

# TRUST, INNOVATION, AND INTEROPERABILITY TRANSFORMING PUBLIC SERVICES TO LEAD PRODUCTIVITY AND RESILIENCE

## THE GX5: FIVE DIGITAL INITIATIVES TO BOOST PRODUCTIVITY

RESEARCH INNOVATION COUNCIL ANZ BRIEF



ServiceGen



## INTRODUCTION

A series of pivotal roundtable discussions over the course of October and November 2024 brought together **97 ANZ government leaders, 23 academic pioneers, and 27 industry experts.**

Attending to the presentation of the GX5 framework, 7 roundtable discussions were conducted nationally between 11-20 government participants at a **62% Executive Leadership Team seniority** i.e. CEOs, Secretaries, Executive Directors, CIOs, etc. with the remaining 38% seniority supported by Directors and designated 2ICs. Enabling true cross-sector insights, each forum welcomed 5 industry partners from the **AWS (Amazon Web Services) partner ecosystem**, alongside 3-4 supporting academic researchers handpicked by participating University research and innovation offices.

Hosted by esteemed academic and research partner institutions including the **ANU Tech Policy Design Centre, University of Technology Sydney, RMIT University, Griffith University, Victoria University of Wellington, and Torrens University**, these roundtables examined how digital transformation could drive productivity and improve public sector service delivery. Central to these conversations was the introduction of the GX5 framework—a visionary strategy aimed at reshaping government services and addressing emerging challenges in **cross-governmental operations.**

**The Hon. Victor Dominello**, Chair of the Federal Ministerial Advisory Committee on Digital ID, Co-Founder ServiceGen, and former Minister for Customer Service in New South Wales, presented the GX5 framework at each gathering, comprising five key digital infrastructure priorities. This presentation was enabled through critical research and analysis completed by **Ember Advisors.**

These workshops highlighted the imperative for governments to overcome the diminishing returns from traditional growth levers like population expansion and workforce participation. With developed economies at a crossroads, **productivity gains**—particularly through digital transformation—have become the essential pathway for economic sustainability.

By addressing key challenges, fostering collaboration, and embracing inclusivity, the GX5 framework offers a **roadmap for impactful reform.** The roundtables revealed that digital identity, as the cornerstone of this vision, is critical for building trust, achieving interoperability, and enabling an ecosystem of innovative public services.

By **Patrick Joy** | Head of Research & Analysis | [Public Sector Network](#)

# REIMAGINING PRODUCTIVITY IN DEVELOPED NATIONS

## The Economic Imperative:

Developed countries like Australia and New Zealand face plateauing population growth and limited scope for increased workforce participation. These realities demand a sharp focus on enhancing productivity to sustain economic growth.

## Digital Transformation's Role:

Digital initiatives, exemplified by GX5, are not just tools for operational efficiency but catalysts for economic expansion, citizen satisfaction, and public sector modernisation, and need to be positioned as such in order to garner full attention from the likes of Treasury and Ministers.

### THE CONTEXT AND THE CHALLENGE

## Economic growth depends on growth in three areas:



### Population

Increasing the number of working aged people in the economy



### Participation

Increasing the proportion of the population that is engaged in work



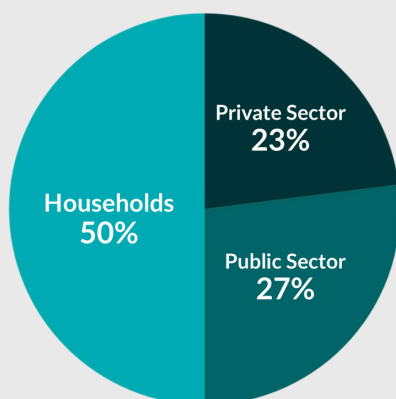
### Productivity

Increasing the amount of output per hour of work

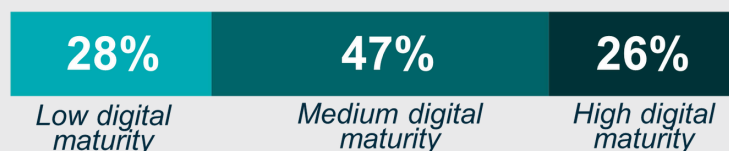
### PRODUCTIVITY IN THE PUBLIC SECTOR

## One proven opportunity is to accelerate the digitalisation of the Australian economy.

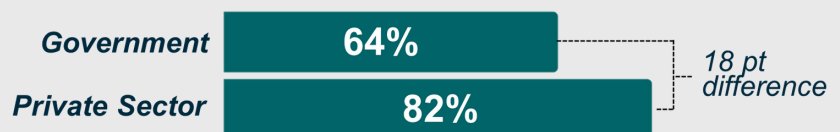
#### Contribution to Australian GDP:



#### Proportion of agencies by level of maturity:



#### Difference in satisfaction with online services:



Sources: 1. ABS Australian National Accounts: National Income, Expenditure and Product; Note: Private sector includes net exports 2. Global digital transformation survey 2021, Deloitte; 3. Digital government and citizen experience survey 2023, Deloitte. Analysis by Ember Advisors.

# THE GX5 FRAMEWORK: A VISION FOR DIGITAL TRANSFORMATION



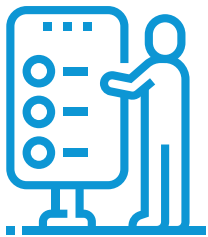
## DIGITAL IDENTITY: THE FOUNDATION OF GX5

- **Interoperability Across Systems:** Establishing open standards to connect federal, state, and private sector services seamlessly.
- **Economic Impact:** International case studies not limited to Estonia's digital identity infrastructure (2% GDP increase), India's Aadhaar (US\$ 10 billion savings administering subsidy programmes, and SingPass' (>US\$1 billion economic impact), underscore the potential in Australia and New Zealand where conservative estimates pin annual economic benefits close to \$19 billion.
- **Enhanced Trust:** Transparent processes, decentralised architectures, authorisation, integrity, and stringent security build citizen confidence.



## SKILLS WALLET: EMPOWERING WORKFORCE AGILITY

- **Employment Mobility:** Simplifying credential verification across industries to match skills with emerging job markets.
- **A Look into the Future:** Keeping a pulse on skills gaps and spreads as students and new job seekers enter the market to influence and manage critical educational offerings.
- **Real-World Success:** Singapore's SkillsFuture initiative has significantly reduced unemployment among retrenched workers.



## DIGITAL FRONT DOOR: A CITIZEN-CENTRIC APPROACH

- **Unified Accessibility:** Eliminating the fragmentation of digitalised public services through a single-entry point.
- **Citizens at the centre of e-government:** The onus remains for not just state, but federal and local governments to bridge services through unified portals.
- **Case Study:** New Zealand's RealMe service demonstrates how a well-designed front door can increase citizen engagement by 30%.



## DIGITAL HEALTH RECORD: PATIENT-FOCUSED INTEGRATION

- **Efficiency Gains:** Centralising patient data to improve coordination between healthcare providers, and in future broader public sector agencies where synergy is required to support citizen outcomes.
- **Privacy by Design:** Leveraging secure-by-default systems to mitigate data breaches, as exemplified by Denmark's Sundhed.dk platform.



## DIGITAL LICENSES AND PERMITS

- **High Adoption Rates:** In New South Wales, 85% of eligible citizens have transitioned to digital driver's licenses, with other notable states following suit (e.g. September 2024 Queensland Digital Licence App). Ideally future iterations could enjoy greater impact if aligned to impactful architecture explained in previous points, namely Digital ID and Digital Front Doors.
- **Cross-Sector Application:** Leveraging licenses for interlinked services like vehicle registration and traffic fines.

## IDENTIFIED: BARRIERS TO GOVERNMENT'S SUCCESS

These public sector leaders specialise and manage areas not limited to whole of government digital, data, and cyber strategies; enterprise services; emerging technology; transformation; ICT innovation; AI governance; customer experience; applications; information security; policy; procurement; strategy; and architecture.

Together the group uncovered entrenched systemic challenges, which must be addressed to realise the potential of transformative digital initiatives like the GX5.

These barriers underscore the urgency for cohesive, forward-looking strategies that align leadership, culture, and resources.

### CULTURAL RESISTANCE

- **Siloed Thinking:** Public sector agencies continue to operate independently, creating isolated pockets of progress rather than holistic reform. This limits cross-sector collaboration and weakens interoperability between systems.
- **Data Hoarding:** Risk-averse attitudes and concerns over ownership stymie data sharing, often prioritising control over innovation. These behaviours undermine the potential for integrated solutions that streamline citizen services.

### PRIVACY AND TRUST DEFICIT

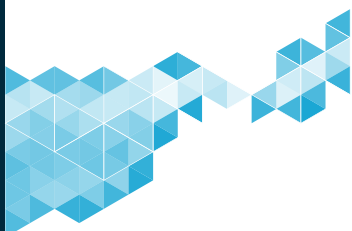
- **Public Scepticism:** High-profile data breaches have heightened concerns about personal privacy. Citizens are wary of sharing sensitive information, regardless of assurances around security.
- **Complex Privacy Frameworks:** Disparate data governance policies across jurisdictions make it difficult to establish uniform digital standards, further delaying implementation.

### PROCUREMENT AND FUNDING GAPS

- **Rigid Models:** Traditional procurement methods often favour extensive controls and pre-set parameters, leaving little room for iterative approaches. This stifles innovation in fast-changing technology landscapes. By embracing scalable systems and agile procurement, governments can leverage private sector expertise to innovate more rapidly and cost-effectively.
- **Budget Competition:** Short-term fiscal priorities frequently overshadow long-term investment needs, pushing transformative digital projects to the back burner.

### LEADERSHIP AND VISION

- **Political Cycles:** Short-term political priorities and frequent leadership turnover disrupt continuity.
- **Lack of Champions:** Digital transformation lacks dedicated advocates at the senior leadership level who can effectively communicate its strategic value.
- **Public-Private Gaps:** Building partnerships with industry leaders allows governments to adopt proven models and technologies, accelerating adoption of initiatives like digital identity or integrated service delivery.



## WHAT'S NEXT?

Successfully addressing these barriers calls for a paradigm shift in how governments approach digital transformation. GX5 offers a bold framework, but its success depends on executing solutions that are innovative, scalable, and citizen focused.

### AGILE FUNDING MODELS

- **Pilot-Driven Investments:** Starting small is critical. Pilot projects in high-impact areas to citizens, such as healthcare and transport, provide tangible demonstrations of return on investment (ROI). By showcasing quick wins, pilots can generate buy-in from key stakeholders, including at the political level and build momentum for larger initiatives with greater confidence in digital. Scalable platforms provided by trusted technology vendors enable governments to test and refine digital initiatives through pilot projects. This reduces risk while demonstrating ROI to secure broader buy-in.
- **Cross-Agency Incentives:** Establishing performance-based funding pools encourages agencies to collaborate, explore common capabilities, and build together shifting the focus from siloed achievements to shared successes.

### DEVELOPING OPEN STANDARDS

- **National Frameworks:** Establishing unified standards for digital identity, data sharing, and cybersecurity will enable seamless interoperability between federal, state, and local systems.
- **Global Alignment:** Leveraging international frameworks like the EU's eIDAS, where vendors often bring expertise in global interoperability and compliance creates opportunities for Australia and New Zealand to align with proven models and accelerate implementation.

## HARNESSING ACADEMIA

- **Research-Backed Advocacy:** By quantifying the economic and social impacts of initiatives like GX5, academic institutions can provide evidence to strengthen business cases for investment.
- **Upskilling Public Sector Workers:** With practical alignment and integration fostered through initiatives like this, Universities will become even more uniquely positioned to develop complementary training programs that equip public servants with the capabilities required to lead and sustain digital transformation efforts.

## INCLUSIVE DESIGN

- **Accessibility First:** Universal design principles ensure that digital services meet the needs of all citizens, including those with disabilities or limited digital literacy.
- **Cultural Sensitivity:** Co-designing with Indigenous communities and underrepresented groups not only fosters trust but ensures equitable access to government services.

## CITIZEN TRUST BUILDING

- **Transparent Communication:** Regular updates on progress, decision-making, and funding, accompanied by clear metrics and relatable success stories, build citizen confidence in digital initiatives.
- **Feedback Loops:** Mechanisms for ongoing citizen engagement create opportunities to refine solutions based on real-world needs and experiences.



## CAPABILITY-DRIVEN & RISK ADJUSTED SOLUTIONS

The barriers and solutions outlined are deeply interconnected. For example:

- **Cultural Resistance and Agile Funding Models:** Breaking silos is essential for pooling resources and executing collaborative pilots. Without cultural shifts, funding reform alone will fail to take root.
- **Privacy Deficit and Citizen Trust:** Addressing public scepticism requires both technical solutions, such as secure-by-design systems, and strategic communication efforts to rebuild trust.
- **Leadership Gaps and Harnessing Innovation Partners:** Partnerships with industry and universities can fill leadership voids by fostering data-driven advocacy and offering continuity in strategy development.

Real opportunities for strategic cross-sector collaboration were also identified with the contribution of trusted technology provider insights:

- **De-Risking Innovation:** Scalable systems and specialist expertise enable low-risk pilots, creating a foundation for iterative improvement at handover.
- **Collaborative Ecosystems:** Vendors can foster cross-sector collaboration by offering platforms designed to integrate multiple stakeholders, including government, academia, and industry.
- **Secure, Scalable Infrastructure:** The private sector provides reliable and future-proof solutions that allow governments to focus on policy while leveraging robust technology.



## WHY NEXT STEPS MATTER

- **Clarity in Vision:** Each actionable outcome needs to connect directly to a tangible benefit, such as improved public services, cost savings, or citizen empowerment.
- **Overcoming Barriers:** Specific next steps tackle critical challenges head-on, such as cultural resistance through partnerships and privacy concerns through education and engagement.
- **Setting the Stage for Scale:** Identifying early wins from pilots and agile processes create momentum, fostering confidence among stakeholders and paving the way for broader adoption of GX5.

# ACTIONABLE STEPS: EXECUTION & IMPACT

To bring the GX5 framework to life and address the identified barriers, these outcomes focus on strategic implementation, collaboration, and citizen engagement. Each step aligns with broader objectives to accelerate progress while ensuring tangible and measurable impact.

## IMPLEMENT DIGITAL IDENTITY PILOTS

- **High-Impact Use Cases:** Prioritise pilots in verticals where the benefits of digital identity are immediate and measurable. For instance, streamlining patient intake processes or enabling seamless fare payments across public transit networks can demonstrate early ROI and citizen value.
- **Proof of Concept:** Use these pilots to validate interoperability standards, strengthen citizen trust, and address early-stage challenges before scaling solutions nationally.

## BUILD CROSS-SECTOR PARTNERSHIPS

- **Collaborative Working Groups:** Convene leaders from academia, industry, and government to share tangible problems and co-design solutions tailored to sector-specific needs. These partnerships can tackle complex issues, such as integrating private sector platforms with public services or addressing workforce skills gaps.
- **Innovative Ecosystems:** Create spaces for collaboration that move beyond transactional relationships, fostering shared responsibility for outcomes. For example, partnerships in cybersecurity could enable shared learning and risk mitigation.

## REFORM PROCUREMENT PROCESSES

- **Agile Procurement Models:** Shift from rigid procurement cycles to flexible frameworks that allow for iterative development and adaptive changes. This is particularly crucial for technology projects where requirements may evolve during implementation.
- **Outcome-Oriented Approaches:** Set procurement criteria that prioritise impact and scalability over strict adherence to initial specifications, incentivising innovation.

## EXPAND PUBLIC AWARENESS CAMPAIGNS

- **Citizen Education:** Launch campaigns to inform the public about the benefits and safeguards of digital initiatives like the GX5, addressing concerns around privacy and security. Use relatable success stories to demystify technology and foster buy-in.
- **Engagement Platforms:** Establish interactive forums or digital platforms where citizens can provide feedback, ask questions, and track the progress of GX5 initiatives. This builds trust through transparency and demonstrates a commitment to inclusivity.



## CONCLUSION

The GX5 represents a shift from incremental reform to transformative change. It acknowledges that traditional levers of economic growth—population expansion and workforce participation—are no longer sufficient. Instead, it champions productivity gains driven by digital transformation, presenting an actionable framework that connects innovation to citizen impact.

With over \$19 billion in potential annual benefits from digital identity alone, the stakes for implementing GX5 are immense. This isn't just about modernising government; it's about future-proofing public services in the face of economic stagnation, citizen mistrust, and global competition.

GX5 is a call to action for governments to lead the charge in digital transformation, creating services that are not only efficient but meaningful to the lives of citizens. It's a blueprint for collaboration, designed to unite sectors and stakeholders in shaping a future-ready public sector. By placing digital identity at its core, GX5 tackles productivity challenges, enhances citizen engagement, and sets the stage for a cohesive, digitally integrated government.

## THE PATH FORWARD

- **Foster Alignment:** Cross-jurisdictional and cross-sector collaboration will be critical to translating vision into actionable plans.
- **Start Pragmatic:** Small-scale pilots provide a low-risk approach to test GX5 elements, demonstrating value while refining implementation strategies.
- **Build Trust and Inclusivity:** A transparent and citizen-centric approach will ensure that initiatives resonate with the public and address diverse community needs.

The urgency is clear, and the opportunity is immense. GX5 is more than an initiative—it is a commitment to future-proofing public services and reinforcing the trust between governments and their citizens. The time to act is now, and together, we can build a public sector that is resilient, innovative, and prepared for the challenges of tomorrow.

## ACKNOWLEDGEMENTS

**Public Sector Network** thank all participants, with special recognition to the Hon. Victor Dominello, Ember Advisors, AWS and partners, and the host universities for their invaluable contributions. The insights shared at these events will guide the next chapter of digital transformation in Australia and New Zealand.

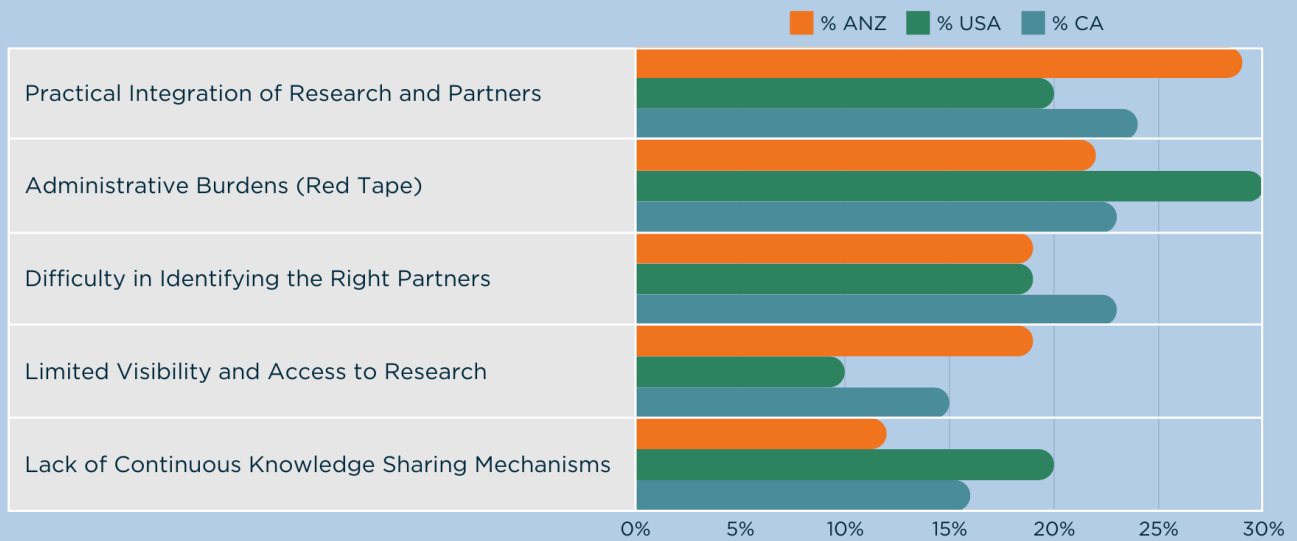
# ABOUT THE RESEARCH INNOVATION COUNCIL

**Connecting government, industry and academia:** we've been able to engineer a new program antithetical to the classical red tape, administration, and risk-aversion that impedes innovation.

Our program offers senior executives a unique opportunity to gather monthly for PSN-facilitated roundtable sessions with colleagues, academics, and technologists. We run the program at no cost to government executives or academics, and provide attendees a private online group on our global insights exchange platform, access to research briefs, and expert engagement with PSN analysts and facilitators.



## Greatest challenge partnering with Academia or Industry



Source: PSN Research Innovation Council Survey 2024. Total Sample Size: 188 ANZ/ 83 USA/ 80 CA Gov Executives

## ABOUT PUBLIC SECTOR NETWORK

Public Sector Network is a research company that represents public sector professionals across Australia, Canada, New Zealand, and the USA. It develops roundtables, seminars, and conferences to suit current areas of interest to government agencies and their suppliers.

PSN's growing community spans across federal, state, and local government departments, healthcare, and education, allowing members to share information, access the latest in government innovation, and engage with other like-minded individuals on a secure and closed-door network.

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