methodologies outlined in this document. They kindly shared the award with Enzyme.



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Glossary

Action research	A reflective process of progressive problem solving led by individuals working with others in teams or as part of a "community of practice" to improve the way they address issues and solve problems.
Affinity diagram	A business tool used to organise ideas and data. The process allows large numbers of ideas stemming from brainstorming to be sorted into groups, based on their natural relationships, for review and analysis.
APS	Australian Public Service. Staff employed by federal departments, agencies and courts under the Government of Australia, to administer the working of the public administration of the Commonwealth of Australia.
ASL	Average staffing level.
BISC	Budget Implementation Steering Committee. Responsible for considering and overseeing the management of the department's budget (particularly in light of the efficiency measures which are being implemented across the APS and factors that contribute to the efficiency of the department.
Cluster	Part of DEEWR's organisational structure which is responsible for delivering outcomes in line with government agenda. Clusters are led by Deputy Secretaries and are made up of Groups.
Group	Groups are led by Group Managers and are comprised of Branches.
Branch	Branches are led by Branch Managers and are comprised of Teams.
DEEWR	Department of Education, Employment and Workplace Relations.
EM	Executive Meeting. The Executive Meetings (EM) are the key decision making body for DEEWR. The EM meets fortnightly and consists of the Secretary, Deputy Secretaries and the Chief Financial Officer.
Groupthink	Psychological phenomenon that occurs within a group of people, in which the desire for harmony or conformity in the group results in an incorrect or deviant decision-making outcome.
MYEFO	Mid Year Economic and Fiscal Outlook. The MYEFO provides updated information to allow the assessment of the Government's fiscal performance against the fiscal strategy. The information in the report contains Government decisions and circumstances that may have a material effect on the fiscal and economic outlook.
SES	The Senior Executive Service of DEEWR.

1. Organisation

- Compile an organisational profile including any relevant background information.
- Outline your organisational culture, structure and operating environment including the sector in which it operates.
- Outline your organisation's main product offerings and the delivery mechanisms used to supply them.

Government and NGO's might refer to their products as programs, projects or services

The Department of Education, Employment and Workplace Relations (DEEWR) brings together people and services to support the Australian Government's agenda on education, employment and workplace relations. DEEWR develops and implements policies and programs to shape Australia now and in the future. This includes access to early childhood care and development; quality early childhood and school education; increased employment and participation; safe workplaces and an inclusive society.

DEEWR develops and implements Australian Government policies and programs to:

- ensure high quality child care and early childhood education is available to parents
- provide school education
- increase employment participation and
- promote fair, safe and successful workplaces

Everyone in DEEWR is working towards our vision—a productive and inclusive Australia. Across the department there is a focus on meeting the targets for closing the gap on Aboriginal and Torres Strait Islander disadvantage—in DEEWR, Indigenous business is everyone's business.

DEEWR employs over 4000 staff in 40 locations across Australia and two locations overseas. The department works to four Ministers and one Parliamentary Secretary. Secretary Lisa Paul AO PSM [and the](#) Associate Secretary and Deputy Secretaries are responsible for the delivery of the department's services. DEEWR operates a budget of around \$700 million and administers over \$30 billion annually.

DEEWR's people are the centre of the department's ability to support the government and meet the needs of the community. DEEWR's culture, people, and the partnerships we build are the success factors that enable the department to support the government and meet the needs of the community. Our culture is based on the APS Values, through which we demonstrate leadership and take personal responsibility to build the department's capabilities. These behaviours define the department's culture. We form collaborative relationships with citizens, stakeholders and across government to achieve our vision.

2. Industry

- Define how your organisation serves its industry, the marketplace and other stakeholders.
- Detail your organisation's market share or position within its industry.
- Define the principle factors that determine your success relative to your competitors or other organisations in your industry.
- Outline your organisation's major contributions to its industry. These may include and are not limited to commercial, environmental, educational, societal and/or scientific contributions.

DEEWR serves the Australian Government by supporting the development of policy priorities and implementing government decisions. DEEWR is the Australian Government department responsible for national policies and programs that enable all Australians to access quality and affordable childcare; early childhood and school education; jobs; and fair, safe and productive workplaces. DEEWR serves the Australian community by delivering policies, programs and reform activities that meet their needs in the areas of early childhood, education, employment, and workplace relations. DEEWR works with stakeholder groups, industry bodies, government agencies (state and federal) as well as the Australian public in delivery of outcomes.

As a government agency, DEEWR's operating environment is influenced by external factors such as policy decisions and financial constraints. DEEWR responds to such external factors by using innovative approaches that improve the delivery of its policies and programs, and ultimately contribute towards its vision of a productive and inclusive Australia.

DEEWR has made a number of significant contributions towards delivering government priorities, in recent times including:

- the National Quality Framework for Early Childhood Education and Care, which aims to raise the quality of early childhood education
- revision of the *Fair Work Act* to provide more flexibility for modern families
- the Building Australia's Future Workforce package, which aims to increase workforce participation and improve the skills base of Australian workers and
- the Gonski Review of Funding for Schooling, which has led to a number of proposed school reforms

In addition to the contributions outlined above, DEEWR is a key stakeholder in the Council of Australian Governments' *Closing the Gap* campaign, and has lead responsibility for four of the six *Closing the Gap* targets. DEEWR is committed to making a significant impact on closing the gaps that exist between Aboriginal and Torres Strait Islander peoples and other Australians.

3. Method

- Entries can be submitted for a specific initiative or for a range of complementary initiatives.
- Outline the key elements of the initiative defining the goals and objectives.
- Outline the planning, research and development process that has been undertaken.
- Define the research methodology and methods used.
- Outline how data and information was collected and analysed.
- Define how strategies were formed for meeting the objectives and related goals.
- Describe how these strategies were formulated into action plans.
- Outline the key performance indicators that were set to monitor progress.
- Define how the initiative was measured in terms of expected benefits, impact and value creation.

DEEWR, like many government agencies, has been impacted by the economic environment which has led to reductions in government funding over the past few years. DEEWR had previously dealt with this by looking at achievable ways to absorb reductions in funding, such as reducing costs associated with property and leasing. It was felt that DEEWR had already realised many efficiency gains over the years and that further reductions would be challenging. The government's mid-year economic and fiscal outlook (MYEFO) announcement in November 2011 of a four per cent efficiency dividend and a 20 per cent reduction in capital budgets by the first of July 2012 would further impact DEEWR. An innovative approach to managing these reductions, effective and timely two-way communication with all staff, and change management strategies needed to be developed, considered and implemented.

DEEWR responded quickly to the announcements and in December 2011 formed the budget implementation steering committee (BISC) to identify ways the department could operate with reduced resources and within allocated budgets. The BISC membership consisted of a representative from each cluster and the Deputy Secretary of the Corporate and Network cluster as chair.

BISC considered approaches and in January 2012, concluded to undertake a series of workshops, in conjunction with Enzyme International (Australia) Pty Ltd, to assist each branch, state and territory work more effectively with reduced resources and budget. It was felt that this approach would allow DEEWR staff to provide their views and ideas, to have genuine input into changes, and would effectively facilitate communication across DEEWR. Pilot workshops were conducted in early February 2012 and deemed a success and DEEWR's Executive Management agreed to extend the workshop approach across the department.

The methodology was based on several established methods including Action Research and Design Methods, and extended to allow greater engagement and, higher levels of creativity and innovation. Importantly, the workshops needed to be scriptable, so that a similar experience could be created for all staff regardless of the facilitator, scalable and teachable. The method of the workshops was as follows:

- approximately 20 people from each Branch, comprising the branch leadership team, as well as a cross section of staff
- each individual had a personal workbook with carefully selected questions around both inhibitors and drivers for improvement in Branch activities including, policy development and service delivery

- each session was opened by the Branch/ State Manager to provide appropriate context and positioning. Each participant was asked to consider a stretch target of a 20% reduction in resources while still delivering outstanding policy and service levels. The figure of 20% was chosen as experience had shown that 10% reductions usually led to 'working harder' rather than 'working smarter'
- divergent and discontinuous innovative thinking was encouraged through the format in which the workshops were delivered and the content provided by the trained facilitators
- workshop participants were asked to imagine that it was approximately 12 months from the workshop and the branch had been outstandingly successful in achieving a 20% reduction in resources while still delivering outstanding policy and service levels. Looking back from success, participants were asked to silently brainstorm what the key decisions or initiatives were which led to their outstanding success. Ideas were brainstormed in silence to reduce cross-contamination and 'groupthink' polluting individual ideas. A checklist was used to stimulate prompted recall at the end to challenge thinking
- participants were asked to select and record up to six of their most important individual ideas which were then integrated using a modified approach to 'Affinity Diagramming' which is one of the modern tools from Total Quality Management
- once ideas were consolidated with highly engaged and focused discussion they were prioritised using an audience response system, OptionFinder®, an anonymous audience response system. The major themes voted on using a technique called forced-paired trade-off where each unique pair of two ideas was presented to the group and participants had to choose one of the two ideas which was the more important idea that led to success
- the next vote was the Current Performance of the Branch as of today in managing each of the important factors. Voting was anonymous which also led to higher levels of consensus and agreement or where clear divergent thinking occurred, it allowed exploration of differences without power plays or uncontrolled egos in the room. Results were instantaneously displayed and discussion then ensued
- after focused discussion and all opinions were canvassed the group then undertook a 'lockdown vote'. This was a currency-style vote borrowed in principle from Quality Function Deployment where individuals were given tokens of different weights. They were permitted to spend their tokens in any way they wished. This routinely leads to high levels of consensus on what the most important few things they need to excel at to be highly successful
- the net result was that for each Branch a set of initiatives were collected, organised and fully prioritised. The session was then concluded with an initial Action Plan

The outcome was a set of improvement initiatives or issues for each Branch that was clearly understood and prioritised with high levels of consensus across participants. Branch Managers were provided their branch report within five working days of their workshop and. All reports, which included next steps, were distributed amongst their staff which provided transparency and a clear expectation of how the results would be met and providing a way of holding DEEWR staff accountable for our actions. In addition to this all branches across DEEWR were required to include their action plans as part of their business plan.

To assist in implementing the next steps, Enzyme provided DEEWR with a Strategy to Action process that allowed branches to form action groups to unpack improvement initiatives into

project plans for the implementation of their agreed changes. This methodology was made available to all staff via DEEWR's intranet.

In addition to the Branch workshop reports, the results of each Branch workshop were integrated into a continuous consolidated view for the entire department with over 9000 ideas generated. Strategic themes were then grouped and presented in simple diagrams to show relative importance against current performance allowing gaps between these to be easily identified and addressed. The consolidated report is available to all staff in DEEWR.

To address whole-of-DEEWR priorities for implementing the Budget workshop outcomes, including building capability, Shaping DEEWR's Future was developed. There are around 35 separate activities underpinning five themes, many of which are already being implemented. Some examples of the type of work Shaping DEEWR's Future oversees include building the capability of our people and being brutally clear about priorities. These are among the many exciting projects that will further develop the capability of DEEWR people to be the very best we can be.

4. Execution

- Outline how the initiative was implemented detailing each stage until completion.
- Define what resources were allocated or required throughout the implementation process.
- Outline the level of collaboration that was required to execute effectively, both internally and externally.
- Describe how any difficulties or challenges were resolved in order to execute successfully.
- Outline the most important factors contributing to the initiative's success.
- Describe how your workforce has contributed to this achievement.

A working group was established to manage the logistics, contract management and communication for the project. The working group met on a weekly basis to monitor and track the progress of the project, review the direction and ensure each step was being implemented. The working group provided secretariat support and regular updates to BISC; worked with the consultant to adapt and revise the workshops content; and developed and managed a communication strategy to ensure DEEWR people were informed about the workshops.

To undertake the project a group of DEEWR employees took responsibility for each component. The project team included: around 20 people who were trained to facilitate the workshops, 15 people who provided IT support and drafted the workshop reports, 10 people who set up the rooms and around 5 people to undertake the logistics. These 50 employees were of varied levels and roles from across the department and continued to maintain their primary jobs while working on the project as a virtual team.

BISC agreed to pilot the workshops which included training DEEWR people to become facilitators and conducting initial workshops with five areas. Four branches were selected that represented the key functions of the department: operational; technical; policy; and program delivery. The fifth pilot workshop was conducted with BISC members, supplemented by representatives from groups and state offices, to ensure a hands-on experience of what the workshops entailed, should they endorse the process across DEEWR.

The pilot was a huge success with all BISC members very supportive and optimistic of what this could mean for the department. BISC agreed that the Budget workshops would be a key focus for an upcoming all Senior Executive Staff (SES) Forum and that a combination of

Enzyme and DEEWR facilitators would run the workshop. At the all SES Forum, DEEWR's Secretary emphasized the importance of their leadership throughout the Budget workshop process. The Secretary also addressed all DEEWR staff to brief them on the fiscal challenges facing DEEWR and explain the Budget workshop process that was about to commence.

The Budget workshops were conducted over a four week period in February and March 2012. There were a total of 102 workshops with 113 areas/branches and 1882 participants. Each branch, state and territory was provided with a short report outlining the key opportunities and challenges suggested and voted on by the workshop participants. The ideas generated from these workshops were consolidated into themes that could be considered at the branch level as well as at the departmental level. Two SES workshops, a Cross Cluster workshop, and an Executive workshop were also held.

As part of the quality assurance around the workshops, facilitators provided feedback on how each workshop went to the central coordinating team including issues that may have arisen. Feedback was consolidated and provided to the Deputy Secretary of Corporate regularly to support conversations at the Senior Executive level.

The DEEWR Executive was strongly supportive of the initiative and had confidence in the expected outcomes being delivered. This combined with a sound methodology, buy-in from various levels of stakeholders and a high performing project team were the most importance success factors in contributing to the initiative's success.

5. Outcomes

- Outline the measurable outcomes and results that demonstrate the effectiveness of the initiative.
- Where possible provide qualitative and quantitative data to demonstrate the impact and benefits.
- Summarise the key outcomes that have created value.
- Detail any relevant customer, operational, financial and marketplace performance results. These can include but are not limited to evidence of positive changes in audience behaviour, customer satisfaction and other stakeholder groups, increased market share, brand equity, sales growth and return on investment.
- Describe any important commercial, environmental and/or societal benefits that have been achieved.
- Define the importance of these results to your organisation and/or any other organisation and the industry as a whole.

The Budget workshops were effective in meeting the overall objective for the department to operate efficiently with a reduction in budget and resources. The department's budget has decreased and absorbed the costs of implementing a range of government initiatives and found efficiencies to fund a new Enterprise Agreement.

The methodology used in the Budget Workshops ensured DEEWR people were able to propose ideas and determine which approach best suited their work environment and needs, be involved in the decision making process and drive the direction and outcomes of the process. The Budget workshops were also an effective change management tool and important step in shaping the culture of DEEWR. Staff have praised the methodology used, the communication of information and the logistics of the workshops.

The effectiveness of change management and staff engagement through the Budget Workshops can be seen through the 2012 staff survey. Most public and private organisations

have been trending down on staff engagement. DEEWR is trending up and from a high base. In 2012 there was 43% engagement in DEEWR – 6% above the 2012 Australian Government average and 6% above our own score for 2010. DEEWR results improved across every area compared to 2010. Even better, this year's results were above the 2009 survey which was taken before any budget reductions and machinery of government change. The 2012 results are in the top range of benchmarked organisations in every area.

Although the Budget workshops were designed to identify ways to save money another positive outcome was around giving DEEWR people the opportunity to review the way they work and reflect on ways to work more effectively. This resulted in overall improvements through streamlining processes, better delegation, building capability, stakeholder engagement and more effective time management.

The realised benefits from the workshops were:

- engagement with whole of the organisation
- effective change management and communications
- reduction of costs
- increased individual and organisational capability
- themes and actions have been integrated into business planning

Examples of some of the initiatives that have been implemented since the Budget workshops include:

- improved delegation, to share work more fairly and cut out layers of process
- about 1,900 process steps in total each year have been removed by better delegating clearance levels
- centralised the department's recruitment system, eRecruit processing which has freed up managers and reduced the time taken, on average, to fill positions from 132 to 72 days
- set printers to black and white default which saves \$650,000 a year
- electronic filing which will save the department \$8 million over 5 years by not having to put paper files into off-site storage
- re-prioritised work in the State Network, saving a workload of 100 ASL over five months. The South Australian State Office saved \$400,000 on property. Streamlining administrative processes for building safety accreditation will save \$100,000. An IT Branch combined teams and saved 10 ASL. Many areas have reduced meetings to become more efficient with the use of time

After the Budget workshops were held DEEWR liaised with other government agencies and received positive feedback on the approach undertaken and the outcomes achieved. Since then the approach has been undertaken by other government agencies.

The projects under the Shaping DEEWR's Future Action Plan have established the foundations and frameworks to provide clearer priorities, stronger delegation and strengthen DEEWR's policy development. The plan also builds capability by sharing expertise, knowledge and information through a number of projects: Centres of Excellence, Learning from Leaders and Mentoring programs. The last update to DEEWR's Executive Meeting in February 2013 advised that 10 of the 35 projects had been completed and the remaining projects are on track towards completion.

Overall the workshop outcomes have increased individual and organisational capability, saved time and reduced duplication across a number of areas across the department. The momentum of the workshops has been maintained through the business planning process, and the 2013–14 process provides an opportunity to further shape the culture within DEEWR around continued improvements and looking for ways to operate more efficiently as business

as usual and also questions the expenditure of resources for supplier and productivity based costs.

6. Performance Management

- Describe the process of reviewing performance outcomes for learning and adapting for future initiatives.
- Describe how the results of this initiative were used to do this.
- Define how your organisation measures, analyses and reviews performance outcomes to improve its effectiveness and approach to strategy development, planning and implementation for future initiatives.
- Outline how your organisation utilises comparative and benchmarking information for improving planning, strategy and execution leading to improved delivery outcomes for future initiatives.
- Describe how you interpret and communicate these results to others.
- Define how your organisation obtains and uses information to determine customer and market needs.
- Define how your organisation obtains and uses information to determine customer expectations and satisfaction.
- Outline how your organisation utilises comparative and benchmarking information for promoting growth and creating value.

DEEWR's performance in the delivery of government initiatives is monitored and reported on using a series of key performance indicators. The indicators are tested through an internal reporting process, included in the Portfolio Budget Statements and then reported upon in the annual report (see <http://foi.deewr.gov.au/node/29880>) to the Australian Parliament through rigorous data collection and collation. The indicators are reviewed and improved to ensure effectiveness, and considered when developing strategic and business plans. The department's performance as an agency is assessed using tools such as the development and implementation of initiatives including the Budget Workshops, assessment of our sustainability against defined indicators, various benchmarking activities and the results of customer satisfaction surveys. This information is also communicated using the annual report as our primary reporting document.

The Budget workshops have aided the department in managing workload and resources. The department has continued to support the Budget workshops outcomes following the initial project. Each Branch or business area identified key themes from their individual workshops and included them as a deliverable in their business plan. Since then, SES have provided regular updates on how they are tracking on these deliverables which are then shared with others. SES also ensure that mid and end cycle discussions with staff include a conversation on deliverables identified in their business plans which are linked to the outcomes from their workshops. In addition to this, news stories are shared via all staff communication emails.

The BISC representatives across the department discuss feedback, issues and success stories related to the Budget workshops. The BISC meets on a regular basis and continues to look for ways the department can operate effectively in an environment with reduced resources and financial constraints.

The Budget workshops project was successful in assisting the department to operate effectively within the allocated budget and highly successful as a change management tool. The process has embedded a culture around continued improvements and operating more efficiently.

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