

IBM Center for The Business of Government

# Charting the Course to Tomorrow's Trusted Digital Services



**G. Edward DeSeve**  
National Academy of Public Administration

**Janine O'Flynn**  
Australian National University



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**G. Edward DeSeve**

Coordinator of the Agile Government Center  
at the National Academy of Public Administration

**Janine O'Flynn**

Director, Crawford School of Public Policy  
Australian National University



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## On behalf of the IBM Center for The Business of Government, we are pleased to release this report, *Charting the Course to Tomorrow's Trusted Digital Services*, by G. Edward (Ed) DeSeve and Janine O'Flynn.

This report focuses on how leaders in Australia, one of the world's largest and most diverse nations, are adapting their approach to delivering services effectively and efficiently, in an agile fashion that leverages digital technology and builds public trust. The report draws on the findings of an expert roundtable with senior leaders from a variety of agencies, as well as nonprofit, academia, and technology organisations. Roundtable participants discussed learnings and case studies of transformation to chart a course to the trusted digital services of tomorrow, focused on three main questions:

- How can government increase the use of data, AI, and automation in service design, while maintaining a foundation of trust to promote service adoption?
- Amidst rising cyberattacks, how can government strike a balance between security that keeps the public's data safe, and simple, helpful service delivery?
- How can agile principles be embedded in government workforces, operations, and architectures to achieve sustainable long-term transformation?

The report closes with key findings and recommendations that can help government—both in Australia and with lessons for leaders across the globe—can proceed to continue improving outcomes from programs and increasing trust from the public.

This report builds on the IBM Center's longstanding work on digital and agile government, including recent reports published in collaboration with the Agile Government Center. The AGC is a joint venture of the IBM Center and the National Academy of Public Administration, a global network of leaders where authors DeSeve and O'Flynn serve as Fellows. These reports include *Human Centricity in Digital Delivery: Enhancing Agile Governance*, by Ines Mergel; *Adopting Agile in State and Local Governments*, by Sukumar Gapanati; and *The Road to Agile Government: Driving Change to Achieve Success*, by Ed DeSeve.



DANIEL J. CHENOK



NICHOLAS FLOOD



We hope this report provides helpful insights for leaders seeking to serve their nation with digital strategies that improve the public's connection with their government.

Daniel J. Chenok  
Executive Director  
IBM Center for  
The Business of Government  
[chenokd@us.ibm.com](mailto:chenokd@us.ibm.com)

Nicholas Flood  
Vice President IBM Technology  
Country Leader IBM Australia  
[nicflood@au1.ibm.com](mailto:nicflood@au1.ibm.com)

# INTRODUCTION

**Across the world, governments are increasingly looking to transform operations and services. At the centre of such transformations is the increased adoption and incorporation of digital technologies, as well as the issue of trust.**

The notion of “trusted digital services” has emerged as an important feature of effective governments and as central to digital government. However, developing and retaining trust in the public sector impacts not just effectiveness, but also social, democratic, and economic stability.<sup>1</sup> Designing and protecting trusted digital services matters for current operations, but for the longer-term legitimacy and sustainability of government action. Countries that lead the world in digital government point to trust as the key to success,<sup>2</sup> and stress how digital technologies can enable new approaches to governing.<sup>3</sup>

A recent report from the Organization for Economic Cooperation and Development (OECD) on digital transformation in Sweden noted: “Public trust is at the core of the digital transformation of the public sector, both as a driver and an effect of such a transformation.”<sup>4</sup> As Pia Andrews, an open government expert, has argued, digital government and trust go hand-in-hand:

*Trust in government is key in the perceived legitimacy of all that the public sector administers, from services to policies and elections. That's why earning and maintaining public trust in government systems is not a 'nice to have,' but rather is critical for stability and public confidence. Governments must have the trust of the public to remain legitimate.<sup>5</sup>*

The definition of digital government varies widely across the academic and practitioner literature. In their report on digital government, Nesta offers the following: digital government is about “applying the culture, practices, processes, business, models and technology of the internet-era to respond to people’s raised expectations”<sup>6</sup>—a definition that aligns with the approach taken in this report.

In line with developments in many countries, the Australian Public Service (APS) is working hard to build digital services and systems that serve the public, are trusted by them, and help to build trust in government. Earlier this year at a roundtable on “Charting the Course to Tomorrow’s Trusted Digital Services”, leaders discussed these issues from the APS including Services Australia, the Department of Home Affairs, the Digital Transformation Agency, and the

1. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.
2. <https://denmark.dk/innovation-and-design/denmarks-digital-success>.
3. <https://e-estonia.com/solutions/e-governance/government-cloud/>.
4. Chapter 1 <https://www.oecd-ilibrary.org/sites/4daf932b-en/index.html?itemId=/content/publication/4daf932b-en>.
5. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.
6. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

National Library of Australia. Representation from across the APS enabled a broad-ranging discussion related to trust in government and the digital transformation agenda. In this report, we draw together key observations from the expert roundtable with existing research to set out common themes, followed by related conclusions and recommendations.

## Key Findings

- Trust in national governments around the world is low and falling. By some measures and perceptions, Australia is below average in trust.
- Improving competence,<sup>7</sup> reliability, and responsiveness, while incorporating public values of fairness, integrity, and openness, can build trust as Australia charts the course of its digital transformation.
- Understanding and avoiding common pitfalls of digital government can help to build trustworthiness.
- New means of coordination and cooperation must be developed in data collection and service delivery by working closely with customers and the public. This is true within federal agencies, across agencies, and with other governments.
- Legislation, policy, and regulation need examination to determine current effectiveness or the need for change.
- Leaders at all levels need to develop an “agile mindset” when dealing with transformation—a mindset supporting operation at speed and with responsibility.

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7. This is taken from the OECD Trust Framework <https://www.oecd-ilibrary.org/sites/b407f99c-en/index.html?itemId=/content/publication/b407f99c-en>.

# Erosion of Trust Challenges Governments



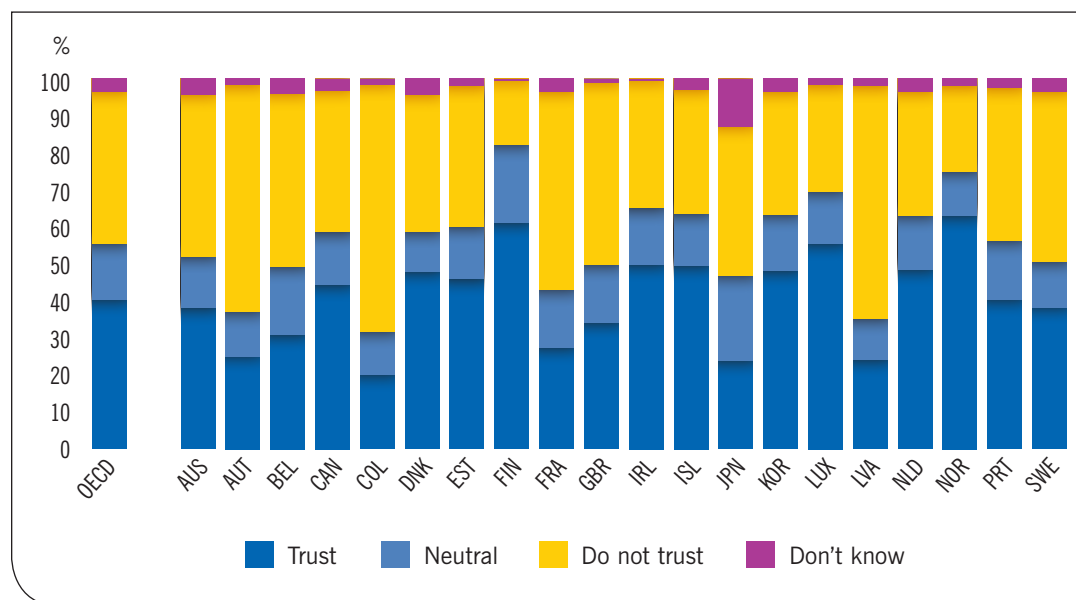


Public trust sits at the core of digital transformation.<sup>8</sup> Trust in governments is falling around the world driven by a series of complex forces. As governments continue to reimagine how they engage with people and how they design and deliver public services, safeguarding trust is critical. Reconciling these two trajectories represents a crucial area for government focus.

The latest OECD data spotlights the trust challenge: across the world, fewer than four in ten people trust their national government.<sup>9</sup> Australia fares slightly worse than average (see Figure 1) on the broad notion of trust in the national government; behind this sits some worrying trends and areas for attention.<sup>10</sup> For instance, Australia:

- Fared below average on levels of trust in government to improve public services
- Was considered only average on perceptions of the adoption of innovative ideas to improve public services
- Lagged in the likelihood that services will improve if people complain. Related to this, Australians show skepticism that policies are designed with the public in mind (see Figure 2).

**Figure 1. Just over four in ten people trust their national government<sup>11</sup>**



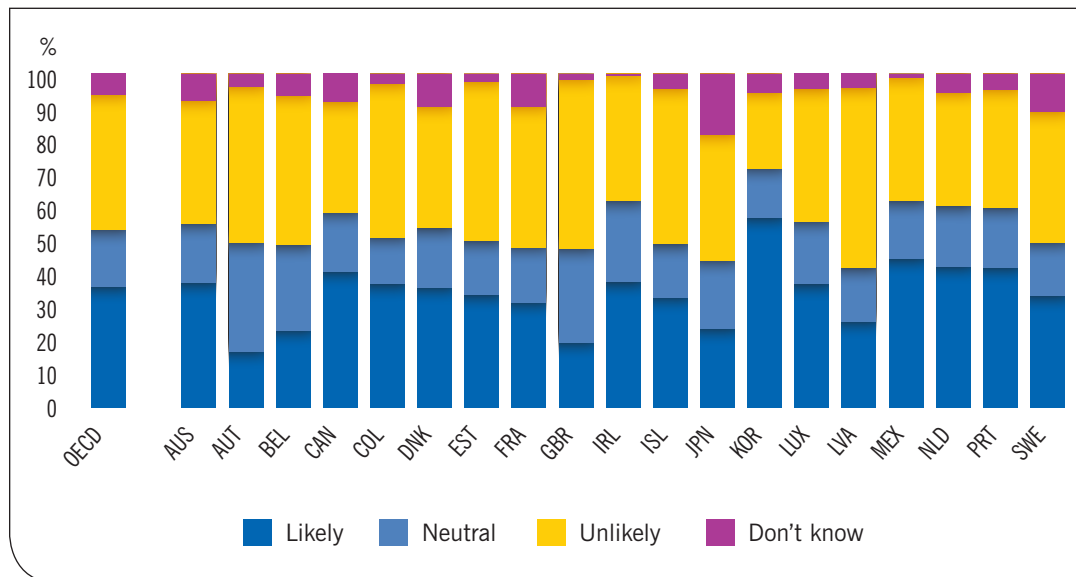
8. <https://www.oecd-ilibrary.org/sites/4daf932b-en/index.html?itemId=/content/publication/4daf932b-en>.

9. [https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy\\_b407f99c-en](https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy_b407f99c-en).

10. <https://www.oecd.org/governance/trust-in-government/>.

11. Share of respondents who indicate different levels of trust in government (scale 0-1): [https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy\\_b407f99c-en](https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy_b407f99c-en).

**Figure 2. Most people do not think national policies adapt to public views<sup>12</sup>**



As was the case in many nations, Australia experienced a surge in trust during the early stages of the COVID-19 pandemic across states as a more cooperative approach to governing developed.<sup>13</sup> However, recent data from the Australian 2022 Edelman Report shows that the COVID ‘trust bubble’ has burst; more people now trust businesses rather than government to address societal issues.<sup>14</sup> Faltering trust in government can have multiple impacts on future performance, including from the trajectory of the digital transformation agenda.

Across the world, there is widespread agreement about the criticality of trust to democracy and to governmental performance. In Australia, many government agencies focus on trust and its link to mission achievement; some have identified this as a critical enterprise risk.<sup>15</sup> Addressing the trust challenge will be important for government, making essential an understanding of the drivers that influence trust.

Recent work by the OECD points to several critical public governance drivers that influence levels of trust.<sup>16</sup> These factors cluster into two main areas: (i) Competence—Reliability and Responsiveness; and (ii) Public Values—Openness, Fairness and Integrity.<sup>17</sup> To enhance trust, governments must focus attention on each of these factors, simultaneously.

12. Share of respondents who thought a national policy would be changed if a majority of people expressed a view against it <https://www.oecd.org/governance/trust-in-government/>.  
 13. See <https://www.tandfonline.com/doi/full/10.1080/14719037.2020.1820273> and also <https://www.edelman.com.au/sites/g/files/aatuss381/files/2022-02/Edelman%20Trust%20Barometer%202022%20-%20Australia%20Top%2010.pdf>.  
 14. <https://www.edelman.com.au/trust-barometer-2022-australia>.  
 15. See for example Services Australia Corporate Plan 2022-23. <https://www.servicesaustralia.gov.au/sites/default/files/2022-08/corporate-plan-22-23.pdf>.  
 16. The OECD report identifies three sets of drivers: (i) Public Governance Drivers; (ii) Cultural, Economic and Political Drivers; (iii) Governmental Action of Intergenerational and Global Challenges. In this report we focus on the first group, Public Governance Drivers, however, the OECD report makes clear that all three sets of drivers interact with each other influencing trust in public institutions.  
 17. [https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy\\_b407f99c-en](https://www.oecd-ilibrary.org/governance/building-trust-to-reinforce-democracy_b407f99c-en).

The relationship between trust and performance is mutually reinforcing—higher levels of trust can enable higher performance, just as higher levels of performance enhance trust. Getting this relationship right can help agencies to deliver on their mandate effectively. With low trust in systems, effectiveness is undermined as users avoid interactions.<sup>18</sup>

The roundtable participants provided detailed suggestions for how Services Australia and a broader segment of the Australian government could improve competence while incorporating public values, thereby building trust as Australia charts the course of its digital transformation. These suggestions inform the recommendations of this report.

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18. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

# Leaders Need to Balance Service Delivery and Data Security



APS agencies confront increasingly complex policy agendas. Recent actions in response to the global pandemic and natural disasters show the real-time power of government action and the capacity to deliver.<sup>19</sup> As mentioned above, powerful links exist between trust, digital transformation, performance, and democracy.

Australia has an ambitious agenda in relation to digital transformation, however progress on this has been mixed. Australia's digital progress in government has been ranked highly by the United Nations; in its 2020 e-government survey, Australia ranked fifth behind Denmark, Estonia, Korea, and Finland.<sup>20</sup> This represents an improvement from a different view that had emerged from the Digital Adoption Index developed by the World Bank, where in 2016 Australia was ranked 33<sup>rd</sup> across all categories, but just 74<sup>th</sup> in the delivery of public services.<sup>21</sup> Complicating this picture is a 2020 study of the digital evolution of nations: while the Australian economy ranked in the top 20 percent of nations, it was categorized as a "stall out" characterised by a mature digital landscape but exhibiting less momentum for continued advancement.<sup>22</sup>

Participants at the roundtable noted a range of challenges that remained to meeting aspirations, but pointed to significant shifts occurring in the environment that will enable progress. For example, the Australian Data Availability and Transparency Act<sup>23</sup> offers the promise of greater data sharing alongside enhanced confidence in data use. And there is widespread political and public service leadership commitment to both trust and digital government progress. The Prime Minister noted, in a major speech in August 2022, that his government is focused on renewing trust, and that a key part of that will be proving it can deliver for people.<sup>24</sup> Similarly, the Minister for the Government Services and Minister for the NDIS has stressed the theme of trust:<sup>25</sup> "Is it a surprise people have a trust issue with government? So many of the imaginable opportunities simply won't be taken up if we don't do our all to earn trust—it is absolutely essential."

In a major speech setting out the government's agenda for Australian public sector reform, The Minister for Finance, Minister for Women, and Minister for the Public Service stressed rebuilding trust, enhancing integrity, putting people and businesses at the centre of policy and services, and renewing capability.<sup>26</sup> Digital and data are central to this reform agenda. Minister Gallagher said this was a start of a conversation about:

*"How we can make the institution of the APS stronger, more enduring and more aligned to the community that we are here to serve? One that always puts people at the centre of everything it does. One that has the heart, skills and strength to move to a new era of government service delivery, public sector policy, community service and support."*

19. <https://www.tandfonline.com/doi/full/10.1080/14719037.2020.1820273>.

20. <https://www.un.org/development/desa/publications/publication/2020-united-nations-e-government-survey>.

21. Note this is 2016 data. See <https://www.worldbank.org/en/publication/wdr2016/Digital-Adoption-Index> and also <https://www.themandarin.com.au/198289-smoke-and-mirrors-why-australias-flatlining-digital-transformation-agenda-needs-a-reboot/>.

22. <https://hbr.org/2020/12/which-economies-showed-the-most-digital-progress-in-2020>.

23. <https://www.datacommissioner.gov.au/law/dat-act>.

24. <https://www.pm.gov.au/media/building-better-future-national-press-club>.

25. <https://ministers.dss.gov.au/speeches/8631>.

26. <https://ministers.pmc.gov.au/gallagher/2022/albanese-governments-aps-reform-agenda>.

Modernization, collaboration, flexibility, agility, innovation, and digital have featured in public remarks by the Secretary of the Department of the Prime Minister and Cabinet,<sup>27</sup> and the Public Service Commissioner.<sup>28</sup> Together there appears to be considerable attention from political and public service leaders to trust and digital transformation, which offers opportunities for leaders across the APS. Like many countries around the world, Australia must manage the challenge of increasing expectations and large-scale reform in an era of cost constraint.

As discussed above, trust shapes engagement with digital services, and low trust can temper willingness to adopt these services. Recent survey data indicate that in Australia people are growing more comfortable with digital services and increasingly with artificial intelligence (AI).<sup>29</sup> There is a widespread openness for digital services, with survey results indicating that 92 percent of people want more digital services provided by the government, 78 percent are comfortable with AI-generated services, and 83 percent report being comfortable with AI that can recall details of past interactions with government services. As more access services that include AI, it will be important to continue focus on AI ethics, fairness, and transparency. At the same time, Australians want more choice and control over their personal data, including how it's used. Recent data from the Australian Community Attitudes to Privacy Survey<sup>30</sup> indicates that privacy is a major concern for 70 percent of Australians, and has become the top consideration when choosing digital services—outstripping reliability, convenience, and price.

Safeguarding data was a key theme in the roundtable discussions. Recent research from the World Bank highlights the importance of safeguarding data, and how this can help to build trust and reinforce the social contract between people and the state.<sup>31</sup> The World Bank also notes that improvements in cybersecurity and reducing cybercrime enhance trust.

The opposite is also true, with trust depleted by missteps.<sup>32</sup> Recent large-scale data breaches have attracted considerable attention and generated substantial stress for government, organizations, and the public. Data breaches and hacks at Optus,<sup>33</sup> Medibank, Woolworths, and the Australian Federal Police have exposed identity data and personal medical claims of potentially millions of Australians,<sup>34</sup> along with classified materials related to international operations.<sup>35</sup>

The dynamic context for public sector leaders provides competing pressures to balance. The demand for and commitment to digital transformation is increasing in Australia. Bridging the gap between aspirations and achievement in this space is an important issue for leaders in the APS.

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27. <https://www.themandarin.com.au/199182-can-davis-gentle-hand-help-loosen-the-straitjacket-on-the-public-service/>.

28. <https://www.themandarin.com.au/198193-bureaucrats-mull-over-how-to-make-a-modern-more-agile-aps/>.

29. <https://www.publicissapient.com/insights/digital-government-services>.

30. <https://www.oaic.gov.au/engage-with-us/research/australian-community-attitudes-to-privacy-survey-2020-landing-page/2020-australian-community-attitudes-to-privacy-survey>.

31. <https://www.worldbank.org/en/publication/wdr2021>.

32. <https://www.themandarin.com.au/199587-when-policy-creates-distrust-of-government-why-a-robodebt-royal-commission-is-necessary/>.

33. <https://www.bbc.com/news/world-australia-63056838>.

34. <https://www.abc.net.au/news/2022-10-21/medibank-optus-data-hack/101558932>.

35. <https://www.abc.net.au/news/2022-10-14/afp-data-leak-hackers-expose-drug-cartel-information/101535312>.

# Major Themes: Global and Local



A review of the literature on trust and digital transformation connects with major themes in the roundtable with APS leaders. This section draws together key research findings with insights from the roundtable, and offers some examples from developments in other nations.

## High Aspirations in a Time of Fiscal Challenges

Across the APS are high aspirations for digital transformation, but hard constraints that accompany fiscal pressure. Tackling these somewhat competing demands will be a challenge for agencies and public sector leaders. This does not mean that aspirations should be tempered, but does place increasing pressure on how to achieve them in a challenging context.

Specific challenges emerged in the roundtable discussions and in a review of current practice in the APS. For example, the Corporate Plan of Services Australia identifies Trust, Delivery, Achieving Outcomes, Change Management, ICT Continuity, and Data Integrity as major risk factors.<sup>36</sup> As the review above demonstrates, data security and the fear of misuse of data can undermine trust. Coordinated action is needed to improve both the reality and perception of the misuse of data. Cybersecurity approaches in leading digital government nations can provide some guidance. Estonia, for example, pays significant attention to cybersecurity given its 'digital society' approach and high reliance on digital approaches.<sup>37</sup>

Experts in the roundtable suggested that the Australian Government, including Services Australia, should reexamine its approach to identity and security. Identity and privacy policies must be updated to match today's attitudes and technology—including a reexamination of the types of data collected, much of which was determined decades ago. Recent large-scale breaches have brought this issue center stage, providing APS leaders with an opportunity to demonstrate commitment to safeguarding data, while also pushing for modernization and new ways of operating that provide people with more choice and control over their identify and data.<sup>38</sup>

Denmark is a world leader in digitization, and has developed a single digital key NemID or 'Easy-ID' in English that members of the public can use across all sorts of services and sectors.<sup>39</sup> The key to digital success in Denmark is trust. Similarly, Estonia has used eID for some 20 years to enable daily transactions across both the public and private sector for citizens.<sup>40</sup> eID offers definitive proof of identify across a range of services and activities from digital signatures to e-prescriptions, to voting. And since 2014, eID has offered a similar option called e-Residency for anyone regardless of citizenship or location.

Coordination and cooperation among agencies and across levels of government could fuel transformation and help to deal with workforce shortages confronting many agencies. Interoperable small teams can be created to deal with specific problems, and existing employees can be better equipped with the latest tools. The notion of 'tiger teams' was mentioned in the 2021 APS Workforce Strategy, for example.<sup>41</sup> And Nesta has championed the use of cross-functional teams in its report on digital government.<sup>42</sup> As the following section on the agile framework will demonstrate, teams are central to this approach.

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36. <https://www.servicesaustralia.gov.au/corporate-plan?context=1>.

37. <https://e-estonia.com/solutions/cyber-security/ksi-blockchain/>.

38. <https://www.oaic.gov.au/engage-with-us/research/australian-community-attitudes-to-privacy-survey-2020-landing-page/2020-australian-community-attitudes-to-privacy-survey>.

39. <https://denmark.dk/innovation-and-design/denmarks-digital-success>.

40. <https://e-estonia.com/solutions/e-identity/id-card/>.

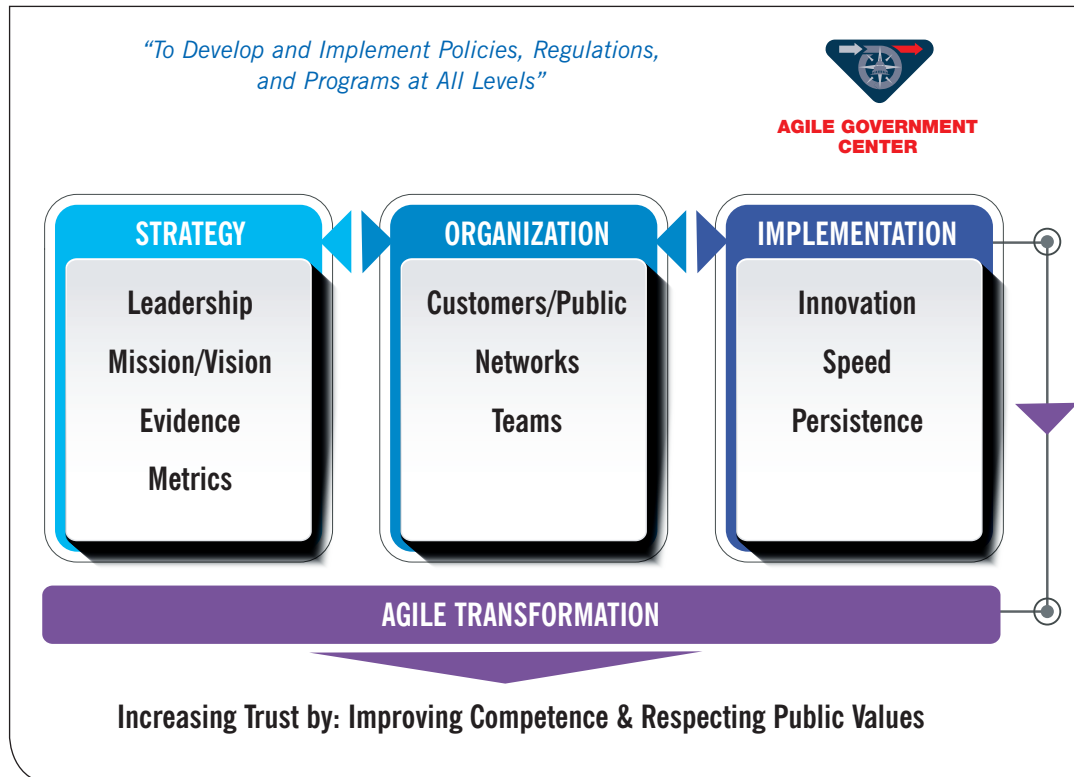
41. [https://www.apsc.gov.au/sites/default/files/2021-03/APS\\_Workforce\\_strategy.pdf](https://www.apsc.gov.au/sites/default/files/2021-03/APS_Workforce_strategy.pdf).

42. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).



The Integrated Agile Government Framework,<sup>43</sup> shown below, provides an excellent guide for Services Australia and the federal government in working to achieve their ambitious plans. To supplement this, leaders can also access checklists developed to assist governments in building trustworthy digital approaches.<sup>44</sup> Government can also leverage helpful advice on how to avoid digital pitfalls.<sup>45</sup>

**Figure 3. Integrated Agile Framework for Action**



## Coordination and Cooperation

Coordination and cooperation are important within and across agencies at the federal level and with other governments in data collection and service delivery, which will improve trust. This is highly correlated with the above theme on aspirations. Revisions to policies and processes need to focus on creating an environment where coordination and collaboration can thrive. Challenges of coordination and cooperation within and across government have been important themes in the APS reform agenda for decades.<sup>46</sup> However, these challenges may take on particular forms in the context of digital government.

To help enable better coordination and cooperation, senior leaders need to work together to develop standards and approaches that benefit the whole system, not just their own organisa-

43. <https://www.businessofgovernment.org/blog/introducing-agile-government-center>.

44. See for example Pia Andrew: <https://arxiv.org/pdf/2208.10087.pdf> (page 15-16 in particular).

45. Nesta identified five potential pitfalls for leaders to avoid. (i) focusing on technical means rather than real world ends; (ii) overstating the role of digital technologies in delivering reform; (iii) disempowering and disengaging politicians, public sector leaders, service managers and frontline staff; (iv), relegating responsibility for, and leadership of, reform to the digital team; (v) bolting on new digital tools to the same old ways of working (pp. 5-6). See [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

46. See for example <https://press.anu.edu.au/publications/series/anzsog/collaborative-governance>.

tion.<sup>47</sup> This does not necessarily suggest a single system or set of procedures, but rather the beginning of a single face to government, or at least a unified approach to accessing government systems and providing personal information and data. Government needs to better share data and offer interoperability horizontally across departments, and also vertically across federal, state and local government.

Much more coordinated systems which allow users to have more control over their data help to build more trustworthy systems.<sup>48</sup> In Estonia, widely recognised as a leader in digital government, X-Road provides the “backbone of e-Estonia” linking public and private systems together to ensure interoperability and harmony.<sup>49</sup> Similar systems are used in Finland, Iceland, Japan, Kyrgyzstan, Ukraine, and Namibia.<sup>50</sup>

During the roundtable discussion, participants also suggested a need for a cultural shift away from “tribes and silos,” with a focus on achieving results for customers and the public. Where one works is less important than the results achieved. Making better use of information between organisations is an important benefit of digital transformation, whether through enabling more interorganizational collaboration, accessing multiple sources of information via one place, or encouraging open data innovation.<sup>51</sup> Setting goals and expectations for cooperation can help—Singapore, for example, has a goal of no more than seven working days to share data for cross-agency projects.<sup>52</sup> Such commitments can fuel new ways of operating.

## Incremental Change

The history of reform in Australia is incremental. However, wide-scale digital transformation may require a break with this tradition. In their report on digital government, Nesta argued that “public sector leaders need to make a conscious decision about whether they want their use of technology to optimise and reinforce their existing ways of working or to enable much more dramatic changes.”<sup>53</sup> The report then makes the case that tweaking old systems, or bolting on new approaches to old systems, may perpetuate and embed ways of working that are no longer suitable. Strategic thinking and effective leadership can help in determining how technology can do either or both—innovate or enable new paradigms, or improve and reinforce the status quo.<sup>54</sup>

These insights can help Services Australia renew its IT infrastructure and improve its processes. Australia is a leader internationally in technology deployment, and maintaining this leadership represents an important goal. However, having the flexibility to adopt leading practice from around the world, as highlighted in this report, can strengthen this leadership. Looking to some of the leading digital nations in the world, such as Denmark,<sup>55</sup> Singapore,<sup>56</sup> Estonia,<sup>57</sup> or the Republic of Korea,<sup>58</sup> can provide a useful benchmark. Each, in their own way, has charted this course.

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47. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

48. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

49. <https://e-estonia.com/solutions/interoperability-services/x-road/>.

50. <https://e-estonia.com/solutions/interoperability-services/x-road/>.

51. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

52. <https://www.smartnation.gov.sg/about-smart-nation/digital-government#the-progress-so-far>.

53. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf) page 15.

54. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

55. <https://denmark.dk/innovation-and-design/denmarks-digital-success>.

56. <https://www.smartnation.gov.sg/>.

57. <https://e-estonia.com/>.

58. <https://www.dgovkorea.go.kr/>.

Developing workforce capability is also critical, not just in the technical side of digital government, but in new ways of work. Some nations have established digital academies (e.g., the U.K.,<sup>59</sup> Singapore<sup>60</sup>), others train more broadly in digital government (e.g., Estonia<sup>61</sup> offers training to people from around the world).

## Customer Centricity

Ideally, digital tools can build closer relationships between government and the public.<sup>62</sup> In Singapore, for example, “Digitisation is an effective means for the government to serve citizens with greater empathy, through designing politics that are inclusive, seamless, and personalised for all.”<sup>63</sup> In Singapore, 94 percent of government services are digital from end to end,<sup>64</sup> and in 2021 citizen satisfaction with government digital services sits at 85 percent with business satisfaction at 76 percent.<sup>65</sup>

Customer centricity can be achieved through enhancing user experiences with a range of digital services, and through broader public participation. An even more customer-centric approach is needed in renewing processes and technologies. Using tools to map the customer journey and to provide increased opportunities for public input into program and policy design should be encouraged.

Understanding the customer journey from end to end also provides opportunities to identify critical features that can impact trust<sup>66</sup>—for example, appreciating points where people make key decisions and monitoring accuracy and legal authority in real-time, or knowing points at which a user can challenge or demand an explanation of a decision made by automated systems. Ensuring a dignified experience is important to building trust in digital government—respect, support, assistance, and assurance that people do not have to overshare personal information all help in building dignity into systems.<sup>67</sup> More participatory approaches, where a diverse range of people can have input into developing, implementing, and operating digital systems, can also enhance trustworthiness.<sup>68</sup> Examples might include crowdsourcing ideas, engaging residents in local budgeting, and using public deliberation for decision making.<sup>69</sup>

## Legislation, policy, and regulation

Outdated underlying legislation, policies, and regulations all hinder the development of solutions to current problems. As with earlier themes, this requires a coordinated effort across the Australian government, including state and local governments. Aligning legislation, policy, and regulations at all levels would provide for consistent service provision that could eliminate public dissatisfaction. Senior leaders need to work collectively to influence and shape the environment in which trusted digital services can thrive.<sup>70</sup>

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59. <https://www.gov.uk/government/organisations/government-digital-service>.

60. <https://www.thedigitalacademy.tech.gov.sg/>.

61. <https://e-estonia.com/briefing-centre/services/>.

62. <https://apolitical.co/solution-articles/en/how-to-design-digital-tools-which-involve-citizens>.

63. <https://www.smartnation.gov.sg/about-smart-nation/digital-government>.

64. <https://www.smartnation.gov.sg/>.

65. <https://www.smartnation.gov.sg/about-smart-nation/digital-government#the-progress-so-far>.

66. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

67. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

68. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

69. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

70. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf).

Nations leading the way in digital government focus particular attention in legislation, policy, and regulation to enable transformation, but also to safeguard the public and build trust. In Korea, for example, the road from e-government to digital government has entailed several important changes to the enabling environment, including the introduction of new laws, policies, and plans.<sup>71 72</sup>

## Metrics and Evidence

The Services Australia Corporate Plan contains a significant number of success measures, but lacks baseline data and the methodology for collecting and analyzing the data. Evidence of program success is not clearly reflected in such areas as the use of random control trials or testing. Important arguments have been made about developing metrics that capture not just whether policy or program objectives are achieved, but also the human impact of encounters with government.<sup>73</sup>

Leaders in digital government develop ways of measuring and reporting progress. For example, the Singapore government has developed KPIs across critical aspects of digital government including stakeholder satisfaction, digital capabilities, AI, data, and data analytics.<sup>74</sup>

Building trusted systems, though moves beyond what we measure. As Pia Andrews reminds us,

*"To be considered trustworthy, government systems must demonstrate good faith (through systemic, measurable and publicly reported commitment to human-centred and humane outcomes), must assure high integrity (that are lawful, accurate, consistently applied, and appealable), and must meet public expectations (by understanding and reflecting public values and needs, doing no harm, being transparent and operating within relevant legal, social, moral and jurisdictional limitations of power)."*<sup>75</sup>

## Innovation and Foresight

Charting a course to trusted digital services requires innovation and foresight, an appreciation of the desired end point, and a plan on how to get there. In its work on digital government, Nesta works through the tensions of digitizing existing approaches versus changing the paradigm.<sup>76</sup> Opportunities and challenges come from working through questions about preserving legacies and building futures.

71. A short course on digital government in the Republic of Korea was developed by the World Bank Group and can be accessed at: <https://olc.worldbank.org/content/digital-government-policy-and-best-practices-korea>.

72. To learn more about the Republic of Korea Digital Government Master Plan 2021-2025, the e-Government Standard Framework and the Virtual Assistance Service for the Public see: <https://www.worldbank.org/en/events/2022/02/09/digital-the-door-to-a-better-world-digital-government-strategy-and-cases-in-korea>.

73. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

74. See page 20-22: [https://www.smartnation.gov.sg/files/publications/dgb-public-document\\_30dec20.pdf](https://www.smartnation.gov.sg/files/publications/dgb-public-document_30dec20.pdf).

75. <https://apolitical.co/solution-articles/en/designing-for-legitimacy>.

76. [https://media.nesta.org.uk/documents/A\\_Brief\\_Introduction\\_to\\_Digital\\_Government\\_v5.pdf](https://media.nesta.org.uk/documents/A_Brief_Introduction_to_Digital_Government_v5.pdf) (pp.15-16).

The roundtable discussion found that current operations are often based on legacy systems, and examining future technologies such as AI is a lower priority than maintaining current operations. In addition, using tools like scenario forecasting could help in assessing data to anticipate future changes like population shifts or demographic changes. In Singapore, for instance, the Centre for Strategic Futures in the Prime Minister's Office has focused for some years on developing foresight tools to guide leaders across the public service. This 'Scenario Planning Plus' (SP+) approach allows Singapore leaders to address both emergent and sudden and discontinuous trends.<sup>77</sup>

Developing a sense of the future can help in charting a course forward, and can provide a platform for engaging with others on how to navigate through emerging opportunities and challenges. An interesting approach has developed in Finland, where the government has coupled ambitious reform with a call for humility in policymaking.<sup>78</sup> Such an approach opens policymaking up to experimentation, innovation, continuous learning, longer-term horizons, and much deeper and deliberative engagement through policy processes that build trust.

## Transformation and Agility

As noted, Australia has been an early adopter and global leader in the development and use of technology. Today, technology broadly enables increased competence while reflecting public values.<sup>79</sup> Alongside this has been increasing interest from governments around the world in agile approaches.<sup>80</sup> A focus on agile government may assist in charting the APS toward its digital aspirations. Around the world, leaders in the public sector are increasingly looking to agile government as a new approach.<sup>81</sup>

Transformation to improve trust in government has been a focus of the United States National Academy for Public Administration (NAPA)<sup>82</sup> and the IBM Center for The Business of Government in the creation and advancement of the Agile Government Center (AGC).<sup>83</sup> The Center has worked for more than two years to define agile government as follows:

*"Agile government is a principles-based integrated framework that involves interaction among teams and iteration with users and the public to develop and implement policies, regulations and programs at all levels to transform governments and improve trust."*

77. <https://www.csf.gov.sg/> see for example the 2021 Foresight Report <https://file.go.gov.sg/csfforesight2021.pdf> covering megatrends and emerging issues.

78. <https://tietokayttoon.fi/documents/1927382/2158283/Humble+Government.pdf/efbd7017-8546-7996-e249-c6f2008fe2d4/Humble+Government.pdf?t=1605254807206>.

79. <https://www.nesta.org.uk/blog/nine-big-messages-digital-government-public-sector-leaders-should-understand/>.

80. See for example the UK advice on agile and government services: <https://www.gov.uk/service-manual/agile-delivery/agile-government-services-introduction> or this blog from the UK Government Digital Service on why working with agile matters: <https://gds.blog.gov.uk/2022/05/13/why-working-with-an-agile-approach-matters-across-the-globe/>.

81. <https://medium.com/@inesmergel/agile-a-new-way-of-governing-8e2c8f7efd1>.

82. More information on NAPA is available here: <https://napawash.org/>.

83. <https://napawash.org/the-agile-government-center/overview>.

The Integrated Agile Government Framework for Action, shown below, is a guide for leaders at all levels of government based on agile government principles. It shows leaders the steps to take in simultaneously executing the elements of the Framework. This month, the IBM Center and the AGC are also publishing a detailed version of the Framework in *The Future of Agile Government*.

The Agile Framework ties together elements of management that can increase competence while respecting public values. The conclusions of this report use the Framework as a guidepost for action.

A primary conclusion of the report, as noted above, is that leaders at all levels need to develop an “agile mindset.” Author Stephen Denning defines this as follows: “Practitioners are thus said to have an *agile mindset* when they are preoccupied—and sometimes obsessed—with innovating and delivering steadily more *customer* value, with getting work done in small self-organizing *teams*, and with collaborating together in an interactive *network*. Such organizations have been shown to have the capacity to adapt rapidly.”<sup>84</sup> A focus on developing agile mindsets in government is building in Australia<sup>85</sup> as well as in many countries, and being championed by a range of international organisations. For example, a recent report from the United Nations included a chapter on developing agile mindsets in public institutions as part of path towards implementing the Sustainable Development Goals.<sup>86</sup>

The Integrated Agile Framework for Action, developed by the Agile Government Center, presents a comprehensive blueprint for agile government that can improve competence and lead to increased trust.

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84. <https://www.forbes.com/sites/stevedenning/2019/08/13/understanding-the-agile-mindset/?sh=115101705c17>.

85. See for example a talk at Geosciences Australia on Agile Mindsets in 2020: [https://www.youtube.com/watch?v=8BUgWZB47kl&list=PL0jP\\_ahe-BFmG86erK7sDH2ldl21aKiC2&index=47](https://www.youtube.com/watch?v=8BUgWZB47kl&list=PL0jP_ahe-BFmG86erK7sDH2ldl21aKiC2&index=47).

86. <https://unpan.un.org/sites/unpan.un.org/files/Changing%20mindsets%20report%20-%201%20October.pdf> (see chapter 3).

# CONCLUSIONS AND RECOMMENDATIONS

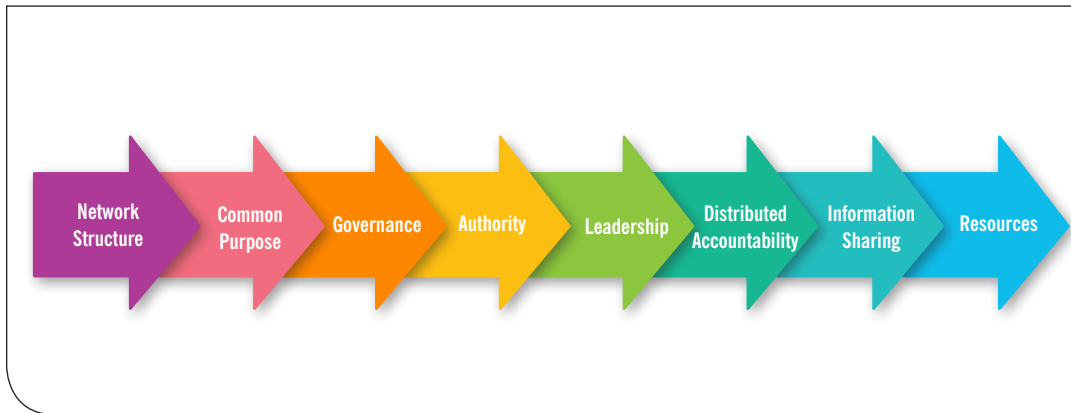
Based on the observations at the roundtable and related research, the following represent conclusions and recommendations for Australian leaders and with applicability for governments around the world:

- **Evaluating the need for updated regulations and laws.** As noted above, it may be necessary to change legislation, procedures, and regulations across the entire spectrum of Australian government. This will require creating a “guiding coalition”<sup>87</sup> from federal, state, and local levels. Leadership throughout the coalition must develop an agile mindset and be willing to innovate and involve customers and the public, and can use all aspects of the Framework to lead change to improve competence and trust.
- **Developing a strategy for change.** Creating a strategy for change will be based on a precise definition of the mission involved and a clear vision for the future. Services Australia has already done so, but in the broader context the entire Australian government must seek a similar commitment. Time spent at the beginning to gain acceptance of the mission and vision will pay continued dividends. Once created, leaders must continually communicate this mission and vision within the APS, across levels of government, and to the public.
- **Using evidence is essential.** As the strategy moves forward, developing and examining evidence about the direction can be informed by metrics that will demonstrate success. Such metrics can include the wise use of resources, the speed with which change happens, and the impact of the work on desired results. These metrics should be easily understood, widely agreed upon, and transparent to all participants and the public.
- **Understanding the customer journey is critical.** Customers and the public should be heavily involved in design and testing of work done to implement the transformation. Services Australia already has committed to “use customer insights to improve customer experience.”<sup>88</sup> Beyond the focus on customers and their journey, the broader general public needs to perceive that government listens to them. This attitude must be built into a broad transformation effort.
- **Coordinating will be a force multiplier.** The roundtable keenly recognized the need for a more joined up approach especially horizontally within the federal government, to create a delivery mechanism for services and the technology needed for this delivery. Principles of managed networks that can enhance such coordination are shown in Figure 4.

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87. <https://hbr.org/1995/05/leading-change-why-transformation-efforts-fail-2>.

88. <https://www.servicesaustralia.gov.au/sites/default/files/corporate-plan-21-22-12637-2108.pdf>.

**Figure 4. Network Management Principles**

- **Using cross-functional teams at all levels.** In an agile environment, the role of small and autonomous cross-functional teams is paramount. Agile scholar Stephen Denning raises the focus on teams to the level of a “law.” These teams should work independently but with continuous feedback from customers and the public. Using teams at all levels of the organization will facilitate products, including policies, regulations, and legislation, that can be tested quickly to gauge efficacy and acceptance.
- **Innovating as a key value.** Various mechanisms can foster innovation,<sup>89</sup> and testing ideas generated from innovation should happen quickly and continuously. The speed with which a vaccine was developed to combat COVID-19 reflects a methodology that relied on innovation and rapid testing to produce a result. The methodology underlying the new vaccine had been in development for some time, and was persistently reviewed to ascertain its value in a new therapeutic situation.

89. <https://www.businessofgovernment.org/report/managing-recovery-view-inside>.



# ABOUT THE AUTHORS

**G. Edward DeSeve** is the coordinator of the Agile Government Center at the National Academy of Public Administration and the Agile Visiting Fellow at the IBM Center for The Business of Government. He has served at all three levels of government and in the private sector. At the federal level, he was a special advisor to President Barack Obama charged with implementing the \$800 billion American Recovery and Reinvestment Act. He was also deputy director for management and controller at the Office of Management and Budget and chief financial officer of the Department of Housing and Urban Development.

At the state and local levels, he was a special assistant to the Governor of the Commonwealth of Pennsylvania and director of finance for the City of Philadelphia. In the private sector, he was a managing director at Merrill Lynch Capital Markets and the founder and president of Public Financial Management, the nation's largest independent financial advisor to government.

He holds a Bachelor of Science in Industrial and Labor Relations from Cornell University a Master of Public Finance from the Wharton School of the University of Pennsylvania.

**Janine O'Flynn** is Professor of Public Management at the University of Melbourne, and Deputy Dean (Engagement) at the Australia and New Zealand School of Government. From January 2023, she will be the Director of the Crawford School of Public Policy at the Australian National University, the leading public policy school in the region.

She is an award-winning researcher and educator, who has provided expert advice to policymakers from around the world on topics related to public sector reform and relationships. Janine is an Associate Editor of *Public Management Review* and an elected board member of the Public Management Research Association. She is a Fellow of the National Academy of Public Administration and the Institute of Public Administration Australia (Victoria) and sits on the advisory board for the Victorian Public Sector Commission. Her various activities across research, education and engagement seek to better understand how government works and to contribute to improving the outcomes of those activities.



G. EDWARD DESEVE



JANINE O'FLYNN



## KEY CONTACT INFORMATION

**G. Edward DeSeve**

Coordinator of the Agile Government Center at the National Academy of Public Administration and the Agile Visiting Fellow at the IBM Center for The Business of Government

Phone: 215-692-7357

Email: [gedeseve@gmail.com](mailto:gedeseve@gmail.com)

**Janine O'Flynn**

Director, Crawford School of Public Policy  
Australian National University

Email: [janine.oflynn@anu.edu.au](mailto:janine.oflynn@anu.edu.au)

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### For more information:

**Daniel J. Chenok**

Executive Director

IBM Center for The Business of Government

600 14th Street NW

Second Floor

Washington, D.C. 20005

(202) 551-9342

website: [www.businessofgovernment.org](http://www.businessofgovernment.org)

e-mail: [businessofgovernment@us.ibm.com](mailto:businessofgovernment@us.ibm.com)

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