

Schedule 6 – Order for Service

1. Introduction

- 1.1. This Order is issued in accordance with clause 11.3 of the Head Agreement for the Management Advisory Services (MAS) Panel Standing Offer Notice (SON3751667) between the Service Provider and the Department of Finance.

<u>Order for Services</u>	
<i>Service Provider Information</i>	
Service Provider	Nous Group Pty Ltd
Australian Business Number	66 086 210 344
Service Provider Representative	Contact: s 47F Position: Nous Principal - Canberra Email: s 47F @nousgroup.com.au Phone: s 47F
Service Provider Address for Notices	Address: Nous Group Pty Ltd, Level 34, 60 Margaret Street, Sydney NSW 2000 Email: s 47F @nousgroup.com.au
<i>Agency Information</i>	
Agency	Office of the Australian Information Commissioner
Australian Business Number	85 249 230 937
<i>Agency Representative</i>	
Agency Representative	Name: Annan Boag Position: Director Strategic Projects Email: annan.boag@oaic.gov.au Phone: s 47F
Agency Address for Notices	Address: GPO Box 5288 Sydney NSW 2001 Email: annan.boag@oaic.gov.au (Please copy any notices to procurement@oaic.gov.au)
Agency Address for Invoices	Invoices must be submitted to invoiceonly@sdo.gov.au and the purchase order no and cost centre code must be quoted in the invoice. Please send a copy of the invoice to the Agency Representative.
<i>Agency order information</i>	
Purchase Order Number	To be advised by OAIC following signing of purchase order.

Cost Centre	107004 (OTH0024001).
Agency contract manager name	<p>Name: Annan Boag Position: Director Strategic Projects Email: annan.boag@oaic.gov.au Phone: s 47F</p> <p>(Please copy any contract management related correspondence and all invoices to procurement@oaic.gov.au)</p>
Agency File Reference	23/000145
<i>Order Commencement Date and Term</i>	
Order Commencement Date	Friday, 13 October 2023
Order Expiry Date	Friday, 19 April 2024
Proposed options to extend	The Agency may extend the term of the Order for a further period (or periods) of up to six months in total by providing written notice to the Service Provider 10 Business Days prior to the Order Expiry Date. An extension of the Order term will not entitle the Service Provider to an increase in Total Contract Fees unless such increase is specifically agreed in writing by the parties.
<i>Statement of Work</i>	
Service Area	Corporate Management Advisory Services; and Commercial Management Advisory Services
Service Category	<ul style="list-style-type: none"> • Corporate Service Areas – Organisational Planning and Development • Corporate Service Areas – Corporate Governance, and • Commercial Service Areas – Government Policy
Service Sub-category	Not applicable
Detailed Statement of Work	See Attachment A – Statement of Requirements.
Deliverables	See Attachment A – Statement of Requirements.
Milestones	<p>The Services and Deliverables to be provided under this Contract by the Service Providers are split into the following six (6) Milestones:</p> <ul style="list-style-type: none"> • M1 – Acceptance of the Strategic Review methodology and plan under Phase A; • M2 – Completion of Phase A; • M3 – Presentation of preliminary findings and recommendations to the Agency; • M4 – Acceptance of the Interim Strategic Review Report by the Agency; • M5 – Acceptance of the Final Strategic Review Report and Implementation Plan by the Agency; and

	<ul style="list-style-type: none"> • M6 – Completion of Phase D – Implementation Support.
Key Personnel	<p>The Service Provider must only use the following Key Personnel to provide the Services:</p> <ul style="list-style-type: none"> • § 47F – Client Director • § 47F – Project Director • § 47F – Project Manager • § 47F – Project Consultant • § 47F – Project Consultant • § 47F – Project Consultant • § 47F – Expert Advisor • § 47F – Expert Advisor • § 47F – Expert Advisor, and • § 47F – Project Assistant
Subcontractors	Nil
Location	All Key Personnel must located be in Australia.
Fees	<p>Fees will be paid on a Milestone basis as per the Milestone Payment details in Table 1 – Milestone Fees in Attachment C - Pricing.</p> <p>The Total Contract Fees are \$780,000 (GST inclusive).</p>
Payment Terms	<p>(a) five calendar days where the Agency and the Service Provider both have the capability to deliver and receive e Invoices through the Pan-European Public Procurement On-Line Framework and have agreed to use this method of invoicing; or</p> <p>(b) 20 calendar days for all other invoices.</p>
Invoicing	Invoicing requirements are stated in Attachment C – Pricing .
Travel	Any travel costs incurred by the Service Provider and invoiced to the Agency in under this Order must not exceed \$11,000 (GST inclusive) . Any travel in excess of this amount will be funded by the Service Provider.
<p>Agency Material</p> <p><i>Agency Material is defined in the clause 1.1.1 of the Head Agreement as any Material provided by an Agency to the Service Provider for the purposes of a Contract, or derived at any time from that Material.</i></p>	<p>All Material provided by the Agency to the Service Provider for the purposes of the Contract, including:</p> <ul style="list-style-type: none"> • any existing policies and documents relating to the Agency's organisational structure and functionality; • data and information relating to Agency staffing, structure, resourcing, capabilities, and existing processes; and • previous review reports, and other advisory material previously given to the Agency. <p>For the purposes of this Contract, Agency Material includes this Order and its attachments.</p> <p>When handling Agency Material, the Service Provider must comply with any reasonable directions given by the Agency relating to confidentiality, security or privilege that apply to the Agency Material.</p>

Existing Material	Not applicable												
Contract Material	<p>The following Material (and draft versions of this Material) generated by the Services Provider is Contract Material:</p> <ul style="list-style-type: none"> • Strategic Review Report (interim and final); • Interview Reports; • Discovery Phase Reports (initial and supplementary); • Progress reports; • Notes of interviews, workshops and stakeholder consultations; and • Any other material generated by the Service Provider in order to deliver the contracted services. 												
Restrictions on use of Contract Material	<p>The Service Provider acknowledges that the Contract Material will contain Confidential Information of the Commonwealth or other parties and Personal Information of individuals. Contract Material must not be used or disclosed by the Service Provider in a way that would breach any obligation of Confidentiality or Privacy arising under this Order or otherwise.</p> <p>To the extent that the Contract Material includes any of the Service Provider's Existing Material, the Licence to use that Contract Material will not be transferrable or sublicensable.</p>												
Restrictions on use of Service Provider's name, trade name or logo	Not applicable.												
Additional requirements													
Confidential Information	<table border="1"> <thead> <tr> <th>Agency Confidential information</th> <th>Period of Confidentiality</th> </tr> </thead> <tbody> <tr> <td>Agency data and Agency Material</td> <td>Indefinitely</td> </tr> <tr> <td>Any Personal Information held by the Agency</td> <td>Indefinitely</td> </tr> <tr> <td>Security Classified Information</td> <td>Indefinitely</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Service Provider Confidential information</th> <th>Period of Confidentiality</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Not applicable</td> </tr> </tbody> </table>	Agency Confidential information	Period of Confidentiality	Agency data and Agency Material	Indefinitely	Any Personal Information held by the Agency	Indefinitely	Security Classified Information	Indefinitely	Service Provider Confidential information	Period of Confidentiality	Nil	Not applicable
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Service Provider Confidential information	Period of Confidentiality												
Nil	Not applicable												
Agency Data Storage Requirements	Agency Material provided by the Agency to the Service Provider must be stored in a secure database with access restricted to Key Personnel only.												

	<p>Confidential Information must not be stored offshore.</p> <p>The Service Provider must treat this Order as Confidential Information and also ensure it is stored in a secure database.</p>
Security	The Service Provider must promptly notify the Agency of any actual or suspected unauthorised access to or unauthorised disclosure of Confidential Information, or a loss of Confidential Information ('possible data breach'), and take all reasonable steps to support the Agency in any investigation of the possible data breach.
Additional Requirements - security	Key Personnel must be willing to obtain and maintain a BASELINE security clearance issued by the Australian Government Security Vetting Agency, if required by the Agency. Agency will sponsor Key Personnel to obtain a security clearance if necessary.
Conditions/Restrictions for Personal Information	The Service Provider and its Key Personnel must act in accordance with the <i>Privacy Act 1988</i> (Cth), including providing a privacy statement whenever collecting personal information (for example, at the start of workshops and interviews). The Service Provider must comply with any Agency requirements relating to Notifiable Data Breaches.
Additional or alternate Requirements - insurance	In accordance with Clause 18 of the MAS Panel Head Agreement.
Agency Service Levels	<p>The following critical Deliverables must be met by the timeframes:</p> <ul style="list-style-type: none"> - B.10 – Delivery of Interim Strategic Review Report by 15 January 2024; and - C.3 – Delivery of Final Strategic Review Report by 5 February 2024.
<i>Commonwealth Procurement Connected Policy Requirements</i>	
Black Economy Policy	Not applicable
Indigenous Procurement Policy	Not applicable
Australian Industry Participation Policy	Not applicable
<i>Variable Clauses of the Head Agreement</i>	
Internal Working Papers	The Default position applies
Intellectual Property	Clause 20.2 applies
Key Personnel Requirements	Personnel performing the Services may be required to sign a Deed and acknowledgements relating to confidentiality, security, moral rights, intellectual property and other relevant matters as required by the Agency.
Return of Confidential Information	As per clause 22.6.2 and 22.6.3 of the Head Agreement, Confidential Information must be returned to the Agency or destroyed at the Completion Date, to the satisfaction of the Agency.

Liability	The lesser of 3 x Fees for this Order or \$5,000,000.
Service Provider termination right	As set out in clause 26.2.3 of the Head Agreement.
Termination for convenience costs in relation to Fees for Services calculated on a milestone basis	The Default position applies

Signed for and on behalf of
Commonwealth of Australia as
represented by the Office of the Australian
Information Commissioner 85 249 230 937

name of authorised officer

Signature of authorised officer

title of authorised officer

Signed for and on behalf of Nous Group
Pty Ltd 66 086 210 344

s 47F _____
*name of Service Provider's authorised
representative*

s 47F _____
*Signature of Service Provider's authorised
representative*

PRINCIPAL

*title of Service Provider's authorised
representative*

Attachment A: Statement of Requirements

1. Purpose

This Document (**Attachment A**) sets out the Statement of Requirements, Services and Deliverables for this Contract.

2. Background – the Agency and Project

The Office of the Australian Information Commissioner (OAIC) is Australia's national privacy and information access regulator. Established in 2010 under the *Australian Information Commissioner Act 2010*, the Agency is an independent statutory agency, within the Attorney-General's portfolio, that regulates the Commonwealth *Privacy Act 1988* and *Freedom of Information Act 1982*. The Agency has a range of functions under other legislation, such as the *Competition and Consumer Act 2010* (in relation to the Consumer Data Right), the *My Health Records Act 2012* and the Privacy (Credit Reporting) Code 2014. The Agency regulates both Commonwealth government entities and officials (in relation to both freedom of information and privacy) and the private sector (in relation to privacy).

The Government has provided funding for the Agency to undertake a Strategic Review of its structure, functions, governance, capability and regulatory posture to ensure it is well positioned to deliver on its functions as the national privacy and information access regulator. The outcome of the Strategic Review will be an assessment of the current structures, functions, governance, capability and regulatory posture and advice to the Information Commissioner and Secretary to the Attorney-General's Department about potential changes to strengthen Agency's capacity, capability and influence into the future, for the benefit of the Australian community.

The privacy landscape has changed significantly since the introduction of the Privacy Act over 30 years ago. In the intervening decades, most aspects of the daily lives of Australians have been transformed by innovations in technology and service delivery. This has resulted in a dramatic increase in the amount of data and personal information collected, used and shared, both in Australia and globally. Alongside this significant shift in data handling practices has come an increase in community expectations that their personal information will be protected.

In this context, the Agency has welcomed and made significant submissions to the Attorney-General's Department's review of the Privacy Act and will engage with the Government's response to the Privacy Act Review.

Since its establishment in 2010, the Agency has been responsible for the oversight of the operation of the FOI Act and the review of decisions made by Commonwealth agencies and Ministers under the FOI Act. The number of FOI requests made to Commonwealth agencies and ministers has been relatively stable in recent years (2022-23: 34,225 requests; 2021-22: 34,236 requests; 2020-21: 34,797 requests). However, the number of Information Commissioner (IC) review applications has increased in recent years, except for the most recent year which saw a slight decrease (2018-19: 928 applications; 2019-20: 1,067 applications; 2020-21: 1,255 applications; 2021-22: 1,955 applications; 2022-23: 1,647 applications). The number of IC reviews on hand for more than 12 months has also been increasing since 2015-16.

The Agency has also been through a significant period of change, both in terms of its regulatory posture and corporate support and enabling of key regulatory functions. The Agency is currently conducting investigations into significant recent data breaches experienced in Australia, utilising some skills and powers for the first time. The Agency has commenced civil penalty litigation in the Federal Court for the first time, and developed and embedded internal governance mechanisms and external

consultation and cooperation forums to ensure that we focus on key regulatory risks, cognisant of the work and jurisdiction of other regulators.

At the same time the office transitioned to new shared service providers for the delivery of human resource, finance and ICT services, increasing its capability and accountability in relation to those functions, but also necessarily bringing staff through a period of significant change.

The Agency's legislation provides for a 3-Commissioner model comprising the Australian Information Commissioner, as the Agency's Accountable Authority, and a Privacy Commissioner and FOI Commissioner. In 2023-24, the Government announced the appointment of standalone Freedom of Information and Privacy Commissioners, increasing the permanent number of statutory information officers from 1 to 3. Operating with one statutory officer appointed into the roles of both Australian Information Commissioner and Privacy Commissioner and exercising the functions of the Freedom of Information Commissioner for several years has resulted in the development of structures, processes and governance calibrated to that model. Shifting to the 3-Commissioner model will necessitate a review of those structures, processes and governance, to support the Agency to effectively deliver its functions and ensure the appropriate support to, and independence of, those statutory office holders without impacting the Agency's ability to operate cohesively to discharge its regulatory role.

The Agency's census results reflect its staff's commitment to the vision and goals of the Agency. The Agency has done considerable work in increasing its recruitment and retention outcomes through the early transition to a permanently hybrid working model and providing other staff support, in circumstances where the Agency competes in a highly competitive labour market.

The May 2023 Budget provided the Agency with \$53.5 million funding injection over four years including an increase of \$8.4m per annum to its ongoing funding base, bringing its total funding in 2023-24 to approximately \$23.5m per annum ongoing. In addition, the Agency has been provided with non-ongoing supplementary funding in 2023-24 and 2024-25 to deliver short term functions, including terminating measures relating to regulation of the My Health Record, Consumer Data Right and Digital Identity and privacy, as well as funding for major investigations into significant data breaches. In 2023-24 \$1.234M additional funding has been provided from liquidity reserves to assist with the resolution of the IC review aged caseload.

3. Terms of reference

The Australian Information Commissioner and the Secretary to the Attorney-General's Department have approved Terms of Reference (**Attachment B**) for the Strategic Review, which defines the objective and key issues that the Strategic Review must examine and report on. The Commissioner and Secretary are supported by a Strategic Review Steering Group (**SRS**G) comprising senior officials from the Agency, the Attorney-General's Department, and the Department of Finance.

All activities undertaken by the Service Provider must deliver a Strategic Review that complies with the Terms of Reference at **Attachment B**.

4. Requirement

The Service Provider must deliver a Strategic Review of the Agency and make recommendations about how the Agency can ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and respond to future challenges. The recommendations must address:

- the extent to which the Agency's
 - organisational capability,

- structure,
- governance and
- resourcing

are suitable to achieve the Agency's purpose and future functionality, or require amendment;

- how resource allocation can be optimised to maximise efficiency and support the Agency's statutory functions;
- how the Agency can best respond to the likely continuing growth to the volume and complexity of its core statutory workload;
- how to ensure the effectiveness of the Agency as a regulator in responding to changing technology, the growth of the digital economy and increasing cybercrime; and
- the role of the Agency in providing advice and reports to government about privacy, information access and information management.

The Service Provider must apply the highest professional and ethical standards to all their engagements.

The Service Provider will proactively assess any actual, potential or perceived conflicts of interest, and notify the Agency immediately if any potential or actual conflict of interest of an employee, contractor, or subcontractor engaged in any activities in the Strategic Review is identified after commencement and during the course of the review.

The Service Provider may showcase the work it completed on the Strategic Review on its website following the conclusion of the Strategic Review with the Agency's written approval. The showcase will be in a form agreed between the Agency and the Service Provider.

The Deliverables for this Strategic Review are split into the four Phases as set out below.

The Deliverables for this Strategic Review must be prepared by the Service Provider to a standard of quality that is:

- a. of a high standard and quality commensurate with the standard and quality reasonably expected of a professional services firm;
- b. in plain English; and
- c. easy to understand and interpret, and which explains all key terms used.

The Service Provider will provide regular formal and informal reporting to the Agency including, as a minimum, fortnightly update meetings and short fortnightly written status updates. The Agency may require the frequency of these updates to change to weekly.

The Service Provider will actively and regularly collaborate with the Agency while the Strategic Review is underway, in a manner to be agreed between the Agency and the Service Provider during Phase A – Planning, initiation and discovery.

The Deliverables for the Strategic Review may be modified once the review is underway, by way of the Service Provider developing and the Agency approving a Strategic Review methodology and plan in accordance with the procedure described in Deliverables A.6 to A.9 below. The Strategic Review methodology and plan, once completed in accordance with that procedure, becomes Attachment D to this contract and takes precedence to the extent the Agency agrees to any alternate approach, timeframe or focus for any Deliverables.

Deliverable A. Phase A – Planning, initiation, and discovery

Phase A of the Strategic Review will focus on laying the foundations for the review, understanding the Agency's current operating model and environment, identifying key drivers of change and considering implications for the Agency's regulatory posture and regulatory approach.

1. During this Phase A, the Service Provider must also develop early thinking and hypotheses about opportunities to reform the Agency's operating model that will be further developed in Phase B.
2. The Service Provider and the Agency will participate in a kick-off meeting no later than **5 Business Days** from the Order Commencement Date.
3. Following the kick-off meeting, the Service Provider must deliver a draft Project Charter by **2 Business Days**, that outlines the key measures of success, boundaries, timelines and deliverables, and potential risks for the review.
4. Subject to Approval by the Agency, the Project Charter will apply for all activities of the Service Provider under the Strategic Review.
5. During the meeting, the parties will agree to the parameters for a Strategic Review methodology and plan.
6. The Service Provider must draft a Strategic Review methodology and Strategic Review plan for the conduct of the review, for the feedback and approval of the Agency (who will consult with the SRSG on the methodology and plan). The methodology and plan must reflect all facets of Attachment B (terms of reference) for the Strategic Review and will consider each element of the Agency's regulatory remit and how regulatory outcomes and performance are best supported by a fit-for-purpose operating model. Where the Service Provider proposes an amendment to the agreed Deliverables in the Draft Strategic Review methodology and plan, it must explicitly draw the Agency's attention to those proposed amendments.
7. The Draft Strategic Review methodology and plan must be delivered for the Agency's Approval by **5 Business Days** after the kick-off meeting.
8. The Service Provider must amend and revise the Strategic Review methodology and plan based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for approval by **2 Business Days** after receiving feedback.
9. The Strategic Review methodology and plan once approved by the Agency will become Attachment D to this Contract. The Service Provider must provide the remaining Deliverables under this Phase A and Phases B to D in accordance with the approved Strategic Review methodology and plan (Attachment D), which will take precedence to the extent that the Agency approves an alternate approach, timeframe or focus for any Deliverables.
10. The Service Provider must prepare an Engagement, Communications and Change plan that outlines how the Service Provider will engage with external and internal stakeholders, how the Service Provider will communicate with Agency Personnel and manage change throughout the review.
11. The Engagement, Communications and Change plan must:
 - (a) identify who the Service Provider will engage with externally and internally and how, when and why the Service Provider will engage them. This must include:
 - (i) indicative interview guides for each internal and external government and non-government stakeholder cohort listed in paragraph 14 below;
 - (ii) workshop and focus group agendas, structure and attendees; and
 - (iii) any other proposed information collection activities, that reflect the Key Lines of Enquiry (**KLEs**) for the review;
 - (b) outline the mode of engagement to suit the hybrid working arrangements of the Agency workforce and to ensure flexibility in scheduling with external stakeholders.
 - (c) outline the opportunities that Agency Personnel will have to engage with the review and the channels that the Service Provider will use to communicate with them about the review;
 - (d) outline the opportunities and channels for the Agency's leaders and Personnel to contribute to and be informed about progress, including structure and timing of workshops, focus groups, formal and informal interviews;
 - (e) include communication and contact points for the Service Provider, including a dedicated mailbox; and

- (f) address any change management considerations that they anticipate needing to be proactively managed during and after the review.
12. The Draft Engagement, Communications and Change plan must be delivered for the Agency's Approval by 27 October 2023.
 13. The Service Provider must amend and revise the Engagement, Communications and Change plan based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for Approval by **2 Business Days** after receiving feedback.
 14. In accordance with the approved Engagement, Communications and Change plan, the Service Provider must undertake the following interview and workshop activities to gather and analyse evidence to address the Terms of Reference of the Strategic Review:
 - (a) Interview all members of the Agency's executive management team, which must seek to:
 - (i) identify what success for this looks like for this review;
 - (ii) confirm how and when they want to be engaged through the review;
 - (iii) understand critical elements of the Agency's current operating model;
 - (iv) consider key drivers of change and their potential implications for the Agency's regulatory posture and approach; and
 - (v) develop initial hypotheses about how the Agency's operating model that are in scope for the Strategic Review might need to change;
 - (b) Interview two cohorts of key stakeholders in other government agencies, including the Agency's portfolio department (Attorney-General's Department (AGD)) and one cohort of non-government stakeholders during Phase A, as follows:
 - (i) The first cohort must consist of the AGD, and if available other regulatory agencies that that Agency collaborates with to perform its core functions, including the Australian Competition and Consumer Commission, The Treasury (including the Data Standards Body), Inspector-General of Intelligence and Security, Commonwealth Ombudsman, Australian Communications and Media Authority, Office of the eSafety Commissioner, Australian Prudential Regulation Authority and Australian Digital Health Agency;
 - (ii) Interviews with the first cohort must:
 - be guided by similar questions to those in paragraph 14(a) above; and
 - facilitate a detailed exploration of how the Agency's partnership and collaborations with its co-regulators may need to change in response to changing operating environments;
 - (iii) The second cohort of stakeholders must consist of six other government departments and regulated entities, which may comprise of the Department of Home Affairs, Services Australia, National Disability Insurance Agency, Department of Veterans' Affairs, Administrative Appeals Tribunal, Department of Health and Aged Care, Department of Social Services, Department of Education, the Australian Tax Office, or another government department that the Service Provider is able to interview;
 - (iv) Interviews with the second cohort must facilitate responses to the following areas of enquiry:
 - How the stakeholder sees community expectations about privacy and information access evolving as it relates to their portfolio?
 - The impacts of changing technology, the growth of the digital economy and increasing cybercrime on how their agencies will collect, use and manage information?
 - How well the Agency is currently performing its core functions using the three principles in Regulator Performance RMG-128 as an initial framing (pending advice from the Agency)?
 - How effectively the Agency provides advice and reports to government about privacy, information access and information management?; and

- The extent to which the Agency should take a stronger enforcement posture going forwards?; and
- (c) Up to ten interviews with non-government stakeholders that have been approved by the Agency and that the Service Provider determines will add value to the Strategic Review; and
- (d) Conduct an initial round of workshops with Agency Personnel in each of the Agency's branches, which must:
- (i) use the indicative agenda as approved by the Agency:
 - overview and intent of the review;
 - opportunities to engage with and contribute to the review;
 - reflections on the Agency's current performance;
 - key drivers of changes and their potential impacts on the Agency;
 - reflections on current and likely future workloads;
 - strengths, weaknesses and pain points across the Agency's current operating model (with a specific focus on the elements that in scope for this review); and
 - next steps;
 - (ii) utilise a mix of different digital platforms such as Microsoft Teams, Slido and Miro to keep the workshops inclusive and fast moving; and
 - (iii) be recorded in summary format to ensure that any findings and insights are clearly captured.

15. In addition to direct engagement activities required in paragraph 14 above, the Service Provider must also undertake the following research, analysis and review activities:

- (a) The Service Provider must conduct a desktop review:
- (i) to consider the key organisational, political, social and technological drivers of change that will impact the Agency going forward;
 - (ii) to start its initial assessment of how the volume and complexity of the Agency's core statutory workload is likely to grow;
 - (iii) gathers and analyses relevant data and information from the documents provided as Agency Material and other publicly available sources of information, including but not limited to:
 - all relevant legislation,
 - documentation from recent and in-flight reforms relevant to the Agency,
 - corporate documents, including data collected by the Agency for the Performance measurement framework (including the results from the recent stakeholder survey),
 - the advice sought by the Agency about the legal and employment framework for appointed commissioners; and
 - the Government's Response to the Privacy Act Reform; and
 - (iv) that includes analysis of the Agency's current processes to manage and transact cases, including by drawing data from external sources to inform understanding of current and future demands, and stakeholder experiences and satisfaction. This component of the desktop review must consider and analyse:
 - key process steps relating to inbound channels, capture of cases, categorisation and triage, prioritisation, and workflows in use;
 - process mining to rapidly and flexibly analyse how processes are being executed, what performance is being achieved, and identify bottlenecks and potential conformance/compliance issues;
 - demand modelling to forecast how the Agency's workload may grow in volume;

- sentiment analysis on stakeholder satisfaction data to identify which processes need improvement; and
 - and determine initial approaches to streamline existing processes and implement new ones, which will be expanded in Phase B of the Services;
- (b) The Service Provider must prepare a comparative analysis of the analogous agencies nationally and internationally by undertaking a high-level comparative analysis of the operating models of analogous agencies to build an understanding of their functions, governance and structures to assist in identifying potential operating model design options that may be relevant to the Agency going forward. In conducting this comparative analysis, the Service Provider must:
- (i) review and analyse the arrangements and capabilities of all state and territory information and privacy regulators and other regulatory agencies across Australia with similar diverse mandates and governance structures;
 - (ii) at a minimum include comparative analysis against Office of the Privacy Commissioner Canada, which has similarities to the Agency's proposed three-Commissioner model; and
 - (iii) subject to approval by the Agency, also incorporate analysis of the UK Information Commissioner's Office, the Irish Data Protection Commissioner and the Personal Data Protection Commission of Singapore.
16. Upon completion of the activities in paragraphs 14 and 15 above, the Service Provider must prepare and synthesise findings from Phase A and deliver for Approval to the Agency and the SRSG a Draft Discovery Phase Report, that must include:
- (a) initial findings from the discovery phase against Attachment B and KLEs;
 - (b) key themes emerging across the different stakeholder groups;
 - (c) outline the potential changes and reforms to the Agency's operating model that will be explored further in Phase B.
17. The Service Provider must amend and revise the Draft Discovery Phase Report based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for approval by **5 Business Days** after receiving feedback.
18. The Final Discovery Phase Report, once approved will be included as the Supplementary Discovery Phase Report.
19. All Deliverables included in the Phase A, paragraphs 1 to 18 above must be completed by **24 November 2023**, or as otherwise agreed by the parties.

Deliverable B. Phase B – Assessment and reporting

In providing Services under Phase B, the Service provider must comply with the following requirements.

1. The Service Provide must commence Phase B immediately upon completing Phase A.
2. The Service Provider must undertake a qualitative and quantitative analysis of the data and information gathered under Phase A to draw conclusions with reference to the points outlined in the Terms of Reference at Attachment B.
3. The Service Provider must confirm the Agency's future regulatory posture and approach, using the following considerations as a guide:
 - (a) What regulatory outcomes is the Agency seeking to achieve and do they need to change?
 - (b) What are the likely implications of the Government's response to the Privacy Act Review?
 - (c) What does the Agency need to do differently in response to changing technology, the growth of the digital economy and increasing cybercrime?
 - (d) How are community expectations about privacy and information access evolving and what are the implications for each of the Agency's core responsibilities?
 - (e) To what extent are the Australian Government and community expecting the Agency to take a stronger enforcement posture?
 - (f) What dimensions of the OAIC's purpose, function and regulatory posture may need to shift in response to above factors?

- (g) How should the Agency's future regulatory posture differ across each of its core responsibilities?; and
 - (h) Can these changes be made without needing to make legislative amendments?
4. The Service Provider must represent the Agency's regulatory approach for each area of regulation in a simple one-page visual, which at a minimum must include:
 - (a) Regulatory purpose that provides a clear statement of the Agency's goals based on its statutory obligations and the Attorney-General's Statement of Expectations;
 - (b) Principles that lists the core values for the realisation of regulation based on the principles of regulatory best practice and responding to the Agency's current and future challenges;
 - (c) Outcomes that lists the specific priorities that the Agency will support through its actions given its obligations under the Portfolio Budget Statement and internal strategic priorities; and
 - (d) Mechanisms that highlights the tools that the Agency is willing and able to use to realise these outcomes based on both its statutory powers and strategic choices.
 5. The Service Provider must consider the Agency's external partnerships with co-regulators that central to its core functions, including the ACCC, Australian Communications and Media Authority (ACMA), the National Data Commissioner and the Administrative Appeals Tribunal. In reviewing and analysing these external partnerships, the Service Provider must use the following questions as a guide:
 - (a) What will be the most critical external partnerships for the Agency going forward?
 - (b) How might the Agency's system governance roles change going forward?
 - (c) To what extent are the expectations of the Agency from other actors in the regulatory systems likely to shift and evolve?
 - (d) How is the Agency's partnership with the ACCC as the co-regulator of the Consumer Data Right (CDR) expected to evolve?; and
 - (e) Are there impediments to effective collaboration with the Agency's key partners that can be addressed through the review?
 6. The Service Provider must identify and assess options for the Agency's future structure that is fit-for-purpose and flexible to accommodate future changes, including at a minimum presenting this analysis to address the following questions:
 - (a) What structure(s) will best support a three-Commissioner model?
 - (b) What are the structural implications of any proposed changes to the Agency's purpose, functions, regulatory posture and service model?
 - (c) What are the longer-term implications for the Corporate Branch if they move towards the new shared services arrangements?
 - (d) How can we enable delivery of stronger, client-centred services in collaboration with key stakeholders?; and
 - (e) To what extent can we use structural changes to enable us to optimise resource allocation?
 7. The Service Provider must utilise the data obtained under Phase A and analysis conducted under paragraphs 2 to 6 of Phase B to assess and refine these options with input from the Agency's senior leasers.
 8. To facilitate the input by senior leaders required under paragraph 7 of Phase B, the Service provider must conduct a workshop with the Agency's senior leaders to:
 - (a) refine the analysis against the tests of good organisational design;
 - (b) iterate these tests with the Agency and also identify the relative priority of each test; and
 - (c) identify a preferred future structural model that goes down to a section level.
 9. Using current state insights on processes, the Service Provider must identify opportunities to remove duplication and streamline processes, including:
 - (a) designing good processes,
 - (b) analysing what specific challenges will be resolved and how to best realise opportunities, including those for technology;
 - (a) analysing what future processes must look like to effectively manage the types of demand the Agency handles;
 - (b) proposing process elements relating to include inbound channels, categorisation and prioritisation of demand and articulation of optimal pathways to transact types of demand;
 - (c) designing improved process flows to address complexity of demand, including identifying what activities will be required to effectively transact types of demand (including common activities that can be delivered through shared capabilities to remove bottlenecks or ineffective practices), and what capability and capacity is required to do so effectively;

- (d) identifying who will undertake the activities, including accountabilities and responsibilities (RACI) and what information and artefacts are required for effective delivery of the Agency's functions;
 - (e) how to best leverage existing technology or what changes must be made to improve the use of technology, including opportunities for process automation such as automated workflows and application of AI approaches to, for example, case categorisation and prioritisation; and
 - (f) propose new mechanisms for establishing effective and measurable baseline for process performance to address inbound demand to measure requirements against future increase in function and changes to governance and structure.
10. The Service Provider must identify how resource allocation can be optimised to maximise efficiency and support the Agency's statutory functions, so as to enable the Agency to have the right information to make evidence-based decisions and ensure it is and continues to be right sized. To undertake this resource allocation analysis and design, the Service Provider must:
- (a) outline how to activate continual improvement through an improvement register with prioritised implementation tasks based on value and effort;
 - (b) develop and handover this improvement register to the Agency as an artefact for continued use; and
 - (c) work with identified Agency Personnel to develop these artefacts and provide knowledge transfers to ensure effective use by Agency Personnel.
11. The Service Provider must analyse how the Agency's internal governance – including the activities of its three main governance entities, the executive committee, operational committee and regulatory action committee – can be improved. To undertake this analysis, the Service must address:
- (a) the extent to which the number, remit and composition of the Agency's governance committees need to evolve to accommodate the three-Commissioner model; and
 - (b) the governance implications of any changes to the Agency's purpose, functions and regulatory posture going forward.
12. Upon completion of the analysis in paragraph 11 of Phase B, the Service Provider must obtain the Agency's agreement to the potential changes to the Agency's purpose, functions, service model and structure, before consider the type of workforce required to successfully deliver them.
13. In considering the structure of the Agency's workforce, the Service Provider must have regard to the following considerations:
- (a) How can resource allocation be optimised across the Agency to maximise efficiency and support the effective delivery of its functions?
 - (b) Does the Agency currently have the right mix of specialist skills required to deliver on its proposed new purpose, functions and regulatory posture?
 - (c) Does the Agency currently have the right number of staff to service future demand – considering any changes to the Agency's service model and key processes that may yield delivery efficiencies?
 - (d) What are the most critical gaps in capability that the Agency will need to address?
 - (e) What are some of the drivers behind the high proportion of Agency staff looking to leave the agency (as reflected in the 2022 APS Employee Census results) and to what extent has this improved?
 - (f) How effective has the transition to hybrid working been in enabling the Agency to compete more effectively in a tight labour market?
 - (g) What are some of the strategies that the Agency could employ to attract staff?; and
 - (h) To what extent is the Agency's current employee value proposition compelling for the types of staff that it is seeking to recruit and retain?
14. The Service Provider define the Agency's desired future culture and leadership through a detailed review of the Agency's current and desired future culture and leadership, including by identifying:
- (a) shared mindsets that outline the shared beliefs, assumptions and attitudes that employees hold about what is important and valued in the Agency; and
 - (b) demonstrated behaviours that codify the observable actions that are consistently demonstrated across the Agency and which represent the manifestation of shared mindsets.
15. The analysis required under paragraph 14 of Phase B must be conducted through:
- (a) the Service Provider's analysis of the last two years of the Agency's APS Census results;
 - (b) the Service Provider's analysis the findings from workshops and interview conducted with Agency Personnel under Phase A;

- (c) a series of **three** staff focus groups segmented along demographic dimensions (e.g. gender, age, location, tenure at the Agency, working arrangements, etc) – rather than by functional lines (i.e. according to structure), which must be designed with regard to the following aspects:
- (i) Describe what the vision of the future culture at the Agency will look like and feel like. Think about the specific behaviours that you would like the Agency Personnel to demonstrate.
 - (ii) Rate how close/far you are to realising this future culture on a scale from 1 to 5, where 1 is 'this is very close to the current culture' and 5 is 'this is very far from our current culture'.
 - (iii) Identify two barriers to achieving this future culture and think about actions needed to overcome these.
 - (iv) What does good leadership look like at the Agency?; and
 - (v) What sorts of leadership behaviours do we reward and encourage?
16. Upon completion of the activities in paragraphs 1 and 15 of Phase B above, the Service Provider must by **13 December 2023**:
- (a) analyse insights gathered and identify possible recommendations that are stress-tested for suitability and comprehensiveness against Attachment B; and
 - (b) present preliminary findings and proposed recommendations to the Agency in terms of feasibility, priority and impact for initial feedback.
17. Using the Agency's feedback and its own further refinement, the Service Provider must:
- (a) ensure that the final recommendations remain aligned with the Terms of Reference and that there no untested or new inclusions in the final deliverable; and
 - (b) prepare and deliver for Approval to the Agency and the SRSG a Draft Interim Report and recommendations addressing the Terms of Reference in Attachment B by **15 January 2024**.
18. All Deliverables included in this Phase B, paragraphs 1 and 16 above must be completed by **15 January 2024**.

Deliverable C. C: Phase C – Finalisation

In providing Services under Phase C, the Service Provider must comply with the following requirements.

1. The Service Provider must commence Phase C immediately upon completion of Phase B, however, this does not restrict the Service Provider from undertaking activities under Phase C that cross-over with Phase B.
2. The Service Provider must consult with the Agency (and through the Agency the SRSG) on the Interim Report and recommendations through regular fortnightly meetings.
3. The Service Provider must refine the Interim Report and recommendations based on feedback from the Agency and SRSG that will become the Final Report.
4. The Service Provider must prepare a Final Report for consideration of the SRSG and delivery to the Agency and the Secretary of the Attorney-General's Department.
5. The Final Report must clearly identify which recommendations can be implemented within the existing legislative framework and any which would require legislative changes.
6. The Service Provider must deliver for Approval to the Agency and the SRSG a Final Report by **5 February 2024**.
7. The Service Provider must develop an Executive Summary of the Strategic Review report.
8. The Service Provider must ensure the Final Report and the Executive Summary are presented to a very high professional standard, including through the application of professional and specialist graphic design expertise.
9. The Service Provider must develop an Implementation Plan for the Strategic Review and provide this to the Agency at the Agency's request. In preparing this Implementation Plan, the Service Provider must be guided by the following key considerations:
 - (a) determine key dependencies and sequencing for implementation activities realising recommendations;
 - (b) estimate value, priorities, and investments required to fully implement the plan;
 - (c) detail change capabilities required and how to support implementation with a communications strategy;

- (d) detail who owns the plan, who is involved and in what capacity, and how the plan is maintained; and
- (e) summarise this detailed implementation plan with a higher-level roadmap over a three-year horizon, which can be effectively used to communicate the implementation to external and internal stakeholders.

Deliverable D. Phase D – Implementation Support

In providing Services under Phase D, the Service Provider must work with the Agency to identify where efforts will add the greatest value during this Phase D and must comply with the following requirements.

1. The Service Provider must provide an additional effort of six weeks following the acceptance of the Final Report and its acceptance and endorsement by the Agency and AGD to support the implementation of the review recommendations.
2. In providing this support, the Service Provider could undertake some or all of the following activities:
 - (a) developing a clear governance framework for the implementation of the review;
 - (b) supporting the Agency to develop a Program Management Office (PMO) that will manage the implementation of the review, including PMO functions, key processes and recommended staffing;
 - (c) creating a clear program of work and developing detailed project charters and work plans for different streams;
 - (d) building the capability of Agency leaders and selected staff to implement the recommendations (where required);
 - (e) conducting more detailed change impact assessments and developing change management plans;
 - (f) setting a method for process redesign and re-designing high priority processes with key stakeholders that realise performance improvements and effort reduction; and
 - (g) supporting planning for technology improvements to underpin key processes, including potential adaptation of intelligent automation of key process activities such as categorisation and prioritisation of cases.
3. The Service Provider will confirm the precise scope of this implementation support at the start of Phase D with the Agency.

5. Deliverables

The Service Provider will provide the following deliverables during Phases A to C.



The Agency will also require the Service Provider to deliver six weeks of implementation support, as detailed in Deliverable D – Phase D, after acceptance and endorsement of the Final Report.

6. Program Schedule

The Service Provider will be required to deliver the Deliverables within the review timeframes in accordance with the program schedule. On commencement of the Contract, the Service Provider will provide to the Agency a detailed program schedule for approval by the Agency, which must contain clear dates for key Deliverables.

Further to the program schedule, the following Deliverables must be met by the timeframes as stipulated below.

Ref.	Deliverable	Description	Timeframe
Deliverable B.17(b)	Delivery of Draft Interim Report and Recommendations	The Service Provider will deliver an interim report and recommendations addressing the points in Attachment B for delivery to the Agency and the SRSG. They will present the interim report to the OAIC and use feedback to further refine the interim report and recommendations.	Must be completed by 15 January 2024 .
Deliverable C.6	Delivery of Final Report	The Service Provider will deliver a final report for consideration of the SRSG and delivery to the Agency and the Secretary of the Attorney-General's Department (through the OAIC). The final report will clearly identify which recommendations can be implemented within the existing legislative framework and any which would require legislative changes.	Must be completed by 5 February 2024 .

Attachment B: OAIC Strategic Review Terms of Reference

A strategic review of the Office of the Australian Information Commissioner (OAIC) will ensure the OAIC is well positioned to deliver on its statutory functions as the national privacy and information access regulator into the future.

Scope

The reviewer should consider, report, and make recommendations about how the OAIC can ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and respond to future challenges. Recommendations should cover:

- the extent to which the OAIC's
 - organisational capability,
 - structure,
 - governance, and
 - resourcingare suitable to achieve the OAIC's purpose and future functionality, or require amendment;
- how resource allocation can be optimised to maximise efficiency and support the OAIC's statutory functions;
- how OAIC can best respond to the likely continuing growth to the volume and complexity of its core statutory workload;
- how to ensure the effectiveness of the OAIC as a regulator in responding to changing technology, the growth of the digital economy and increasing cybercrime; and
- the role of the OAIC in providing advice and reports to government about privacy, information access and information management.

Contextual information

The reviewer must have regard to relevant contextual matters, about which the OAIC will provide the reviewer with relevant background, including:

- potential changes to the functions of the OAIC arising from the Government's response to the Privacy Act Review;
- the operation of FOI laws;
- evolving community expectations about privacy and information access, and expectations that OAIC will take a strong enforcement posture.

Recommendations

The reviewer must identify recommendations that can be implemented within the existing legislative framework, but may make recommendations that require legislative change where the reviewer considers necessary.

Activities

As a minimum, the reviewer should examine relevant documents and data, conduct interviews with OAIC executives, staff, and key external stakeholders, and examine the capabilities and arrangements of a selection of analogous agencies in Australia and elsewhere.

Timeframe

Interim report by **15 January 2024**. Final report by **5 February 2024**.

Attachment C: Pricing Schedule

Fees

1. The Total Contract Fee must not exceed \$780,000 (GST inclusive), which includes delivery of all Deliverables, and travel and expenses incurred by Service Provider Personnel. As agreed by the Parties, the Total Contract Fee is a 5% volume discount on the MAS Panel rates.
2. The Agency will not pay the Service Provider any Fees that exceeds the Total Contract Fee.
3. The Fees will be paid on a Milestone basis.
4. On successful Delivery and Acceptance of the Milestones, the Agency will pay the Service Provider the Milestone Payments specified in the **Table 1 – Milestone Payments** below.

Table 1 - Milestone Payments:

Ref.	Milestone	Deliverable(s)	Timeframe	Milestone Payment (GST inclusive)
M1	Acceptance of the Strategic Review methodology and plan	A.9 Accepted by the Agency	Must be completed by 27 October 2023 , or as otherwise approved by the Agency	\$ 78,000.00 (Payment of 10% of the Total Contract Fee)
M2	Completion of Phase A	A.18 Accepted by the Agency	Must be completed by 24 November 2023 , or as otherwise approved by the Agency	\$ 195,000.00 (Payment of 25% of the Total Contract Fee)
M3	Presentation of preliminary findings and recommendations to the Agency	B.16 Accepted by the Agency	Must be completed by 13 December 2023 , or as otherwise approved by the Agency	\$ 156,000.00 (Payment of 20% of the Total Contract Fee)
M4	Acceptance of the Interim Strategic Review Report by the Agency	B.17 Accepted by the Agency	Must be completed by 15 January 2024 , or as otherwise approved by the Agency	\$ 195,000.00 (Payment of 25% of the Total Contract Fee)
M5	Acceptance of the Final Strategic Review Report and Implementation Plan by the Agency	C.6 to C.9 Accepted by the Agency	Must be completed by 5 February 2024 , or as otherwise approved by the Agency	\$ 117,000.00 (Payment of 15% of the Total Contract Fee)
M6	Completion of Phase D – Implementation Support	D.1 and D.2 Accepted by the Agency	Must be completed by 19 April 2024 , or as otherwise agreed by the Parties	\$ 39,000.00 (Payment of 5% of the Total Contract Fee)

Invoicing

5. The Service Provider must submit a correctly rendered Tax Invoice at the completion of each Milestone.
6. All invoices submitted by the Service Provider must meet the requirements of a correctly rendered Tax invoice as set out in clause 14.4.2 of the Head Agreement, and must:
 - (a) include the Milestone description;
 - (b) include the Work Order number; and
 - (c) be correctly addressed to the Agency Representative; and
 - (d) contains tax invoice details as required by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
7. If the Service Provider has incorrectly charged the Agency, the Service Provider:
 - (a) in the case of overcharge, must refund any amount overcharged promptly and in any event within seven days of becoming aware of, or being notified of, the overcharging; and
 - (b) in the case of undercharge, may issue a Correctly Rendered Tax Invoice for any amounts undercharged to the Agency, but may only do so within six months from the date the incorrect charge was made to the Agency.
8. If the Agency disputes any amounts paid or to be paid to the Service Provider:
 - (a) the Agency will request the Service Provider to submit an invoice for the amount that is not in dispute;
 - (b) the Agency will pay the amount stated in a correctly rendered Tax Invoice that is issued in response to a request made under clause paragraph 6 of this Attachment C;
 - (c) the Agency may withhold from further payments any such disputed amounts and clause 27.3 of the Head Agreement will apply; and
 - (d) the Service Provider must not stop or cause any delay in supplying the Services.

Attachment D: Strategic Review methodology and plan

[To be appended once approved by the Agency in accordance with the procedure described in Deliverables A.6 to A.9]

Schedule 6 – Order for Service

1. Introduction

- 1.1. This Order is issued in accordance with clause 11.3 of the Head Agreement for the Management Advisory Services (MAS) Panel Standing Offer Notice (SON3751667) between the Service Provider and the Department of Finance.

<u>Order for Services</u>	
<i>Service Provider Information</i>	
Service Provider	Nous Group Pty Ltd
Australian Business Number	66 086 210 344
Service Provider Representative	Contact: s 47F Position: Nous Principal - Canberra Email: s 47F @nousgroup.com.au Phone: s 47F
Service Provider Address for Notices	Address: Nous Group Pty Ltd, Level 34, 60 Margaret Street, Sydney NSW 2000 Email: s 47F @nousgroup.com.au
<i>Agency Information</i>	
Agency	Office of the Australian Information Commissioner
Australian Business Number	85 249 230 937
<i>Agency Representative</i>	
Agency Representative	Name: Annan Boag Position: Director Strategic Projects Email: annan.boag@oaic.gov.au Phone: s 47F
Agency Address for Notices	Address: GPO Box 5288 Sydney NSW 2001 Email: annan.boag@oaic.gov.au (Please copy any notices to procurement@oaic.gov.au)
Agency Address for Invoices	Invoices must be submitted to invoiceonly@sdo.gov.au and the purchase order no and cost centre code must be quoted in the invoice. Please send a copy of the invoice to the Agency Representative.
<i>Agency order information</i>	
Purchase Order Number	To be advised by OAIC following signing of purchase order.

Cost Centre	107004 (OTH0024001).
Agency contract manager name	<p>Name: Annan Boag Position: Director Strategic Projects Email: annan.boag@oaic.gov.au Phone: s 47F</p> <p>(Please copy any contract management related correspondence and all invoices to procurement@oaic.gov.au)</p>
Agency File Reference	23/000145
<i>Order Commencement Date and Term</i>	
Order Commencement Date	Friday, 13 October 2023
Order Expiry Date	Friday, 19 April 2024
Proposed options to extend	The Agency may extend the term of the Order for a further period (or periods) of up to six months in total by providing written notice to the Service Provider 10 Business Days prior to the Order Expiry Date. An extension of the Order term will not entitle the Service Provider to an increase in Total Contract Fees unless such increase is specifically agreed in writing by the parties.
<i>Statement of Work</i>	
Service Area	Corporate Management Advisory Services; and Commercial Management Advisory Services
Service Category	<ul style="list-style-type: none"> • Corporate Service Areas – Organisational Planning and Development • Corporate Service Areas – Corporate Governance, and • Commercial Service Areas – Government Policy
Service Sub-category	Not applicable
Detailed Statement of Work	See Attachment A – Statement of Requirements.
Deliverables	See Attachment A – Statement of Requirements.
Milestones	<p>The Services and Deliverables to be provided under this Contract by the Service Providers are split into the following six (6) Milestones:</p> <ul style="list-style-type: none"> • M1 – Acceptance of the Strategic Review methodology and plan under Phase A; • M2 – Completion of Phase A; • M3 – Presentation of preliminary findings and recommendations to the Agency; • M4 – Acceptance of the Interim Strategic Review Report by the Agency; • M5 – Acceptance of the Final Strategic Review Report and Implementation Plan by the Agency; and

	<ul style="list-style-type: none"> • M6 – Completion of Phase D – Implementation Support.
Key Personnel	<p>The Service Provider must only use the following Key Personnel to provide the Services:</p> <ul style="list-style-type: none"> • § 47F – Client Director • § 47F – Project Director • § 47F – Project Manager • § 47F – Project Consultant • § 47F – Project Consultant • § 47F – Project Consultant • § 47F – Expert Advisor • § 47F – Expert Advisor • § 47F – Expert Advisor, and • § 47F – Project Assistant
Subcontractors	Nil
Location	All Key Personnel must located be in Australia.
Fees	<p>Fees will be paid on a Milestone basis as per the Milestone Payment details in Table 1 – Milestone Fees in Attachment C - Pricing.</p> <p>The Total Contract Fees are \$780,000 (GST inclusive).</p>
Payment Terms	<p>(a) five calendar days where the Agency and the Service Provider both have the capability to deliver and receive e Invoices through the Pan-European Public Procurement On-Line Framework and have agreed to use this method of invoicing; or</p> <p>(b) 20 calendar days for all other invoices.</p>
Invoicing	Invoicing requirements are stated in Attachment C – Pricing .
Travel	Any travel costs incurred by the Service Provider and invoiced to the Agency in under this Order must not exceed \$11,000 (GST inclusive) . Any travel in excess of this amount will be funded by the Service Provider.
<p>Agency Material</p> <p><i>Agency Material is defined in the clause 1.1.1 of the Head Agreement as any Material provided by an Agency to the Service Provider for the purposes of a Contract, or derived at any time from that Material.</i></p>	<p>All Material provided by the Agency to the Service Provider for the purposes of the Contract, including:</p> <ul style="list-style-type: none"> • any existing policies and documents relating to the Agency's organisational structure and functionality; • data and information relating to Agency staffing, structure, resourcing, capabilities, and existing processes; and • previous review reports, and other advisory material previously given to the Agency. <p>For the purposes of this Contract, Agency Material includes this Order and its attachments.</p> <p>When handling Agency Material, the Service Provider must comply with any reasonable directions given by the Agency relating to confidentiality, security or privilege that apply to the Agency Material.</p>

Existing Material	Not applicable												
Contract Material	<p>The following Material (and draft versions of this Material) generated by the Services Provider is Contract Material:</p> <ul style="list-style-type: none"> • Strategic Review Report (interim and final); • Interview Reports; • Discovery Phase Reports (initial and supplementary); • Progress reports; • Notes of interviews, workshops and stakeholder consultations; and • Any other material generated by the Service Provider in order to deliver the contracted services. 												
Restrictions on use of Contract Material	<p>The Service Provider acknowledges that the Contract Material will contain Confidential Information of the Commonwealth or other parties and Personal Information of individuals. Contract Material must not be used or disclosed by the Service Provider in a way that would breach any obligation of Confidentiality or Privacy arising under this Order or otherwise.</p> <p>To the extent that the Contract Material includes any of the Service Provider's Existing Material, the Licence to use that Contract Material will not be transferrable or sublicensable.</p>												
Restrictions on use of Service Provider's name, trade name or logo	Not applicable.												
Additional requirements													
Confidential Information	<table border="1"> <thead> <tr> <th>Agency Confidential information</th> <th>Period of Confidentiality</th> </tr> </thead> <tbody> <tr> <td>Agency data and Agency Material</td> <td>Indefinitely</td> </tr> <tr> <td>Any Personal Information held by the Agency</td> <td>Indefinitely</td> </tr> <tr> <td>Security Classified Information</td> <td>Indefinitely</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Service Provider Confidential information</th> <th>Period of Confidentiality</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Not applicable</td> </tr> </tbody> </table>	Agency Confidential information	Period of Confidentiality	Agency data and Agency Material	Indefinitely	Any Personal Information held by the Agency	Indefinitely	Security Classified Information	Indefinitely	Service Provider Confidential information	Period of Confidentiality	Nil	Not applicable
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Security Classified Information	Indefinitely												
Service Provider Confidential information	Period of Confidentiality												
Nil	Not applicable												
Agency Data Storage Requirements	Agency Material provided by the Agency to the Service Provider must be stored in a secure database with access restricted to Key Personnel only.												

	<p>Confidential Information must not be stored offshore.</p> <p>The Service Provider must treat this Order as Confidential Information and also ensure it is stored in a secure database.</p>
Security	The Service Provider must promptly notify the Agency of any actual or suspected unauthorised access to or unauthorised disclosure of Confidential Information, or a loss of Confidential Information ('possible data breach'), and take all reasonable steps to support the Agency in any investigation of the possible data breach.
Additional Requirements - security	Key Personnel must be willing to obtain and maintain a BASELINE security clearance issued by the Australian Government Security Vetting Agency, if required by the Agency. Agency will sponsor Key Personnel to obtain a security clearance if necessary.
Conditions/Restrictions for Personal Information	The Service Provider and its Key Personnel must act in accordance with the <i>Privacy Act 1988</i> (Cth), including providing a privacy statement whenever collecting personal information (for example, at the start of workshops and interviews). The Service Provider must comply with any Agency requirements relating to Notifiable Data Breaches.
Additional or alternate Requirements - insurance	In accordance with Clause 18 of the MAS Panel Head Agreement.
Agency Service Levels	<p>The following critical Deliverables must be met by the timeframes:</p> <ul style="list-style-type: none"> - B.10 – Delivery of Interim Strategic Review Report by 15 January 2024; and - C.3 – Delivery of Final Strategic Review Report by 5 February 2024.
<i>Commonwealth Procurement Connected Policy Requirements</i>	
Black Economy Policy	Not applicable
Indigenous Procurement Policy	Not applicable
Australian Industry Participation Policy	Not applicable
<i>Variable Clauses of the Head Agreement</i>	
Internal Working Papers	The Default position applies
Intellectual Property	Clause 20.2 applies
Key Personnel Requirements	Personnel performing the Services may be required to sign a Deed and acknowledgements relating to confidentiality, security, moral rights, intellectual property and other relevant matters as required by the Agency.
Return of Confidential Information	As per clause 22.6.2 and 22.6.3 of the Head Agreement, Confidential Information must be returned to the Agency or destroyed at the Completion Date, to the satisfaction of the Agency.

Liability	The lesser of 3 x Fees for this Order or \$5,000,000.
Service Provider termination right	As set out in clause 26.2.3 of the Head Agreement.
Termination for convenience costs in relation to Fees for Services calculated on a milestone basis	The Default position applies

Signed for and on behalf of
Commonwealth of Australia as
represented by the Office of the Australian
Information Commissioner 85 249 230 937

name of authorised officer

Signature of authorised officer

title of authorised officer

Signed for and on behalf of Nous Group
Pty Ltd 66 086 210 344

s 47F

*name of Service Provider's authorised
representative*

s 47F

*Signature of Service Provider's authorised
representative*

PRINCIPAL

*title of Service Provider's authorised
representative*

Attachment A: Statement of Requirements

1. Purpose

This Document (**Attachment A**) sets out the Statement of Requirements, Services and Deliverables for this Contract.

2. Background – the Agency and Project

The Office of the Australian Information Commissioner (OAIC) is Australia's national privacy and information access regulator. Established in 2010 under the *Australian Information Commissioner Act 2010*, the Agency is an independent statutory agency, within the Attorney-General's portfolio, that regulates the Commonwealth *Privacy Act 1988* and *Freedom of Information Act 1982*. The Agency has a range of functions under other legislation, such as the *Competition and Consumer Act 2010* (in relation to the Consumer Data Right), the *My Health Records Act 2012* and the Privacy (Credit Reporting) Code 2014. The Agency regulates both Commonwealth government entities and officials (in relation to both freedom of information and privacy) and the private sector (in relation to privacy).

The Government has provided funding for the Agency to undertake a Strategic Review of its structure, functions, governance, capability and regulatory posture to ensure it is well positioned to deliver on its functions as the national privacy and information access regulator. The outcome of the Strategic Review will be an assessment of the current structures, functions, governance, capability and regulatory posture and advice to the Information Commissioner and Secretary to the Attorney-General's Department about potential changes to strengthen Agency's capacity, capability and influence into the future, for the benefit of the Australian community.

The privacy landscape has changed significantly since the introduction of the Privacy Act over 30 years ago. In the intervening decades, most aspects of the daily lives of Australians have been transformed by innovations in technology and service delivery. This has resulted in a dramatic increase in the amount of data and personal information collected, used and shared, both in Australia and globally. Alongside this significant shift in data handling practices has come an increase in community expectations that their personal information will be protected.

In this context, the Agency has welcomed and made significant submissions to the Attorney-General's Department's review of the Privacy Act and will engage with the Government's response to the Privacy Act Review.

Since its establishment in 2010, the Agency has been responsible for the oversight of the operation of the FOI Act and the review of decisions made by Commonwealth agencies and Ministers under the FOI Act. The number of FOI requests made to Commonwealth agencies and ministers has been relatively stable in recent years (2022-23: 34,225 requests; 2021-22: 34,236 requests; 2020-21: 34,797 requests). However, the number of Information Commissioner (IC) review applications has increased in recent years, except for the most recent year which saw a slight decrease (2018-19: 928 applications; 2019-20: 1,067 applications; 2020-21: 1,255 applications; 2021-22: 1,955 applications; 2022-23: 1,647 applications). The number of IC reviews on hand for more than 12 months has also been increasing since 2015-16.

The Agency has also been through a significant period of change, both in terms of its regulatory posture and corporate support and enabling of key regulatory functions. The Agency is currently conducting investigations into significant recent data breaches experienced in Australia, utilising some skills and powers for the first time. The Agency has commenced civil penalty litigation in the Federal Court for the first time, and developed and embedded internal governance mechanisms and external

consultation and cooperation forums to ensure that we focus on key regulatory risks, cognisant of the work and jurisdiction of other regulators.

At the same time the office transitioned to new shared service providers for the delivery of human resource, finance and ICT services, increasing its capability and accountability in relation to those functions, but also necessarily bringing staff through a period of significant change.

The Agency's legislation provides for a 3-Commissioner model comprising the Australian Information Commissioner, as the Agency's Accountable Authority, and a Privacy Commissioner and FOI Commissioner. In 2023-24, the Government announced the appointment of standalone Freedom of Information and Privacy Commissioners, increasing the permanent number of statutory information officers from 1 to 3. Operating with one statutory officer appointed into the roles of both Australian Information Commissioner and Privacy Commissioner and exercising the functions of the Freedom of Information Commissioner for several years has resulted in the development of structures, processes and governance calibrated to that model. Shifting to the 3-Commissioner model will necessitate a review of those structures, processes and governance, to support the Agency to effectively deliver its functions and ensure the appropriate support to, and independence of, those statutory office holders without impacting the Agency's ability to operate cohesively to discharge its regulatory role.

The Agency's census results reflect its staff's commitment to the vision and goals of the Agency. The Agency has done considerable work in increasing its recruitment and retention outcomes through the early transition to a permanently hybrid working model and providing other staff support, in circumstances where the Agency competes in a highly competitive labour market.

The May 2023 Budget provided the Agency with \$53.5 million funding injection over four years including an increase of \$8.4m per annum to its ongoing funding base, bringing its total funding in 2023-24 to approximately \$23.5m per annum ongoing. In addition, the Agency has been provided with non-ongoing supplementary funding in 2023-24 and 2024-25 to deliver short term functions, including terminating measures relating to regulation of the My Health Record, Consumer Data Right and Digital Identity and privacy, as well as funding for major investigations into significant data breaches. In 2023-24 \$1.234M additional funding has been provided from liquidity reserves to assist with the resolution of the IC review aged caseload.

3. Terms of reference

The Australian Information Commissioner and the Secretary to the Attorney-General's Department have approved Terms of Reference (**Attachment B**) for the Strategic Review, which defines the objective and key issues that the Strategic Review must examine and report on. The Commissioner and Secretary are supported by a Strategic Review Steering Group (**SRS**G) comprising senior officials from the Agency, the Attorney-General's Department, and the Department of Finance.

All activities undertaken by the Service Provider must deliver a Strategic Review that complies with the Terms of Reference at **Attachment B**.

4. Requirement

The Service Provider must deliver a Strategic Review of the Agency and make recommendations about how the Agency can ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and respond to future challenges. The recommendations must address:

- the extent to which the Agency's
 - organisational capability,

- structure,
- governance and
- resourcing

are suitable to achieve the Agency's purpose and future functionality, or require amendment;

- how resource allocation can be optimised to maximise efficiency and support the Agency's statutory functions;
- how the Agency can best respond to the likely continuing growth to the volume and complexity of its core statutory workload;
- how to ensure the effectiveness of the Agency as a regulator in responding to changing technology, the growth of the digital economy and increasing cybercrime; and
- the role of the Agency in providing advice and reports to government about privacy, information access and information management.

The Service Provider must apply the highest professional and ethical standards to all their engagements.

The Service Provider will proactively assess any actual, potential or perceived conflicts of interest, and notify the Agency immediately if any potential or actual conflict of interest of an employee, contractor, or subcontractor engaged in any activities in the Strategic Review is identified after commencement and during the course of the review.

The Service Provider may showcase the work it completed on the Strategic Review on its website following the conclusion of the Strategic Review with the Agency's written approval. The showcase will be in a form agreed between the Agency and the Service Provider.

The Deliverables for this Strategic Review are split into the four Phases as set out below.

The Deliverables for this Strategic Review must be prepared by the Service Provider to a standard of quality that is:

- a. of a high standard and quality commensurate with the standard and quality reasonably expected of a professional services firm;
- b. in plain English; and
- c. easy to understand and interpret, and which explains all key terms used.

The Service Provider will provide regular formal and informal reporting to the Agency including, as a minimum, fortnightly update meetings and short fortnightly written status updates. The Agency may require the frequency of these updates to change to weekly.

The Service Provider will actively and regularly collaborate with the Agency while the Strategic Review is underway, in a manner to be agreed between the Agency and the Service Provider during Phase A – Planning, initiation and discovery.

The Deliverables for the Strategic Review may be modified once the review is underway, by way of the Service Provider developing and the Agency approving a Strategic Review methodology and plan in accordance with the procedure described in Deliverables A.6 to A.9 below. The Strategic Review methodology and plan, once completed in accordance with that procedure, becomes Attachment D to this contract and takes precedence to the extent the Agency agrees to any alternate approach, timeframe or focus for any Deliverables.

Deliverable A. Phase A – Planning, initiation, and discovery

Phase A of the Strategic Review will focus on laying the foundations for the review, understanding the Agency's current operating model and environment, identifying key drivers of change and considering implications for the Agency's regulatory posture and regulatory approach.

1. During this Phase A, the Service Provider must also develop early thinking and hypotheses about opportunities to reform the Agency's operating model that will be further developed in Phase B.
2. The Service Provider and the Agency will participate in a kick-off meeting no later than **5 Business Days** from the Order Commencement Date.
3. Following the kick-off meeting, the Service Provider must deliver a draft Project Charter by **2 Business Days**, that outlines the key measures of success, boundaries, timelines and deliverables, and potential risks for the review.
4. Subject to Approval by the Agency, the Project Charter will apply for all activities of the Service Provider under the Strategic Review.
5. During the meeting, the parties will agree to the parameters for a Strategic Review methodology and plan.
6. The Service Provider must draft a Strategic Review methodology and Strategic Review plan for the conduct of the review, for the feedback and approval of the Agency (who will consult with the SRSG on the methodology and plan). The methodology and plan must reflect all facets of Attachment B (terms of reference) for the Strategic Review and will consider each element of the Agency's regulatory remit and how regulatory outcomes and performance are best supported by a fit-for-purpose operating model. Where the Service Provider proposes an amendment to the agreed Deliverables in the Draft Strategic Review methodology and plan, it must explicitly draw the Agency's attention to those proposed amendments.
7. The Draft Strategic Review methodology and plan must be delivered for the Agency's Approval by **5 Business Days** after the kick-off meeting.
8. The Service Provider must amend and revise the Strategic Review methodology and plan based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for approval by **2 Business Days** after receiving feedback.
9. The Strategic Review methodology and plan once approved by the Agency will become Attachment D to this Contract. The Service Provider must provide the remaining Deliverables under this Phase A and Phases B to D in accordance with the approved Strategic Review methodology and plan (Attachment D), which will take precedence to the extent that the Agency approves an alternate approach, timeframe or focus for any Deliverables.
10. The Service Provider must prepare an Engagement, Communications and Change plan that outlines how the Service Provider will engage with external and internal stakeholders, how the Service Provider will communicate with Agency Personnel and manage change throughout the review.
11. The Engagement, Communications and Change plan must:
 - (a) identify who the Service Provider will engage with externally and internally and how, when and why the Service Provider will engage them. This must include:
 - (i) indicative interview guides for each internal and external government and non-government stakeholder cohort listed in paragraph 14 below;
 - (ii) workshop and focus group agendas, structure and attendees; and
 - (iii) any other proposed information collection activities, that reflect the Key Lines of Enquiry (**KLEs**) for the review;
 - (b) outline the mode of engagement to suit the hybrid working arrangements of the Agency workforce and to ensure flexibility in scheduling with external stakeholders.
 - (c) outline the opportunities that Agency Personnel will have to engage with the review and the channels that the Service Provider will use to communicate with them about the review;
 - (d) outline the opportunities and channels for the Agency's leaders and Personnel to contribute to and be informed about progress, including structure and timing of workshops, focus groups, formal and informal interviews;
 - (e) include communication and contact points for the Service Provider, including a dedicated mailbox; and

- (f) address any change management considerations that they anticipate needing to be proactively managed during and after the review.
12. The Draft Engagement, Communications and Change plan must be delivered for the Agency's Approval by 27 October 2023.
 13. The Service Provider must amend and revise the Engagement, Communications and Change plan based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for Approval by **2 Business Days** after receiving feedback.
 14. In accordance with the approved Engagement, Communications and Change plan, the Service Provider must undertake the following interview and workshop activities to gather and analyse evidence to address the Terms of Reference of the Strategic Review:
 - (a) Interview all members of the Agency's executive management team, which must seek to:
 - (i) identify what success for this looks like for this review;
 - (ii) confirm how and when they want to be engaged through the review;
 - (iii) understand critical elements of the Agency's current operating model;
 - (iv) consider key drivers of change and their potential implications for the Agency's regulatory posture and approach; and
 - (v) develop initial hypotheses about how the Agency's operating model that are in scope for the Strategic Review might need to change;
 - (b) Interview two cohorts of key stakeholders in other government agencies, including the Agency's portfolio department (Attorney-General's Department (AGD)) and one cohort of non-government stakeholders during Phase A, as follows:
 - (i) The first cohort must consist of the AGD, and if available other regulatory agencies that that Agency collaborates with to perform its core functions, including the Australian Competition and Consumer Commission, The Treasury (including the Data Standards Body), Inspector-General of Intelligence and Security, Commonwealth Ombudsman, Australian Communications and Media Authority, Office of the eSafety Commissioner, Australian Prudential Regulation Authority and Australian Digital Health Agency;
 - (ii) Interviews with the first cohort must:
 - be guided by similar questions to those in paragraph 14(a) above; and
 - facilitate a detailed exploration of how the Agency's partnership and collaborations with its co-regulators may need to change in response to changing operating environments;
 - (iii) The second cohort of stakeholders must consist of six other government departments and regulated entities, which may comprise of the Department of Home Affairs, Services Australia, National Disability Insurance Agency, Department of Veterans' Affairs, Administrative Appeals Tribunal, Department of Health and Aged Care, Department of Social Services, Department of Education, the Australian Tax Office, or another government department that the Service Provider is able to interview;
 - (iv) Interviews with the second cohort must facilitate responses to the following areas of enquiry:
 - How the stakeholder sees community expectations about privacy and information access evolving as it relates to their portfolio?
 - The impacts of changing technology, the growth of the digital economy and increasing cybercrime on how their agencies will collect, use and manage information?
 - How well the Agency is currently performing its core functions using the three principles in Regulator Performance RMG-128 as an initial framing (pending advice from the Agency)?
 - How effectively the Agency provides advice and reports to government about privacy, information access and information management?; and

- The extent to which the Agency should take a stronger enforcement posture going forwards?; and
- (c) Up to ten interviews with non-government stakeholders that have been approved by the Agency and that the Service Provider determines will add value to the Strategic Review; and
- (d) Conduct an initial round of workshops with Agency Personnel in each of the Agency's branches, which must:
- (i) use the indicative agenda as approved by the Agency:
 - overview and intent of the review;
 - opportunities to engage with and contribute to the review;
 - reflections on the Agency's current performance;
 - key drivers of changes and their potential impacts on the Agency;
 - reflections on current and likely future workloads;
 - strengths, weaknesses and pain points across the Agency's current operating model (with a specific focus on the elements that in scope for this review); and
 - next steps;
 - (ii) utilise a mix of different digital platforms such as Microsoft Teams, Slido and Miro to keep the workshops inclusive and fast moving; and
 - (iii) be recorded in summary format to ensure that any findings and insights are clearly captured.

15. In addition to direct engagement activities required in paragraph 14 above, the Service Provider must also undertake the following research, analysis and review activities:

- (a) The Service Provider must conduct a desktop review:
- (i) to consider the key organisational, political, social and technological drivers of change that will impact the Agency going forward;
 - (ii) to start its initial assessment of how the volume and complexity of the Agency's core statutory workload is likely to grow;
 - (iii) gathers and analyses relevant data and information from the documents provided as Agency Material and other publicly available sources of information, including but not limited to:
 - all relevant legislation,
 - documentation from recent and in-flight reforms relevant to the Agency,
 - corporate documents, including data collected by the Agency for the Performance measurement framework (including the results from the recent stakeholder survey),
 - the advice sought by the Agency about the legal and employment framework for appointed commissioners; and
 - the Government's Response to the Privacy Act Reform; and
 - (iv) that includes analysis of the Agency's current processes to manage and transact cases, including by drawing data from external sources to inform understanding of current and future demands, and stakeholder experiences and satisfaction. This component of the desktop review must consider and analyse:
 - key process steps relating to inbound channels, capture of cases, categorisation and triage, prioritisation, and workflows in use;
 - process mining to rapidly and flexibly analyse how processes are being executed, what performance is being achieved, and identify bottlenecks and potential conformance/compliance issues;
 - demand modelling to forecast how the Agency's workload may grow in volume;

- sentiment analysis on stakeholder satisfaction data to identify which processes need improvement; and
 - and determine initial approaches to streamline existing processes and implement new ones, which will be expanded in Phase B of the Services;
- (b) The Service Provider must prepare a comparative analysis of the analogous agencies nationally and internationally by undertaking a high-level comparative analysis of the operating models of analogous agencies to build an understanding of their functions, governance and structures to assist in identifying potential operating model design options that may be relevant to the Agency going forward. In conducting this comparative analysis, the Service Provider must:
- (i) review and analyse the arrangements and capabilities of all state and territory information and privacy regulators and other regulatory agencies across Australia with similar diverse mandates and governance structures;
 - (ii) at a minimum include comparative analysis against Office of the Privacy Commissioner Canada, which has similarities to the Agency's proposed three-Commissioner model; and
 - (iii) subject to approval by the Agency, also incorporate analysis of the UK Information Commissioner's Office, the Irish Data Protection Commissioner and the Personal Data Protection Commission of Singapore.
16. Upon completion of the activities in paragraphs 14 and 15 above, the Service Provider must prepare and synthesise findings from Phase A and deliver for Approval to the Agency and the SRSG a Draft Discovery Phase Report, that must include:
- (a) initial findings from the discovery phase against Attachment B and KLEs;
 - (b) key themes emerging across the different stakeholder groups;
 - (c) outline the potential changes and reforms to the Agency's operating model that will be explored further in Phase B.
17. The Service Provider must amend and revise the Draft Discovery Phase Report based on feedback from the Agency and SRSG (if any) and submit a Final document to the Agency for approval by **5 Business Days** after receiving feedback.
18. The Final Discovery Phase Report, once approved will be included as the Supplementary Discovery Phase Report.
19. All Deliverables included in the Phase A, paragraphs 1 to 18 above must be completed by **24 November 2023**, or as otherwise agreed by the parties.

Deliverable B. Phase B – Assessment and reporting

In providing Services under Phase B, the Service provider must comply with the following requirements.

1. The Service Provider must commence Phase B immediately upon completing Phase A.
2. The Service Provider must undertake a qualitative and quantitative analysis of the data and information gathered under Phase A to draw conclusions with reference to the points outlined in the Terms of Reference at Attachment B.
3. The Service Provider must confirm the Agency's future regulatory posture and approach, using the following considerations as a guide:
 - (a) What regulatory outcomes is the Agency seeking to achieve and do they need to change?
 - (b) What are the likely implications of the Government's response to the Privacy Act Review?
 - (c) What does the Agency need to do differently in response to changing technology, the growth of the digital economy and increasing cybercrime?
 - (d) How are community expectations about privacy and information access evolving and what are the implications for each of the Agency's core responsibilities?
 - (e) To what extent are the Australian Government and community expecting the Agency to take a stronger enforcement posture?
 - (f) What dimensions of the OAIC's purpose, function and regulatory posture may need to shift in response to above factors?

- (g) How should the Agency's future regulatory posture differ across each of its core responsibilities?; and
 - (h) Can these changes be made without needing to make legislative amendments?
4. The Service Provider must represent the Agency's regulatory approach for each area of regulation in a simple one-page visual, which at a minimum must include:
 - (a) Regulatory purpose that provides a clear statement of the Agency's goals based on its statutory obligations and the Attorney-General's Statement of Expectations;
 - (b) Principles that lists the core values for the realisation of regulation based on the principles of regulatory best practice and responding to the Agency's current and future challenges;
 - (c) Outcomes that lists the specific priorities that the Agency will support through its actions given its obligations under the Portfolio Budget Statement and internal strategic priorities; and
 - (d) Mechanisms that highlights the tools that the Agency is willing and able to use to realise these outcomes based on both its statutory powers and strategic choices.
 5. The Service Provider must consider the Agency's external partnerships with co-regulators that central to its core functions, including the ACCC, Australian Communications and Media Authority (ACMA), the National Data Commissioner and the Administrative Appeals Tribunal. In reviewing and analysing these external partnerships, the Service Provider must use the following questions as a guide:
 - (a) What will be the most critical external partnerships for the Agency going forward?
 - (b) How might the Agency's system governance roles change going forward?
 - (c) To what extent are the expectations of the Agency from other actors in the regulatory systems likely to shift and evolve?
 - (d) How is the Agency's partnership with the ACCC as the co-regulator of the Consumer Data Right (CDR) expected to evolve?; and
 - (e) Are there impediments to effective collaboration with the Agency's key partners that can be addressed through the review?
 6. The Service Provider must identify and assess options for the Agency's future structure that is fit-for-purpose and flexible to accommodate future changes, including at a minimum presenting this analysis to address the following questions:
 - (a) What structure(s) will best support a three-Commissioner model?
 - (b) What are the structural implications of any proposed changes to the Agency's purpose, functions, regulatory posture and service model?
 - (c) What are the longer-term implications for the Corporate Branch if they move towards the new shared services arrangements?
 - (d) How can we enable delivery of stronger, client-centred services in collaboration with key stakeholders?; and
 - (e) To what extent can we use structural changes to enable us to optimise resource allocation?
 7. The Service Provider must utilise the data obtained under Phase A and analysis conducted under paragraphs 2 to 6 of Phase B to assess and refine these options with input from the Agency's senior leasers.
 8. To facilitate the input by senior leaders required under paragraph 7 of Phase B, the Service provider must conduct a workshop with the Agency's senior leaders to:
 - (a) refine the analysis against the tests of good organisational design;
 - (b) iterate these tests with the Agency and also identify the relative priority of each test; and
 - (c) identify a preferred future structural model that goes down to a section level.
 9. Using current state insights on processes, the Service Provider must identify opportunities to remove duplication and streamline processes, including:
 - (a) designing good processes,
 - (b) analysing what specific challenges will be resolved and how to best realise opportunities, including those for technology;
 - (a) analysing what future processes must look like to effectively manage the types of demand the Agency handles;
 - (b) proposing process elements relating to include inbound channels, categorisation and prioritisation of demand and articulation of optimal pathways to transact types of demand;
 - (c) designing improved process flows to address complexity of demand, including identifying what activities will be required to effectively transact types of demand (including common activities that can be delivered through shared capabilities to remove bottlenecks or ineffective practices), and what capability and capacity is required to do so effectively;

- (d) identifying who will undertake the activities, including accountabilities and responsibilities (RACI) and what information and artefacts are required for effective delivery of the Agency's functions;
 - (e) how to best leverage existing technology or what changes must be made to improve the use of technology, including opportunities for process automation such as automated workflows and application of AI approaches to, for example, case categorisation and prioritisation; and
 - (f) propose new mechanisms for establishing effective and measurable baseline for process performance to address inbound demand to measure requirements against future increase in function and changes to governance and structure.
10. The Service Provider must identify how resource allocation can be optimised to maximise efficiency and support the Agency's statutory functions, so as to enable the Agency to have the right information to make evidence-based decisions and ensure it is and continues to be right sized. To undertake this resource allocation analysis and design, the Service Provider must:
 - (a) outline how to activate continual improvement through an improvement register with prioritised implementation tasks based on value and effort;
 - (b) develop and handover this improvement register to the Agency as an artefact for continued use; and
 - (c) work with identified Agency Personnel to develop these artefacts and provide knowledge transfers to ensure effective use by Agency Personnel.
 11. The Service Provider must analyse how the Agency's internal governance – including the activities of its three main governance entities, the executive committee, operational committee and regulatory action committee – can be improved. To undertake this analysis, the Service must address:
 - (a) the extent to which the number, remit and composition of the Agency's governance committees need to evolve to accommodate the three-Commissioner model; and
 - (b) the governance implications of any changes to the Agency's purpose, functions and regulatory posture going forward.
 12. Upon completion of the analysis in paragraph 11 of Phase B, the Service Provider must obtain the Agency's agreement to the potential changes to the Agency's purpose, functions, service model and structure, before consider the type of workforce required to successfully deliver them.
 13. In considering the structure of the Agency's workforce, the Service Provider must have regard to the following considerations:
 - (a) How can resource allocation be optimised across the Agency to maximise efficiency and support the effective delivery of its functions?
 - (b) Does the Agency currently have the right mix of specialist skills required to deliver on its proposed new purpose, functions and regulatory posture?
 - (c) Does the Agency currently have the right number of staff to service future demand – considering any changes to the Agency's service model and key processes that may yield delivery efficiencies?
 - (d) What are the most critical gaps in capability that the Agency will need to address?
 - (e) What are some of the drivers behind the high proportion of Agency staff looking to leave the agency (as reflected in the 2022 APS Employee Census results) and to what extent has this improved?
 - (f) How effective has the transition to hybrid working been in enabling the Agency to compete more effectively in a tight labour market?
 - (g) What are some of the strategies that the Agency could employ to attract staff?; and
 - (h) To what extent is the Agency's current employee value proposition compelling for the types of staff that it is seeking to recruit and retain?
 14. The Service Provider define the Agency's desired future culture and leadership through a detailed review of the Agency's current and desired future culture and leadership, including by identifying:
 - (a) shared mindsets that outline the shared beliefs, assumptions and attitudes that employees hold about what is important and valued in the Agency; and
 - (b) demonstrated behaviours that codify the observable actions that are consistently demonstrated across the Agency and which represent the manifestation of shared mindsets.
 15. The analysis required under paragraph 14 of Phase B must be conducted through:
 - (a) the Service Provider's analysis of the last two years of the Agency's APS Census results;
 - (b) the Service Provider's analysis the findings from workshops and interview conducted with Agency Personnel under Phase A;

- (c) a series of **three** staff focus groups segmented along demographic dimensions (e.g. gender, age, location, tenure at the Agency, working arrangements, etc) – rather than by functional lines (i.e. according to structure), which must be designed with regard to the following aspects:
- (i) Describe what the vision of the future culture at the Agency will look like and feel like. Think about the specific behaviours that you would like the Agency Personnel to demonstrate.
 - (ii) Rate how close/far you are to realising this future culture on a scale from 1 to 5, where 1 is 'this is very close to the current culture' and 5 is 'this is very far from our current culture'.
 - (iii) Identify two barriers to achieving this future culture and think about actions needed to overcome these.
 - (iv) What does good leadership look like at the Agency?; and
 - (v) What sorts of leadership behaviours do we reward and encourage?
16. Upon completion of the activities in paragraphs 1 and 15 of Phase B above, the Service Provider must by **13 December 2023**:
- (a) analyse insights gathered and identify possible recommendations that are stress-tested for suitability and comprehensiveness against Attachment B; and
 - (b) present preliminary findings and proposed recommendations to the Agency in terms of feasibility, priority and impact for initial feedback.
17. Using the Agency's feedback and its own further refinement, the Service Provider must:
- (a) ensure that the final recommendations remain aligned with the Terms of Reference and that there no untested or new inclusions in the final deliverable; and
 - (b) prepare and deliver for Approval to the Agency and the SRSG a Draft Interim Report and recommendations addressing the Terms of Reference in Attachment B by **15 January 2024**.
18. All Deliverables included in this Phase B, paragraphs 1 and 16 above must be completed by **15 January 2024**.

Deliverable C. C: Phase C – Finalisation

In providing Services under Phase C, the Service Provider must comply with the following requirements.

1. The Service Provider must commence Phase C immediately upon completion of Phase B, however, this does not restrict the Service Provider from undertaking activities under Phase C that cross-over with Phase B.
2. The Service Provider must consult with the Agency (and through the Agency the SRSG) on the Interim Report and recommendations through regular fortnightly meetings.
3. The Service Provider must refine the Interim Report and recommendations based on feedback from the Agency and SRSG that will become the Final Report.
4. The Service Provider must prepare a Final Report for consideration of the SRSG and delivery to the Agency and the Secretary of the Attorney-General's Department.
5. The Final Report must clearly identify which recommendations can be implemented within the existing legislative framework and any which would require legislative changes.
6. The Service Provider must deliver for Approval to the Agency and the SRSG a Final Report by **5 February 2024**.
7. The Service Provider must develop an Executive Summary of the Strategic Review report.
8. The Service Provider must ensure the Final Report and the Executive Summary are presented to a very high professional standard, including through the application of professional and specialist graphic design expertise.
9. The Service Provider must develop an Implementation Plan for the Strategic Review and provide this to the Agency at the Agency's request. In preparing this Implementation Plan, the Service Provider must be guided by the following key considerations:
 - (a) determine key dependencies and sequencing for implementation activities realising recommendations;
 - (b) estimate value, priorities, and investments required to fully implement the plan;
 - (c) detail change capabilities required and how to support implementation with a communications strategy;

- (d) detail who owns the plan, who is involved and in what capacity, and how the plan is maintained; and
- (e) summarise this detailed implementation plan with a higher-level roadmap over a three-year horizon, which can be effectively used to communicate the implementation to external and internal stakeholders.

Deliverable D. Phase D – Implementation Support

In providing Services under Phase D, the Service Provider must work with the Agency to identify where efforts will add the greatest value during this Phase D and must comply with the following requirements.

1. The Service Provider must provide an additional effort of six weeks following the acceptance of the Final Report and its acceptance and endorsement by the Agency and AGD to support the implementation of the review recommendations.
2. In providing this support, the Service Provider could undertake some or all of the following activities:
 - (a) developing a clear governance framework for the implementation of the review;
 - (b) supporting the Agency to develop a Program Management Office (PMO) that will manage the implementation of the review, including PMO functions, key processes and recommended staffing;
 - (c) creating a clear program of work and developing detailed project charters and work plans for different streams;
 - (d) building the capability of Agency leaders and selected staff to implement the recommendations (where required);
 - (e) conducting more detailed change impact assessments and developing change management plans;
 - (f) setting a method for process redesign and re-designing high priority processes with key stakeholders that realise performance improvements and effort reduction; and
 - (g) supporting planning for technology improvements to underpin key processes, including potential adaptation of intelligent automation of key process activities such as categorisation and prioritisation of cases.
3. The Service Provider will confirm the precise scope of this implementation support at the start of Phase D with the Agency.

5. Deliverables

The Service Provider will provide the following deliverables during Phases A to C.



The Agency will also require the Service Provider to deliver six weeks of implementation support, as detailed in Deliverable D – Phase D, after acceptance and endorsement of the Final Report.

6. Program Schedule

The Service Provider will be required to deliver the Deliverables within the review timeframes in accordance with the program schedule. On commencement of the Contract, the Service Provider will provide to the Agency a detailed program schedule for approval by the Agency, which must contain clear dates for key Deliverables.

Further to the program schedule, the following Deliverables must be met by the timeframes as stipulated below.

Ref.	Deliverable	Description	Timeframe
Deliverable B.17(b)	Delivery of Draft Interim Report and Recommendations	The Service Provider will deliver an interim report and recommendations addressing the points in Attachment B for delivery to the Agency and the SRSG. They will present the interim report to the OAIC and use feedback to further refine the interim report and recommendations.	Must be completed by 15 January 2024.
Deliverable C.6	Delivery of Final Report	The Service Provider will deliver a final report for consideration of the SRSG and delivery to the Agency and the Secretary of the Attorney-General's Department (through the OAIC). The final report will clearly identify which recommendations can be implemented within the existing legislative framework and any which would require legislative changes.	Must be completed by 5 February 2024.

Attachment B: OAIC Strategic Review Terms of Reference

A strategic review of the Office of the Australian Information Commissioner (OAIC) will ensure the OAIC is well positioned to deliver on its statutory functions as the national privacy and information access regulator into the future.

Scope

The reviewer should consider, report, and make recommendations about how the OAIC can ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and respond to future challenges. Recommendations should cover:

- the extent to which the OAIC's
 - organisational capability,
 - structure,
 - governance, and
 - resourcingare suitable to achieve the OAIC's purpose and future functionality, or require amendment;
- how resource allocation can be optimised to maximise efficiency and support the OAIC's statutory functions;
- how OAIC can best respond to the likely continuing growth to the volume and complexity of its core statutory workload;
- how to ensure the effectiveness of the OAIC as a regulator in responding to changing technology, the growth of the digital economy and increasing cybercrime; and
- the role of the OAIC in providing advice and reports to government about privacy, information access and information management.

Contextual information

The reviewer must have regard to relevant contextual matters, about which the OAIC will provide the reviewer with relevant background, including:

- potential changes to the functions of the OAIC arising from the Government's response to the Privacy Act Review;
- the operation of FOI laws;
- evolving community expectations about privacy and information access, and expectations that OAIC will take a strong enforcement posture.

Recommendations

The reviewer must identify recommendations that can be implemented within the existing legislative framework, but may make recommendations that require legislative change where the reviewer considers necessary.

Activities

As a minimum, the reviewer should examine relevant documents and data, conduct interviews with OAIC executives, staff, and key external stakeholders, and examine the capabilities and arrangements of a selection of analogous agencies in Australia and elsewhere.

Timeframe

Interim report by **15 January 2024**. Final report by **5 February 2024**.

Attachment C: Pricing Schedule

Fees

1. The Total Contract Fee must not exceed \$780,000 (GST inclusive), which includes delivery of all Deliverables, and travel and expenses incurred by Service Provider Personnel. As agreed by the Parties, the Total Contract Fee is a 5% volume discount on the MAS Panel rates.
2. The Agency will not pay the Service Provider any Fees that exceeds the Total Contract Fee.
3. The Fees will be paid on a Milestone basis.
4. On successful Delivery and Acceptance of the Milestones, the Agency will pay the Service Provider the Milestone Payments specified in the **Table 1 – Milestone Payments** below.

Table 1 - Milestone Payments:

Ref.	Milestone	Deliverable(s)	Timeframe	Milestone Payment (GST inclusive)
M1	Acceptance of the Strategic Review methodology and plan	A.9 Accepted by the Agency	Must be completed by 27 October 2023 , or as otherwise approved by the Agency	\$ 78,000.00 (Payment of 10% of the Total Contract Fee)
M2	Completion of Phase A	A.18 Accepted by the Agency	Must be completed by 24 November 2023 , or as otherwise approved by the Agency	\$ 195,000.00 (Payment of 25% of the Total Contract Fee)
M3	Presentation of preliminary findings and recommendations to the Agency	B.16 Accepted by the Agency	Must be completed by 13 December 2023 , or as otherwise approved by the Agency	\$ 156,000.00 (Payment of 20% of the Total Contract Fee)
M4	Acceptance of the Interim Strategic Review Report by the Agency	B.17 Accepted by the Agency	Must be completed by 15 January 2024 , or as otherwise approved by the Agency	\$ 195,000.00 (Payment of 25% of the Total Contract Fee)
M5	Acceptance of the Final Strategic Review Report and Implementation Plan by the Agency	C.6 to C.9 Accepted by the Agency	Must be completed by 5 February 2024 , or as otherwise approved by the Agency	\$ 117,000.00 (Payment of 15% of the Total Contract Fee)
M6	Completion of Phase D – Implementation Support	D.1 and D.2 Accepted by the Agency	Must be completed by 19 April 2024 , or as otherwise agreed by the Parties	\$ 39,000.00 (Payment of 5% of the Total Contract Fee)

Invoicing

5. The Service Provider must submit a correctly rendered Tax Invoice at the completion of each Milestone.
6. All invoices submitted by the Service Provider must meet the requirements of a correctly rendered Tax invoice as set out in clause 14.4.2 of the Head Agreement, and must:
 - (a) include the Milestone description;
 - (b) include the Work Order number; and
 - (c) be correctly addressed to the Agency Representative; and
 - (d) contains tax invoice details as required by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
7. If the Service Provider has incorrectly charged the Agency, the Service Provider:
 - (a) in the case of overcharge, must refund any amount overcharged promptly and in any event within seven days of becoming aware of, or being notified of, the overcharging; and
 - (b) in the case of undercharge, may issue a Correctly Rendered Tax Invoice for any amounts undercharged to the Agency, but may only do so within six months from the date the incorrect charge was made to the Agency.
8. If the Agency disputes any amounts paid or to be paid to the Service Provider:
 - (a) the Agency will request the Service Provider to submit an invoice for the amount that is not in dispute;
 - (b) the Agency will pay the amount stated in a correctly rendered Tax Invoice that is issued in response to a request made under clause paragraph 6 of this Attachment C;
 - (c) the Agency may withhold from further payments any such disputed amounts and clause 27.3 of the Head Agreement will apply; and
 - (d) the Service Provider must not stop or cause any delay in supplying the Services.

Attachment D: Strategic Review methodology and plan

[To be appended once approved by the Agency in accordance with the procedure described in Deliverables A.6 to A.9]

Strategic review methodology and plan

Office of the Australian Information Commissioner

31 October 2023



Nous Group acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians of country throughout Australia. We pay our respect to Elders past, present and emerging, who maintain their culture, country and spiritual connection to the land, sea and community.

This artwork was developed by Marcus Lee Design to reflect Nous Group's Reconciliation Action Plan and our aspirations for respectful and productive engagement with Aboriginal and Torres Strait Islander peoples and communities.

Disclaimer:

Nous Group (**Nous**) has prepared this report for the benefit of the Office of the Australian Information Commissioner (the **Client**).

The report should not be used or relied upon for any purpose other than as an expression of the conclusions and recommendations of Nous to the Client as to the matters within the scope of the report. Nous and its officers and employees expressly disclaim any liability to any person other than the Client who relies or purports to rely on the report for any other purpose.

Nous has prepared the report with care and diligence. The conclusions and recommendations given by Nous in the report are given in good faith and in the reasonable belief that they are correct and not misleading. The report has been prepared by Nous based on information provided by the Client and by other persons. Nous has relied on that information and has not independently verified or audited that information.

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Contents

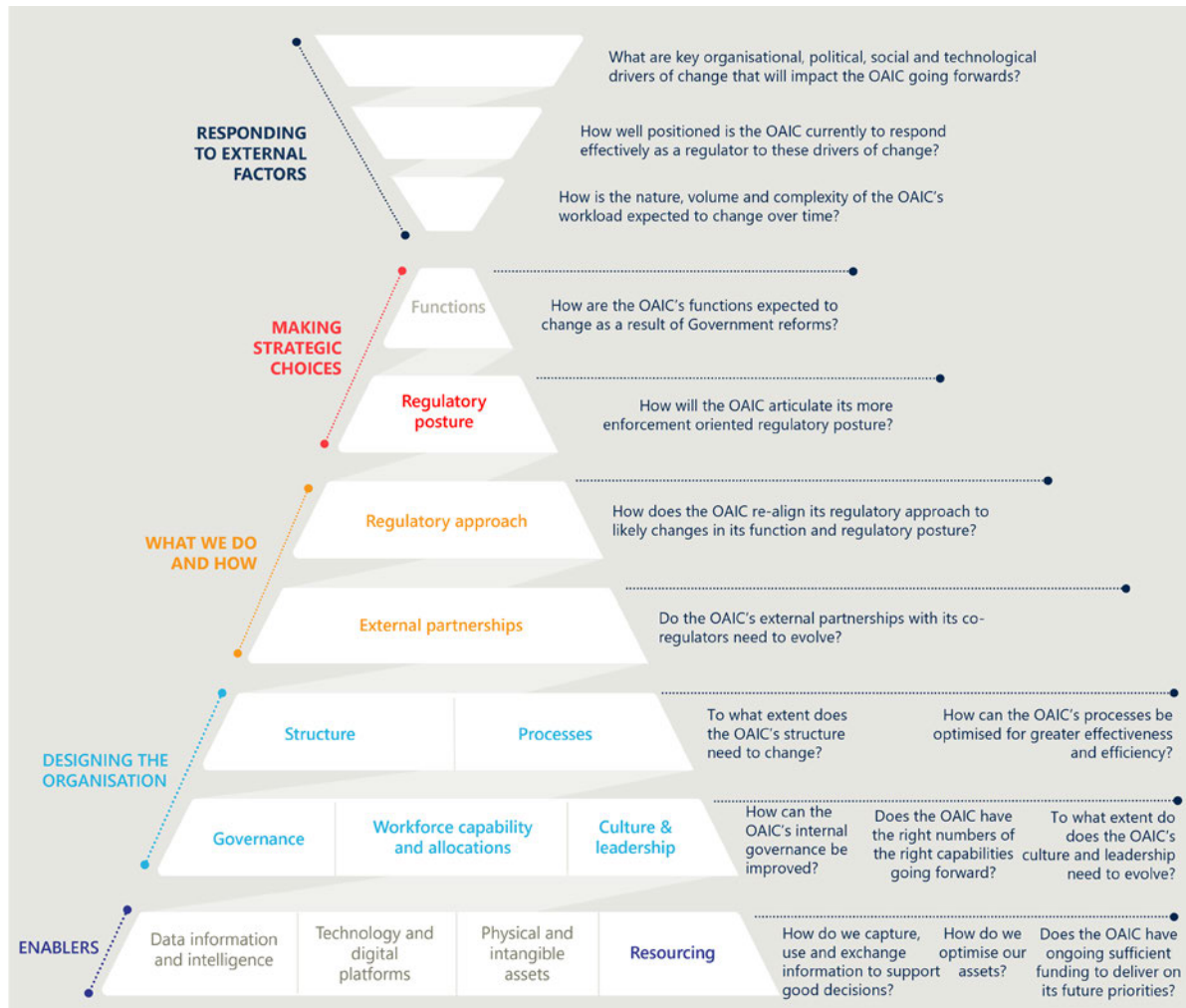
1	Introduction.....	1
2	Methodology.....	2
2.1	Phase A - Planning, initiation, and discovery.....	3
2.2	Phase B - Assessment and reporting.....	7
2.3	Phase C - Finalisation.....	15
2.4	Phase D – Implementation support.....	16
3	Strategic Review Project Plan.....	17

1 Introduction

This document sets out how Nous will work with you to successfully deliver a Strategic Review that will deliver on the Review Terms of Reference and strengthen the OAIC’s capacity, capability and influence into the future. It outlines the activities that we propose to undertake as part the review in the Methodology section and outlines the timing and sequencing of these activities in the Project Plan section.

Our approach to the Strategic Review will be guided by the Key Lines of Enquiry (KLEs) that are outlined in Figure 1 below.

Figure 1 | Key lines of enquiry for the Strategic Review



2 Methodology

We will conduct the Strategic Review across three phases. A summary of the activities in each phase is provided in Figure 2, with more detailed information about each activity in the subsequent pages.

Figure 2 | Summary overview of Strategic Review activities by phase



2.1 Phase A - Planning, initiation, and discovery

In this initial discovery phase of the Strategic Review, we will focus on laying the foundations for the review, understanding the OAIC's current operating model and environment, identifying key drivers of change and considering implications for the OAIC's regulatory posture and regulatory approach. We will also develop early thinking and hypotheses about opportunities to reform the OAIC's operating model that we will explore further in Phase B of the review.

We will deliver on these objectives by conducting a comprehensive desktop review, analysing case load data analysis, and conducting initial rounds of engagement with the OAIC's executive management team, staff and key government stakeholders.

We will present the Discovery Phase Report outlining our distilled findings from Phase A activities and drawing out key implications for Phase B recommendations.

The Discovery Phase Report will summarise and bring together our analysis and insights from Phase A. Where possible, we have provided indicative visuals and descriptions of how the analysis will be presented in the Discovery Phase report, noting that this may evolve throughout the project.

Initiate project and client kick-off meeting

In our kick-off meeting with you, we will present a draft Project Charter that outlines the key measures of success, boundaries, timelines and deliverables, and potential risks for the review. The Project Charter will then be iterated and finalised by Nous and OAIC together. We will also discuss how to best engage and work with the OAIC. After the kick-off meeting, we will submit a document and data request.

Agree Strategic Review methodology and plan

We will work with the OAIC and SRSG to iterate this document and action feedback. The revised Strategic Review methodology and plan will then be submitted to OAIC for approval.

Develop Engagement, Communications and Change plan

We will develop an Engagement, Communications and Change plan that outlines how we will engage with external and internal stakeholders, how we will communicate with OAIC staff and how we will manage change throughout the review.

The stakeholder engagement part of the plan will identify who we will engage with externally and internally and how, when and why we will engage them. We will include indicative interview guides, workshop and focus group agendas, etc., that reflect the Key Lines of Enquiry for the review. We assume that most of our engagement will be virtual due to the hybrid working arrangements of the OAIC workforce and to ensure flexibility in scheduling with external stakeholders.

External reviews can be stressful for agency staff as they can create uncertainty about future direction, structures, resourcing and processes. From our past experience on similar projects we have learnt the importance of early and regular communications with staff about the intent, progress and outcomes from strategic reviews.

The Engagement, Communications and Change plan will outline the opportunities that staff will have to engage with the review and the channels that we will use to communicate with them about the review. We will ensure there are multiple opportunities and channels for the OAIC's leaders and staff to contribute to and be informed about progress. These will include workshops, back pocket briefings, focus groups, formal and informal interviews and a dedicated Nous mailbox for the review. We will ensure that all of our engagements are designed in ways that are compatible with OAIC's diverse geographic footprint and widespread adoption of hybrid working arrangements.

In the change component of the plan, we will address any change management considerations that we anticipate needing to be pro-actively managed during and after the review. The 2022 APS Census for the OAIC reflect an agency that is good at managing change – and we will work hard to make sure that we build on these existing strengths and the agility of OAIC’s staff.

Conduct initial desktop review

Our desktop review will deepen our understanding of the OAIC’s regulatory and operational context and allow us to answer the KLEs at the top of Figure 1 on page 1. We anticipate that our desktop review will encompass all relevant legislation, documentation from recent and in-flight reforms relevant to the OAIC, corporate documents, data collected by the OAIC for the Performance measurement framework (including the results from the recent stakeholder survey), the advice sought by the OAIC about the legal and employment framework for appointed commissioners, current budget (ongoing and terminating measures) and allocation of funding across OAIC activities and many other relevant internal documents and datasets that will be provided to us.

A key part of our desktop review will be to consider the key organisational, political, social and technological drivers of change that will impact the OAIC going forwards. This will inform our analysis of how the OAIC should respond to external factors.

We will also use the desktop review to start our initial assessment of how the volume and complexity of the OAIC’s core statutory workload is likely to grow and consider how OAIC can successfully manage that workload. Figure 3 provides an indicative example of how we could show where there may be increased demands on the OAIC to fulfil its core functions in the Discovery Phase report.

Figure 3 | Indicative map of required increase in intensity of resource¹



¹ This initial assessment is based on the *Australian Information Commissioner Act 2010* and our understanding of where the OAIC is currently, and the relative demand for different services.

Conduct comparative analysis of the analogous agencies nationally and internationally

We will undertake a high-level comparative analysis of the operating models of analogous agencies to build an understanding of their functions, governance, structures and, where information is available, resourcing. This will help us to identify potential operating model design options that may be relevant to the OAIC going forwards.

As a starting point, we will analyse the arrangements and capabilities of all state and territory information and privacy regulators. We will also look at other regulatory agencies across Australia with similar diverse mandates and governance structures.

For the comparative analysis of international agencies, we will assess the Office of the Privacy Commissioner Canada, the UK Information Commissioner's Office, the Irish Data Protection Commissioner, the New Zealand Office of the Privacy Commissioner and the Personal Data Protection Commission of Singapore. We may consult with a relevant international agency to better understand their current challenges and contemplated responses to a changing operating environment if considered of value.

Conduct interviews with OAIC's executive management team

Due to their important role, we anticipate multiple engagements with OAIC's executive management team throughout the project. Some engagements may be combined where efficient. The first round of engagement in Phase A will focus on:

- Identifying what success for this looks like for this review.
- Confirming how and when they want to be engaged through the review.
- Understanding critical elements of the OAIC's current operating model.
- Considering key drivers of change and their potential implications for the OAIC's regulatory posture and approach.
- Surfacing initial hypotheses about how the OAIC's operating model that are in scope for this review might need to change.

Interview key stakeholders

We will engage with two cohorts of stakeholders during this discovery phase. Some engagements may be combined where efficient.

The first cohort will consist of AGD and other regulatory agencies that that OAIC collaborates with to perform its core functions.² We will also engage in a detailed exploration of how the OAIC's partnership and collaborations with its co-regulators may need to change in response to changing operating environments.

The second cohort of stakeholders will consist of stakeholders with an interest in FOI and Privacy Act reforms (industry peak bodies, the Federation of community legal centres and other academic and civil society representatives) and Government agencies with high FOI volumes (Department of Home Affairs, Services Australia and National Disability Insurance Agency).

Analyse case load data and process performance and quality

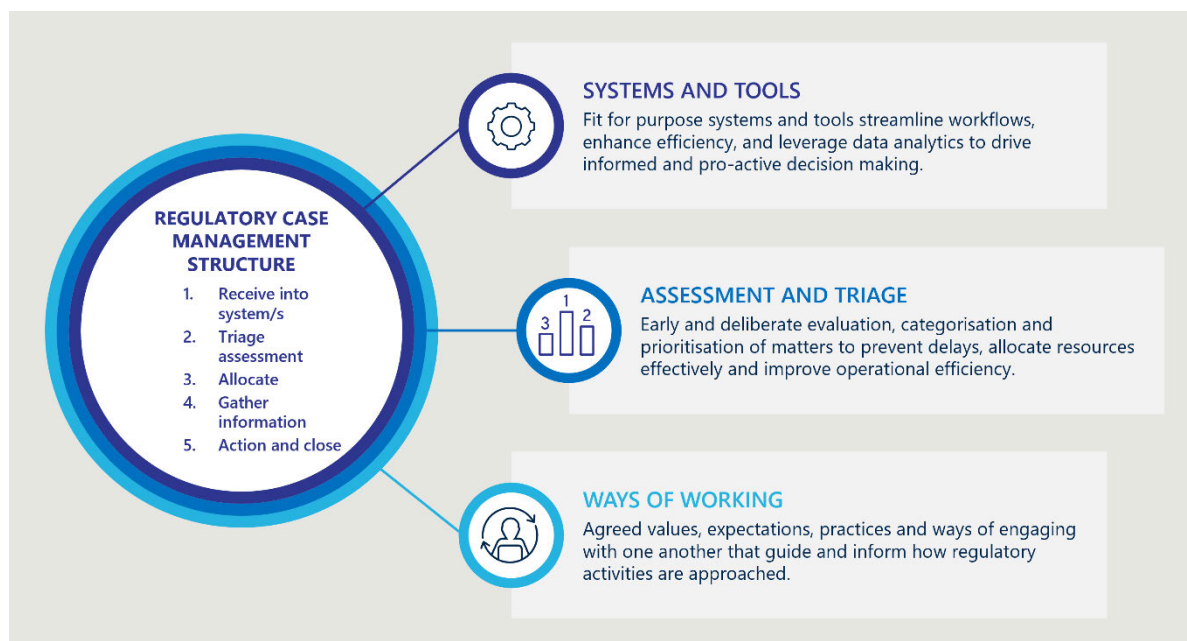
As part of the discovery phase, we will review and analyse OAIC's current processes to manage and transact cases as well as data from external sources to inform our understanding of current and future

² This first cohort of stakeholders will include: Attorney-General's Department, Australian Competition and Consumer Commission, The Treasury (including the Data Standards Body), Inspector-General of Intelligence and Security, Commonwealth Ombudsman, Australian Communications and Media Authority, Office of the eSafety Commissioner, Australian Prudential Regulation Authority and Australian Digital Health Agency.

demands, and stakeholder experiences and satisfaction. Some key process steps that will be considered include inbound channels, capture of cases, categorisation and triage, prioritisation, and workflows in use.

Phase A will focus on the key process steps of current processes to manage and transact cases including against the best practice case management elements pictured in Figure 4 which will inform our analysis and output of findings in the Discovery Phase report.

Figure 4 | Best practice elements of case management processes



Nous brings deep expertise in best practice approaches to case management process and workflow design and implementation which will allow us to assess and identify issues and opportunities for improvement where existing processes can be streamlined or new fit-for-purpose processes can be implemented to deliver the performance and improvement you are seeking. As part of this review we will conduct analyses such as:

- Process mining to rapidly and flexibly analyse how processes are being executed, what performance is being achieved, and identify bottlenecks and potential conformance/compliance issues.
- Demand modelling to forecast how OAIC's workload may grow in volume.
- Sentiment analysis on stakeholder satisfaction data to identify which processes need improvement.

We will determine approaches to streamline existing processes and implement new ones during Phase B of the review.

Conduct workshops with OAIC staff

Staff have experienced significant change in recent years, and will be interested and invested in the Review. As part of the discovery phase, we will conduct an initial round of virtual workshops with staff in each of the OAIC branches. We will tailor the agenda and areas of focus for each branch, and tailor the agenda to explore issues and hypotheses that we have uncovered from our earlier discussion with the OAIC executive and our review of documents.

We will utilise a mix of different digital platforms such as Teams, Slido and Miro to keep the workshops inclusive and fast moving. We will discuss with you during the workshop planning whether to invite the branch heads to the workshops.

The findings and insights from these workshops will help provide an initial hypothesis for future reform by identifying what is currently working well and what needs to be improved within the organisation.

Synthesise findings from discovery phase

Following our engagement activities and analysis, we will prepare and provide a Discovery Phase Report to OAIC and the SRSG. The report will:

- present our initial findings from the discovery phase against the Terms of Reference and KLEs
- identify key themes emerging across the different stakeholder groups
- outline the potential changes and reforms to the OAIC's operating model that we will explore further in Phase B.

Once feedback on the Discovery Phase Report has been received from the OAIC and SRSG, it will be incorporated and provided in a Supplementary Discovery Phase Report as the final deliverable of Phase A.

2.2 Phase B - Assessment and reporting

The second phase of the Strategic Review will be the most critical. We will conduct detailed examinations of the elements of OAIC's operating model that are in scope for the review. We will then identify, analyse and refine options for changing the OAIC's current operating model that will ensure it is best positioned to deliver on its future functions. We will also offer an opinion on whether the OAIC's is able to effectively and efficiently deliver on its statutory functions and the expectations of government with its existing resourcing and enabling legislation.. Our analysis will be captured in the interim report and where known we have provided indicative examples of how our findings will be reflected in this report.

Confirm future regulatory posture and approach

Regulators need to make trade-offs in how they organise themselves and conduct regulatory activities and initiatives. For instance, regulators need to decide the extent to which they focus resources on responding to instances of non-compliance or proactively monitoring compliance.

A consolidated understanding of the OAIC's appropriate regulatory posture, approach and responses is necessary. This will draw on the insights into changes to the volume and complexity of the OAIC's statutory workload and changes due to an evolving external environment (with a focus on changes related to technology, the digital economy and cybercrime) that we developed in Phase A.

The OAIC's regulatory posture and approach will continue to differ across the three core areas in its remit. Similarly, the regulated entities for different elements of OAIC regulation differ. FOI engages with government bodies; privacy regulation has a much broader remit. These considerations and consultation with regulated entities in Phase A will inform different choices about the most appropriate regulatory postures and approaches.

We will use this as a baseline to facilitate a workshop with the executive management team (and any Strategic Review Steering Group representatives as appropriate). Figure 5 sets out what our analysis of the OAIC's regulatory approach may look like.

This workshop might also explore:

- how OAIC can execute its desired regulatory posture and approach in practice
- other issues uncovered in the earlier stages of the review that we identify in consultation with OAIC that it would be beneficial to explore with OAIC's executive.

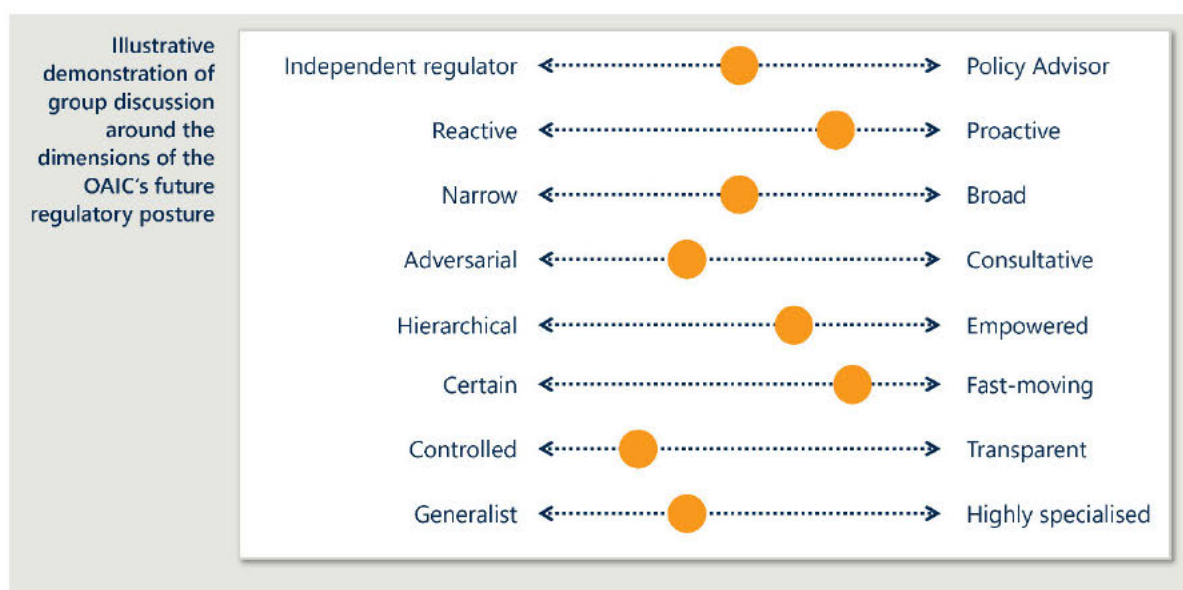
Figure 5 | Indicative output of our regulatory approach analysis

We will capture the regulatory approach for each area of regulation in a simple one-page visual. We anticipate that it will include:

- Regulatory purpose – provides a clear statement of the OAIC’s goals based on its statutory obligations and the Attorney-General’s Statement of Expectations.
- Principles – lists the core values for the realisation of regulation based on the principles of regulatory best practice and responding to OAIC’s current and future challenges.
- Outcomes – lists the specific priorities that the OAIC will support through its actions given its obligations under the Portfolio Budget Statement and internal strategic priorities.
- Mechanisms – highlights the tools that the OAIC is willing and able to use to realise these outcomes based on both its statutory powers and strategic choices.

This flows through to a regulatory posture. Figure 6 provides an indicative example of how we think about the different dimensions of regulatory posture for an agency like the OAIC. We will use this conceptual framework as part of our conversations in the workshop. As with the regulatory approach, this will differ by area of regulation.

Figure 6 | Dimensions of the OAIC’s future regulatory posture that we can consider



The OAIC’s choices then flow through to regulatory responses – these are likely to follow the enforcement pyramid.

This workshop process ensures a consistent understanding of what the OAIC will do and why. It also clarifies how this has evolved due to the changing external environment and evolving resourcing level and transition to the three-Commissioner model.

Consider the OAIC’s external partnerships with co-regulators

The OAIC has a range of significant external partnerships with co-regulators that are central to its core functions. These include the Australian Competition and Consumer Commission (ACCC), Australian Communications and Media Authority (ACMA), the National Data Commissioner and the Administrative Appeals Tribunal. Effective partnering with your external stakeholders will increase regulatory outcomes

for the system overall. This is particularly important given constraints on capacity and terminating budget measures.

We will consider what the OAIC's co-regulatory model could look like in future and what the OAIC's role is in shaping external partnerships. In an effective regulatory system, partners maximise impact of the regulatory tools at their disposal. To do so requires close collaboration on practices, campaigning, priority setting and execution. Overall, the design of good regulatory governance will greatly enhance regulatory outcomes.

Our analysis of the OAIC's partnerships with co-regulators will be informed by consultation with key regulators in Phase A and will include consideration of how these partnerships are expected to evolve and the impact of effective partnerships on OAIC resources. The interim report will outline our key findings and insights on these considerations.

Identify and assess options for the OAIC's future structure

Given the significant changes that the OAIC will be needing to manage going forward, it will be vital to have a fit-for-purpose structure that is flexible enough to accommodate future changes.

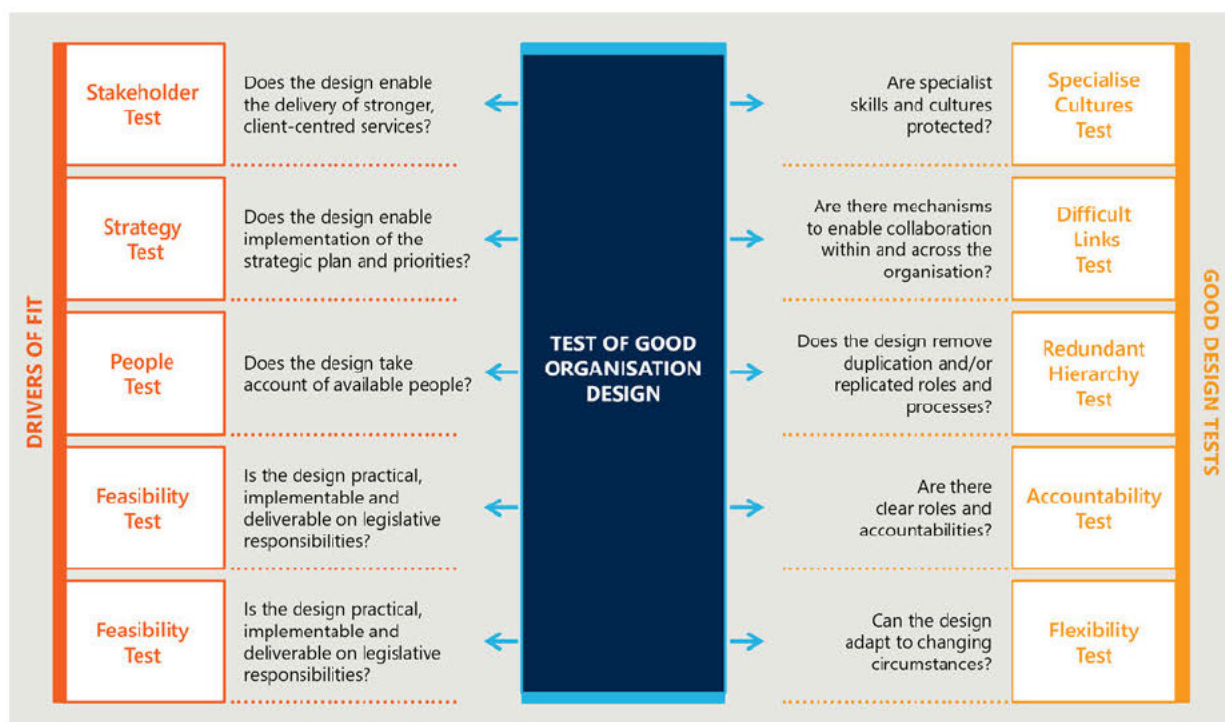
We will commence this part of Phase B by developing several options for the OAIC's future structure (e.g. functional, matrix structures). Our development of these options will be guided by the questions outlined in Figure 7 below.

Figure 7 | Questions that will guide our consideration of structure

1. To what extent is the OAIC's current structure fit for purpose?
2. What structure(s) will best support a three-Commissioner model?
3. What are the structural implications of any proposed changes to the OAIC's purpose, functions, regulatory posture and service model?
4. What are the longer-term implications for the Corporate Branch if they move towards the new shared services arrangements?
5. How can we enable delivery of stronger, client-centred services in collaboration with key stakeholders?
6. To what extent can we use structural changes to enable us to optimise resource allocation?
7. What are the funding implications of the new model?

We will then assess and refine these options in a workshop with the OAIC's senior leaders against the tests of good organisational design that are outlined in Figure 8. We will iterate these tests with the OAIC and also identify the relative priority of each test – noting that some will be more important than others. By the end of the workshop, we will seek to have identified a preferred future structural model that goes down to a section level. The preferred option, key features of that option and implications for the OAIC will be outlined in the interim report.

Figure 8 | Tests of good organisational design



Identify opportunities to remove duplication and streamline processes

Using current state insights on processes we will design what good looks like, what specific challenges will be resolved and how to best realise opportunities, including those for technology. The OAIC manages diverse demands of different nature, for example FOI complaints, allegations of privacy breaches and CDR complaints. Each type requires different and nuanced process design to ensure it is handled in the most efficient way. We will:

- Articulate what future processes must look like to effectively manage the types of demand on the OAIC. Process elements will include inbound channels, categorisation and prioritisation of demand and articulation of optimal pathways to transact types of demand.
- Design improved process flows given complexity of demand, what activities will be required to effectively transact types of demand (including common activities that can be delivered through shared capabilities), and what capability and capacity is required to do so well.
- Who will undertake the activities, including accountabilities and responsibilities (RACI) and what information and artefacts are required.
- How to best leverage existing technology or what changes must be made to improve the use of technology.

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Through effective design we will highlight and resolve duplication in current processes, outline effective use of shared capability approaches and remove bottlenecks or ineffective practices. We will pay particular attention to the role of technology and how to enhance it. This includes opportunities for process automation such as automated workflows and application of AI approaches to, for example, case categorisation and prioritisation. In our experience this approach leads to significant process performance improvements and reduction of work effort. We note that the OAIC is conducting a parallel review of digital case management and document management systems and this is out of the scope of this review.

Our approach will also set an effective and measurable baseline for process performance given inbound demand to measure requirements against in future. Our particular focus will be how resource allocation can be optimised to maximise efficiency and support the OAIC's statutory functions. Through this, the organisation will have the right information to make evidence-based decisions and ensure it is and continues to be right sized and able to perform its legislated functions.

During this activity we will outline how to activate continual improvement and we will build an improvement register with prioritised implementation tasks based on value and effort. We will leave this improvement register with the OAIC as an artefact for continued use. Where possible and desired, we will work with identified key personnel to work on these artefacts, transfer knowledge and skills, and empower you to continually drive improvements through a targeted and structured way in our 6 week implementation support.

Assess how OAIIC's internal governance can be improved

Our assessment of the OAIIC's governance will consider the agency's three main governance entities – the executive committee, operational committee and regulatory action committee. Our primary initial focus will be to understand the extent to which the number, remit and composition of the OAIIC's governance committees need to evolve to accommodate the three-Commissioner model. We will also consider the governance implications of any changes to the OAIIC's purpose, functions and regulatory posture going forward.

Our assessment of current governance arrangements and the design of any new committees will be informed by our five pillars of good governance framework at Figure 10 and our findings and recommendations will be outlined in the interim report. We have successfully applied this framework in the context of other regulatory and non-regulatory government agencies.

Figure 10 | Five pillars of good governance framework

STRUCTURE	ACCOUNTABILITY	LEADERSHIP	INTEGRITY	ENGAGEMENT
<p>Structures</p> <ul style="list-style-type: none"> Fit-for-purpose governance structures Adequate number and type of bodies that support effective governance Governance roles that are complementary and do not unnecessarily overlap or conflict Optimum balance of central control versus local responsiveness <p>Documentation and processes</p> <ul style="list-style-type: none"> Clear and cohesive governance charters Comprehensive governance documentation Well defined contractual arrangements Effective dispute resolution processes 	<p>Roles and responsibilities</p> <ul style="list-style-type: none"> Clarity about who is responsible for what in governance arrangements Ongoing monitoring of the business performance at all levels Effective identification and management of financial and non-financial risks <p>Decision making</p> <ul style="list-style-type: none"> Unequivocal clarity about what governance decisions are made, where and by whom Risk-based, evidence-led decision making processes where decisions are made as close as possible to where the critical/relevant information is understood best Alignment of organisational values and decision making 	<p>Direction setting and alignment</p> <ul style="list-style-type: none"> Clear direction in regard to mission, objectives and strategy Alignment of effort across the organisation with the agreed direction Focus on strategic, rather than operational matters <p>Capability</p> <ul style="list-style-type: none"> Ability to provide strong, ethical leadership Knowledge and capabilities to perform governance roles well Effective reviews of governance bodies and individual performance which lead to capability-building and development 	<p>Governance conformance</p> <ul style="list-style-type: none"> Adherence to the organisation's policies and procedures Proactive and efficient management of external compliance obligations Compliance with relevant fiduciary duties Obligations in regard to reporting and transparency are fully met Appropriate management of conflict of interests <p>Governance breaches</p> <ul style="list-style-type: none"> Recognition of desired and proactive action on poor behaviours and outcomes Timely detection of governance breaches Effective recording, reporting and management of governance breaches 	<p>Governance culture</p> <ul style="list-style-type: none"> The relationships and culture of the governance body that feature trust, openness, robustness, candour and accountability High performing and cohesive governance body <p>Stakeholder engagement</p> <ul style="list-style-type: none"> Effective and collaborative engagement with relevant stakeholders Relevant and timely information is made available to stakeholders Rights of key stakeholders are clear and protected in governance processes

Workforce capability and allocations

Once we have agreed the potential changes to the OAIIC's purpose, functions, service model and structure, we will consider what type of workforce will be required to successfully deliver on them.

We recognise that the OAIIC's workforce has already undergone significant changes over the last two years, with a significant increase in size and the move towards a permanent hybrid working model. We will therefore make sure that we do not create any unnecessary additional changes. All of our recommendations related to the capability, capacity and resourcing of the OAIIC's future workforce will be well thought through and value adding.

The interim report will build on our Discovery Phase report assessment of how the volume and complexity of the OAIC's core statutory workload is likely to grow. We anticipate that the interim report recommendations will focus on any critical gaps in capability that the OAIC should address and whether the OAIC has the right mix of specialist skills and the right number of staff to service future demand.

The questions that will guide our consideration of the OAIC's workforce are outlined in Figure 11 below.

Figure 11 | Questions that will guide our consideration of workforce capability and capacity

1. How can resource allocation be optimised across the OAIC to maximise efficiency and support the effective delivery of its core and discretionary functions?
2. Does the OAIC currently have the right mix of specialist skills required to deliver on its proposed new purpose, functions and regulatory posture?
3. Does the OAIC currently have the right number of staff to service future demand – considering any changes to the OAIC's service model and key processes that may yield delivery efficiencies?
4. What are the most critical gaps in capability that the OAIC will need to address?
5. What are some of the drivers behind the high proportion of OAIC staff looking to leave the agency (as reflected in the 2022 APS Employee Census results) and to what extent has this improved?
6. How effective has the transition to hybrid working been in enabling the OAIC to compete more effectively in a tight labour market?
7. What are some of the strategies that the OAIC could employ to attract staff?
8. To what extent is the OAIC's current employee value proposition compelling for the types of staff that it is seeking to recruit and retain?

Consider the OAIC's future resourcing

We will consider whether the OAIC has ongoing sufficient funding to deliver on its statutory functions and government's expectations so that we can provide you with clear funding implications for our recommendations.

Our primary focus will be to analyse resourcing requirements of future OAIC core and discretionary activities. We will use current state insights on OAIC's funding, current budget, allocation of funding across activities and anticipated future demand for OAIC activities to provide high level projections of the cost of future OAIC priorities. We will also benchmark the OAIC's funding -and the balance of ongoing vs non-ongoing funding - against other comparable agencies.

We will assess future resourcing requirements against OAIC's funding pipeline so that you can understand funding implications of our recommendations. Our analysis will consider the consequences of different funding outcomes on recommendations including no additional funding, limited and significant additional funding. Our assessment can also be used to inform future NPPs.

Define the OAIC's desired future culture and leadership

Ensuring that the OAIC has the right culture and leadership going forward will be a key determinant of how effectively it will perform its future roles and how successfully the review will be implemented. We therefore propose to take a close look at the OAIC's current and desired future culture and leadership in Phase B of the review.

Our conception of culture encompasses two key dimensions:

- **Shared mindsets.** These are the shared beliefs, assumptions and attitudes that employees hold about what is important and valued in the OAIC, for example cohesion across “one OAIC”.
- **Demonstrated behaviours.** These are observable actions that are consistently demonstrated across the OAIC and which represent the manifestation of shared mindsets.

Our initial consideration of the OAIC’s current culture and leadership will be informed by our analysis of the last two years of APS Census results and our conversations with staff in Phase A.

We will build on initial analysis through a series of three staff focus groups in Phase B. We propose to segment these workshops along demographic dimensions (e.g. gender, age, location, tenure at OAIC, working arrangements, etc) – rather than by functional lines (i.e. according to structure). Workshops may explore other issues that emerge in the review.

Our interim report will include findings and recommendations arising from our analysis of OAIC’s current and desired future culture and leadership, including strengths to be leveraged and any culture shifts that would improve staff experience at the OAIC.

An indicative design for these focus groups is provided in Figure 12 below.

Figure 12 | Indicative focus group design

1. Describe what the vision of the future culture at OAIC will look like and feel like. Think about the specific behaviours that you would like OAIC staff to demonstrate.
2. Rate how close/far you are to realising this future culture on a scale from 1 to 5, where 1 is ‘this is very close to the current culture’ and 5 is ‘this is very far from our current culture’.
3. Identify two barriers to achieving this future culture and think about actions needed to overcome these.
4. What does good leadership look like at the OAIC?
5. What sorts of leadership behaviours do we reward and encourage?

Identify, analyse and present recommendations

Throughout the project we will analyse insights gathered and identify possible recommendations to the OAIC. We will analyse recommendations in terms of their feasibility within the existing funding envelope, priority and impact and seek to test those with you early. We will also explore recommendations that could be actioned with additional funding to inform future NPPs. We will use our expert advisers to push the thinking on recommendations and stress test their suitability and comprehensiveness against the Terms of Reference.

We will present preliminary views of recommendations to the OAIC senior leaders for discussion and refinement. In doing so we will both test recommendations and their priority with you and leverage your expertise in terms of what will work best given context and capability.

Combined, this approach ensures we stay well aligned on recommendations of the project, there will be no surprises and the final deliverable is well supported.

Present interim report and recommendations

Building on work preceding this milestone, we will prepare an interim report and recommendations addressing the points in the Terms of Reference for delivery to the OAIC and the SRSG. The consultation report will form part of the interim report. We will present the interim report to the SRSG and use feedback to further refine the interim report and recommendations.

The interim report is currently due on 15 January 2024. This follows the Christmas shutdown period and a significant number of engagements prior to Christmas. If the report due date of 15 January 2024 is maintained it is possible that some parts of the report may still be in draft form.

2.3 Phase C - Finalisation

Test and refine interim reports and recommendations with OAIC and SRSG

Nous will consult with the OAIC and SRSG to test emerging findings and proposed recommendations through regular meetings. Once feedback has been received, we will refine the interim reports and recommendations.

Deliver final report

After addressing the OAIC and SRSG's feedback, Nous will deliver a Final Report for consideration of the SRSG and OAIC and the Secretary of the Attorney-General's Department. The Final Report will clearly identify which recommendations can be implemented within the existing legislative framework and any which would require legislative changes.

Develop implementation plan

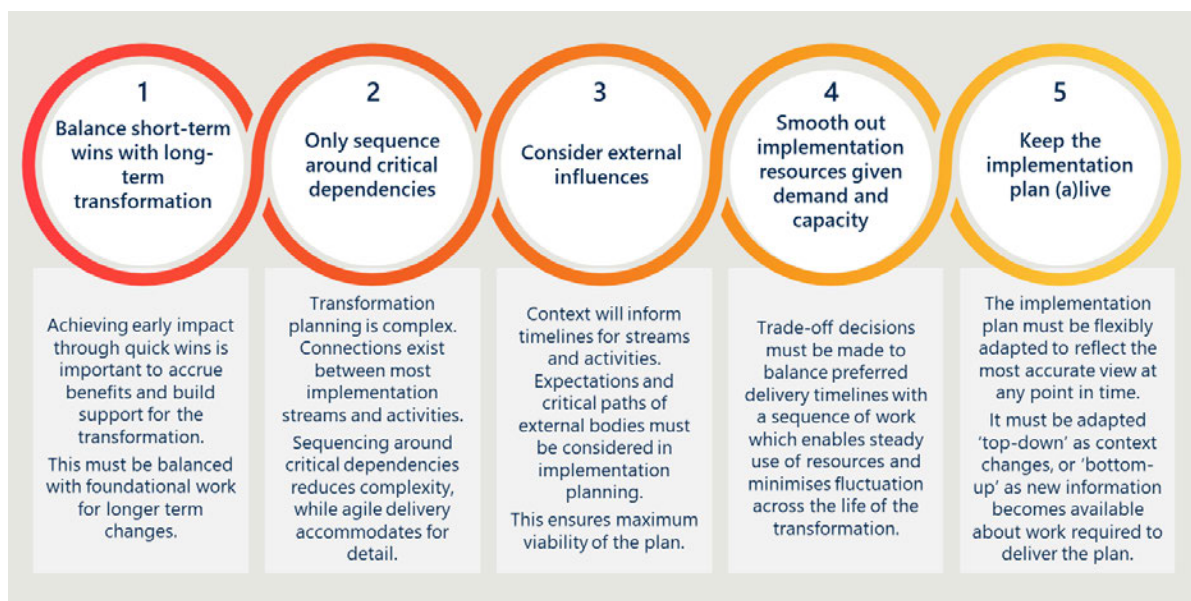
At Nous, we think about implementation from day one. Experience has taught us that organisations must be vigilant with the amount of change they try and implement over time. Ambition can overtake ability. The nature of this project, its ensuing recommendations and subsequent implementation is transformational. Implementation planning must consider the organisation's readiness, capability and capacity to implement it, along with core implementation activities, dependencies, sequencing and work effort.

We will develop an implementation plan for the Strategic Review with this in mind and are guided by key considerations outlined in Figure 13. Specifically, we will design, test and refine an implementation plan with your senior leaders that:

- Determines key dependencies and sequencing for implementation activities realising recommendations.
- Estimates value, priorities, and investments required to fully implement the plan.
- Details change capabilities required and how to support implementation with a communications strategy.
- Details who owns the plan, who is involved and in what capacity, and how the plan is maintained.

We will summarise this detailed implementation plan with a higher-level roadmap over a three-year horizon, which can be effectively used to communicate the implementation to external and internal stakeholders.

Figure 13 | Key considerations for implementation planning.



2.4 Phase D – Implementation support

Our team will provide **six weeks of additional effort** following the acceptance of the Final Report to **support the implementation** of the review recommendations.

This additional implementation support can be focused around:

- Supporting the OAIC's efforts to communicate the review findings and recommendations to key partners and stakeholders.
- Developing a clear governance framework for the implementation of the review.
- Supporting you to develop a Program Management Office (PMO) that will manage the implementation of the review, including PMO functions, key processes and recommended staffing.
- Creating a clear program of work and developing detailed project charters and work plans for different streams.
- Building the capability of OAIC leaders and selected staff to implement the recommendations (where required).
- Conducting more detailed change impact assessments and developing change management plans.
- Setting a method for process redesign and re-designing high priority processes with key stakeholders that realise performance improvements and effort reduction.

We will work with you to identify where our efforts will add the greatest value during this six week period. The intensity of work effort across our team will be lower during this period relative to our effort during the review. We will scale our effort and select the right team members to meet your needs.

We appreciate that there will likely be a period of time between the Final Report for the review being submitted and its acceptance and endorsement by the OAIC and AGD.

3 Strategic Review Project Plan

We have provided a detailed plan outlining the sequencing of actions for the Strategic Review in Figure 14 overleaf. Please note – we have assumed that the OAIC will observe the Christmas/New Year shut down period and that we will not be able to contact staff OAIC during this period.

Figure 14 | Strategic Review Plan



	PHASE A				PHASE B				PHASE C			
Synthesise findings from discovery phase												
Discovery phase report (which includes interview reports)												
Supplementary/final discovery phase report (5 days after feedback on discovery phase report and by 24/11)												
Phase B - Assessment and reporting												
Confirm future regulatory posture and approach through workshop with Executive												
Consider the OAIC's external partnerships with co-regulators												
Identify and assess options for the OAIC's future structure												
Workshop with OAIC Executive on structure options												
Identify opportunities to remove duplication and streamline processes												
Assess how OAIC's internal governance can be improved												
Assess workforce capability and allocations												
Define the OAIC's desired future culture and leadership												

	PHASE A					PHASE B					PHASE C		
Staff focus groups on OAIC culture (will need to be w/c 11/12 to avoid Christmas leave)													
Identify, analyse and present preliminary findings and proposed recommendations (by 13/12)													
Deliver interim report (which includes consultation report) and recommendations (by 15/1 – pending guidance from the SRSG about timeframes) ³													
Phase C - Finalisation													
Test and refine interim reports and recommendations with OAIC and SRSG													
Deliver final report (by 5/2)													
Develop implementation plan													

³ We request a one-week extension from 15 January to until 22 January 2024 to provide a more polished interim report for OAIC and SRSG consideration. We understand that this will be considered at the upcoming SRSG meeting.

Summary of changes between proposal, activity order and methodology and plan

Change	Reason	Methodology and plan reference	Work order reference	Proposal reference
Regulatory posture and resourcing now within scope and key lines of enquiry added	As discussed with Annan on 16/10	Figure 1, p1	KLEs referred to at Phase A, 11(a) and 16(a), p10	Figure 1, p9 regulatory posture was out of scope, resourcing not identified
Summary overview of Strategic Review activities additions to Phase B: New activity added to consider OAIC's future resourcing	As discussed with Annan on 16/10	Figure 2, p2	Item 5, p18. Resourcing referred to in Terms of Reference	Figure 2, p11
Summary overview of Strategic Review activities additions to Phase B: Identify, analyse and present preliminary findings and recommendations before providing interim report and recommendations	To align with work order where this is separated out	Figure 2, p2	Item 5. Presentation of preliminary findings and recommendations at Phase A, 16(b), p13 separate and precedes delivery of Draft Interim Report at 17(b)	Figure 2, p11
Summary overview of Strategic Review activities additions to Phase B: Call out engagements in Phase B activities e.g. define the OAIC's desired future culture and leadership through staff focus groups	For clarity and to align with work order	Figure 2, p2	Item 5, p18	Figure 2, p11
Addition of proposed consult with international agency if of value	As discussed with Annan on 20/10	P5	N/A	N/A
Note that engagements may be combined where efficient.	As discussed with Annan on 20/10	P5	N/A	N/A

Change	Reason	Methodology and plan reference	Work order reference	Proposal reference
<p>Revised composition of second cohort of stakeholders to align with guidance from OAIC.</p> <p>In terms of engagements we have:</p> <ul style="list-style-type: none"> reduced number of government departments we are consulting with respect to FOI added stakeholders with an interest in FOI and Privacy Act reforms 	As discussed with Annan on 16/10 and covered in Engagement, Communications and Change plan	P5	Phase A, 14(b)(iii), p11 states that the second cohort must consist of 6 other government departments and regulated entities	P14-15
Removal of option to conduct up to 10 additional interviews with non-government stakeholders	Now part of proposed engagement with non-government stakeholders in the second cohort of stakeholders (row above)	N/A	Phase A, 14(c), p12	P15
Addition of indicative descriptions of how findings and insights will be reflected in outputs	As requested by Annan on 20/10, and for clarity	e.g. Figure 4, p6, Figure 5, p7, Figure 9, p11	N/A	N/A
Removal of indicative discovery workshop agenda	Superseded by detail in the Engagement, Communications and Change plan	N/A	Phase A, 14(b), p11	Figure 4, p16
Removal of questions to guide OAIC's future regulatory approach	Superseded by detail in the Engagement, Communications and Change plan	N/A	Phase B, 3, p13	Figure 5, p17

Change	Reason	Methodology and plan reference	Work order reference	Proposal reference
Removal of questions that will guide our consideration of external partnerships	Superseded by detail in the Engagement, Communications and Change plan	N/A	Phase B, 5, p14	Figure 7, p18
Additional section to consider OAIC's future resourcing	As discussed with Annan on 16/10	P13	Resourcing referred to in Terms of Reference	N/A
Note about implications of 15 January interim report due date and request for a one week extension until 22 January	For SRSG consideration	P14, 21	N/A	N/A

Schedule 6A – Order Variation Template

Parties

- A. Commonwealth of Australia as represented by the Office of the Australian Information Commissioner ABN 85 249 230 937 (**Agency**); and
- B. Nous Group Pty Ltd ABN 66 086 210 344 (**Service Provider**)

Recitals

- A. The Agency and the Service Provider are party to an Order dated 13 October 2023 for the provision of services to deliver a Strategic Review of the Agency, including an assessment of the current structures, functions, governance, capability and regulatory posture and advice to the Information Commissioner and Secretary to the Attorney-General's Department about potential changes to strengthen Agency's capacity, capability and influence into the future, for the benefit of the Australian community.
- B. The parties wish to vary the Order as provided by this Deed of variation.

The parties agree as follows:

The Order is varied in accordance with the terms set out below. Unless specifically stated in this Order Variation, all terms and conditions of the Order continue unaffected.

1.	Order Variation number	1
2.	Raised by	Agency
3.	Details of change (use attachments if required)	Additional culture and leadership work, as described in Attachment A.
4.	Implementation date of variation	15 February 2024
5.	Effect on services	<p>Order expiry date: 30 June 2024</p> <p>Milestones: Milestone 5 amended to remove 'and Implementation Plan by the Agency' New Milestone 5A – 'Completion of culture and leadership support and acceptance of implementation plan by the Agency'</p> <p>Subcontractors: Editor Group</p> <p>Phase D Implementation Support: Duration amended to four weeks of additional effort Completion date amended to 30 June 2024</p> <p>Culture and leadership work: The Service Provider will support the Agency in addressing culture and leadership issues identified during the strategic review. This will include:</p>

		<p>(a) Conducting a workshop with the OAIC's current leadership team to explore the culture and leadership issues identified in the Strategic Review;</p> <p>(b) Conducting a workshop with the OAIC's current leadership team and its incoming commissioners to identify agency wide expectations and strategies connected to culture and leadership and to support the leadership team to develop individual and collective plans of action to create change;</p> <p>(c) Providing to the Agency a written summary of actions arising from these workshops;</p> <p>(d) Conducting 1:1 interviews with key OAIC leaders before and after the workshops (up to six in total).</p>
6.	Plan for implementing the change [if any]	Not applicable
7.	Effect on price [if any]	<p>Total Contract Fees are \$810,000 (GST inclusive) plus</p> <p>(a) disbursements up to \$7,700 (GST inclusive) for editing services; and</p> <p>(b) any additional costs required to deliver Milestone M5A in person (rather than virtually), which will be agreed between the Parties and invoiced in addition to the Total Contract Fee.</p> <p>New Milestone 5A: Milestone: Culture and leadership support and delivery of implementation plan Deliverable: C.8 and D.4 Accepted by the Agency Timeframe: Must be completed by 22 March 2024, or as otherwise agreed by the Agency. Milestone Payment (GST inclusive): \$ 30,000.00</p>
8.	Effect on service levels [if any]	<p>B.10 – Delivery of Interim Strategic Review Report by 15 22 January 2024</p> <p>C.3 – Delivery of Final Strategic Review Report by 5 19 February 2024</p>
9.	Other relevant matters (e.g. transitional impacts)	Not applicable

Variation to Order:

Culture and leadership work

Agency	Office of the Australian Information Commissioner (OAIC)
Name (print)	Melanie Drayton
Position	a/g Deputy Commissioner
Signature	<i>Melanie Drayton</i>
Date	19 February 2024

Service Provider

Name (print)	s 47F
Position	Principal
Signature	s 47F
Date	15 February 2024

Strategic Review – Final Report

Office of the Australian Information Commissioner

19 February 2024



Nous Group acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians of country throughout Australia. We pay our respect to Elders past, present and emerging, who maintain their culture, country and spiritual connection to the land, sea and community.

This artwork was developed by Marcus Lee Design to reflect Nous Group's Reconciliation Action Plan and our aspirations for respectful and productive engagement with Aboriginal and Torres Strait Islander peoples and communities.

Disclaimer:

Nous Group (**Nous**) has prepared this report for the benefit of the Office of the Australian Information Commissioner (the **Client**).

The report should not be used or relied on for any purpose other than as an expression of the conclusions and recommendations of Nous to the Client as to the matters within the scope of the report. Nous and its officers and employees expressly disclaim any liability to any person other than the Client who relies or purports to rely on the report for any other purpose.

Nous has prepared the report with care and diligence. The conclusions and recommendations given by Nous in the report are given in good faith and in the reasonable belief that they are correct and not misleading. The report has been prepared by Nous based on information provided by the Client and by other persons. Nous has relied on that information and has not independently verified or audited that information.

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Contents

Executive summary.....	5
Part 1: Background and context.....	18
1 Overview of the Strategic Review.....	19
2 Overview of the OAIC.....	22
3 Drivers of change.....	34
Part 2: The OAIC's operating model.....	45
4 Strategy, regulatory posture and approach.....	46
5 Governance.....	69
6 Organisational structure.....	80
7 Organisational capability.....	86
8 Processes and systems.....	100
9 Resourcing and resource allocation.....	113
Appendix A Implementation of recommendations.....	137
Appendix B Details of the Strategic Review.....	147
Appendix C Overview of the OAIC's functions and roles.....	150
Appendix D Privacy Act Review Impact Assessment.....	154
Appendix E Governance model options considered.....	163
Appendix F Structure model options considered.....	166
Appendix G Key workforce metrics.....	171
Appendix H Resourcing Modelling Methodology.....	172
Appendix I Resourcing Options.....	177

Acronyms, abbreviations and terminology

Terminology	Explanation
AAT	Administrative Appeals Tribunal
ACCC	Australian Competition and Consumer Commission
AGD	Attorney-General's Department
AI	Artificial intelligence
AIC Act	<i>Australian Information Commissioner Act 2010</i>
APS	Australian Public Service
CDR	Consumer Data Right
CII	Commissioner-initiated investigation
Digital ID	A form of digital identification, where Australians can verify their identity online without repeatedly supplying copies of sensitive documents. ¹
EL	Executive Level (Level in APS staffing)
EVP	Employee value proposition
FOI	Freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
FOI Senate Inquiry	Senate Inquiry into the operation of Commonwealth FOI laws
FOIC	Freedom of Information Commissioner
FTE	Full-time equivalent
IC	Australian Information Commissioner
Information rights	The rights associated with both privacy and freedom of information
IPS	Information Publication Scheme
NDB	Notifiable Data Breach
OAIC	Office of the Australian Information Commissioner
Ongoing funding	Funding that an agency or department receives on a continuing basis, for activities that do not have a specific end date
PC	Privacy Commissioner
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
Privacy Act	<i>Privacy Act 1988</i>
Privacy Act Review	The review of the Privacy Act as set out in the <i>Privacy Act Review Report 2022</i>

¹ <https://ministers.ag.gov.au/media-centre/strengthening-australias-digital-id-system-30-11-2023>

Terminology	Explanation
RAC	Regulatory Action Committee
Regulated entities	In respect of the FOI Act – government agencies; in respect of the Privacy Act – all entities that have obligations under that Act
Regulator Performance Resource Management Guide	Guide published by the Department of Finance in December 2022
SES	Senior Executive Service (Level in APS staffing)
Terminating funding	Funding with a specified end date that is provided in relation to a specific group of activities

Executive summary

The Strategic Review

The Office of the Australian Information Commissioner (OAIC) and the Attorney-General's Department (AGD) commissioned a Strategic Review of the agency. The purpose of the Strategic Review was to ensure that the OAIC is well positioned to deliver its statutory functions as the national privacy and information access regulator into the future. Nous Group (Nous) was engaged to complete the Strategic Review.

This report responds to the Strategic Review's Terms of Reference and considers, reports on and provides recommendations about how the OAIC can ensure it is best positioned to deliver its functions as the national privacy and information access regulator and respond to future challenges. The report covers a range of elements of the OAIC's operating model and environment to make recommendations about the suitability of current arrangements and suggest changes that might be required to enable the OAIC to respond to future challenges.

Nous conducted the Strategic Review between November 2023 and February 2024. We undertook multiple engagements with OAIC staff and leaders, interviewed external stakeholders, reviewed and analysed extensive documentation, and considered the arrangements of analogous agencies. The Strategic Review was overseen by a Steering Group comprising senior officials from the OAIC, the Attorney-General's Department, and the Department of Finance.

The OAIC's role

The OAIC plays a critical – and necessarily evolving – role in protecting and promoting information rights

Through its regulation of privacy and information access under the *Privacy Act 1988* (Privacy Act) and the *Freedom of Information Act 1982* (FOI Act), the OAIC plays a critical role in promoting and upholding the privacy and information access rights of all Australians. It is therefore in Australia's national interest that the agency is as well placed as possible to perform these roles in a rapidly evolving operating context.

The OAIC's functions, set out in the *Australian Information Commissioner Act 2010* (AIC Act), include:

- freedom of information (FOI) functions, which are about giving the Australian community access to information held by the Australian Government (the Government) in accordance with the FOI Act (and other Acts)
- privacy functions, which are mainly about protecting the privacy of individuals in accordance with the Privacy Act (and other Acts)
- Information Commissioner (IC) functions, which are strategic functions concerning Australian Government information management policy and practice.

In its role as the regulator for privacy, the OAIC helps to protect all Australian citizens by promoting privacy rights, and preventing and addressing privacy harms. The OAIC's role as a privacy regulator has evolved as the growth of the digital economy has led to an expansion in the volumes of personal information collected, used and shared. The agency is at the forefront of a critical and challenging balancing act for privacy regulators globally: maximising the many benefits of the digital economy while also protecting the privacy of citizens and minimising the significant harms that can occur when personal data is accessed and shared unlawfully.

Its role as the FOI regulator is critical in safeguarding Australia's FOI system. This system is seen as vital to a healthy, transparent and well-functioning democracy; the rule of law; government transparency and

accountability; and enabling public engagement with government decision-making.² Eighty-three per cent of respondents to the 2022 Cross Jurisdictional Information Access Study agreed that public access to government information improves transparency and accountability.³

The OAIC's operating environment

The OAIC's operating environment is changing – in particular, the rapid growth of the digital economy and advances in artificial intelligence (AI) will profoundly impact personal privacy

The privacy landscape for the OAIC over the next decade is likely to look markedly different to that of the past ten years. Advances in technology and the ongoing growth of the digital economy are expected to have a profound impact on personal privacy. Rapid growth in the sophistication and applications of AI, new technologies like biometric authentication and profiling, the likelihood of larger and more frequent data breaches, and increased cyber crime are creating a more complex and faster-evolving operating environment for the OAIC.

Societal expectations about privacy protection are changing as technology evolves and data breaches become more frequent and more harmful. Eighty-nine per cent of respondents to the Australian Community Attitudes to Privacy Survey 2023 said they would like government agencies to do more to protect their personal information.⁴

Community expectations around accountability and transparency are increasing, with 91 per cent of respondents to the 2023 Australian Government Information Access Survey indicating it was important to have the right to access government information, up from 84 per cent in 2019.⁵ At the same time, trust in the national government has declined over the long term, highlighting the importance of actions that maintain or rebuild public trust.⁶ Many witnesses to the 2023 Senate Inquiry into the operation of Commonwealth FOI laws (FOI Senate Inquiry) called for a more responsive FOI culture among agencies and increased OAIC guidance.

The Government has articulated what it expects of the OAIC and has significantly increased its funding

In response to rapidly evolving technologies and societal expectations, the Government initiated several reviews and reforms that will shape the OAIC's future functions and priorities – most notably the recent Privacy Act Review. Proposals from this review will materially change some OAIC functions and introduce new functions. Many of the Privacy Act Review's recommendations will require the OAIC to adapt and enhance its capabilities to take on new responsibilities, which will have flow-on impacts for its supporting and enabling functions.

The Government set out its priorities for the OAIC in the Attorney-General's 2023 Statement of Expectations. The Government expects the OAIC to promote and regulate the protection of personal information in line with the objects of the Privacy Act and access to information through the operation of the FOI Act.⁷ It also acknowledges the increasing importance of the online environment for the economy, education and social connections. It expects the OAIC to focus on regulatory activities that address privacy harms arising from the practices of online platforms and services that impact individuals' choice and control; promote awareness of privacy risks; provide guidance about how to protect personal information online; and take an integrated approach to embedding compliance and enforcement policies, project

² FOI Senate inquiry, p 7.

³ Office of the Victorian Information Commissioner, [Cross Jurisdictional Information Access Study](#), May 2022.

⁴ Office of the Australian Information Commissioner, [Australian Community Attitudes to Privacy Survey 2023](#), August 2023.

⁵ Office of the Australian Information Commissioner, [Australian Government Information Access Survey 2023](#), September 2023.

⁶ Measuring What Matters dashboard, '[Trust in national government](#)', July 2023.

⁷ Attorney-General's Statement of Expectations, p 2.

planning and risk management activities in respect of the Consumer Data Right (CDR). The Government also expects the OAIC to address privacy breaches, deal with entities that are not complying with privacy obligations, promote awareness of privacy risks and provide guidance to regulated entities and individuals.⁸

The OAIC's total funding has increased significantly over the past four years, from \$21 million to \$46 million. This includes a 79 per cent increase in ongoing funding over the same period. Of this funding, \$23 million is terminating and tied to specific measures. These measures include funding to support a standalone Privacy Commissioner (PC), to progress investigations and enforcement action in response to privacy and data breaches, to enhance the OAIC's data and analytics capability, and to support the Privacy Act Review. Terminating funding measures accounted for half of the agency's total funding in 2023-24, a relatively high proportion of terminating funding compared to other regulators. OAIC leaders and staff note that the relatively high proportion of terminating funding has posed challenges for longer-term planning and capability building.

The OAIC's increased funding has been accompanied by significant staff growth, with a 55 per cent increase in full-time equivalent (FTE) numbers between 2020 and 2024.

Demand for the agency's critical functions has grown, contributing to substantial case backlogs

Under its legislative remit, the OAIC has a range of functions and powers. At least 37 different pieces of legislation (primary and subordinate) confer functions, powers or responsibilities on the IC, or create requirements for other bodies to consult with the IC on privacy matters. Some of these functions are mandatory, while others are discretionary; some are triggered by external drivers and others are applied at the OAIC's initiation. For the Strategic Review, we characterised functions that are mandatory under legislation as 'critical' and functions that are discretionary under legislation as 'strategic'. To operate effectively as the regulator for privacy and FOI, the OAIC must balance a range of critical and strategic functions under its core pieces of legislation, as well as functions and powers under a wide range of other legislative instruments.

The OAIC has continued to see high and growing demand for two of its critical, mandatory functions: IC reviews and privacy complaints. The total number of requests the OAIC has received each year for IC reviews has grown steadily by 16 per cent annually since 2015. The number of privacy complaints has fluctuated over the past decade, with significant data breaches generating fresh peaks in the number of new complaints received. Since 2016, the number of new privacy complaints received each year by the OAIC has grown by 5 per cent annually.

As the number of new cases has exceeded the number that have been resolved, the case backlog – as measured by the number of cases unresolved for more than 12 months – has grown. This has been most pronounced in the OAIC's IC review jurisdiction.

The OAIC's evolving operating model

The OAIC has shifted its regulatory posture and transformed its operating model in response to external drivers of change

The OAIC has substantially changed its operating model over the past two years in response to its evolving operating environment. The changes include shifting the agency's regulatory posture by establishing a Major Investigations Branch, introducing structural changes to service FOI and CDR

⁸ Attorney-General's Statement of Expectations.

functions and deliver corporate functions, expanding external partnerships, improving processes and initiating a Systems Review to consider and address system limitations.

The OAIC has also transitioned from having the majority of its staff working in Sydney to a fully hybrid and remote workforce. These changes occurred largely in response to the COVID-19 pandemic and the need to rapidly scale up its workforce of specialists in a tighter-than-usual labour market.

The composition of the Executive team has seen significant flux and change

Since 2014, the IC has also held the PC role (the current IC was appointed in 2018). Between 2014 and 2021, the FOI Commissioner (FOIC) role was vacant, with the IC also carrying out those functions. Between 2021 and early 2024, three different people acted in the FOIC role, with only one of them formally appointed.

In 2024, the OAIC will move to a three-Commissioner model for the first time in many years. This will necessitate changes that align with each new Commissioner's desired strategic direction. It will also require the implementation of operational structures, practices and supports that help the three Commissioners to operate in a coordinated and productive manner.

The case for change

The OAIC is not as well positioned as it could be to respond effectively and efficiently to future technological changes or the likely growth in the volume and complexity of its core statutory workload

The Strategic Review concluded that despite its recent reforms and the OAIC's many strengths, the agency's current regulatory posture and operating model are not adequate to meet its future challenges as a regulator. Many of its ways of working are no longer fit for purpose in a world where the volume and breadth of personal information being collected and used, the prevalence and negative impacts of cyber crime, and the gap between regulation and exploitative or problematic data practices continue to grow.

The OAIC's regulatory posture has generally been reactive in recent years, although it has begun to be more proactive, with the agency increasing enforcement activities. This reactive posture was partly due to the inherently reactive nature of certain critical functions – particularly privacy complaints and IC reviews.

A reactive posture will not enable the OAIC to perform effectively as a regulator that has to respond to a changing operating environment. As the risks of harm to the community from non-compliance among regulated entities grow, the OAIC needs to take a stronger regulatory posture to effectively respond to and deter non-compliance.

Positioning the OAIC to deliver its statutory functions as the national privacy and information access regulator into the future

The OAIC should move away from a reactive regulatory posture to a more risk-based, enforcement and education-focused posture

The Strategic Review recommends that the OAIC shift further towards a more modern, risk-based and data-driven regulatory posture. This ambition is supported by the Government, which has directed the OAIC to prioritise its regulatory functions, and ensure it is taking a contemporary and proportionate approach to its regulatory role in promoting and upholding Australia's privacy and FOI laws.⁹

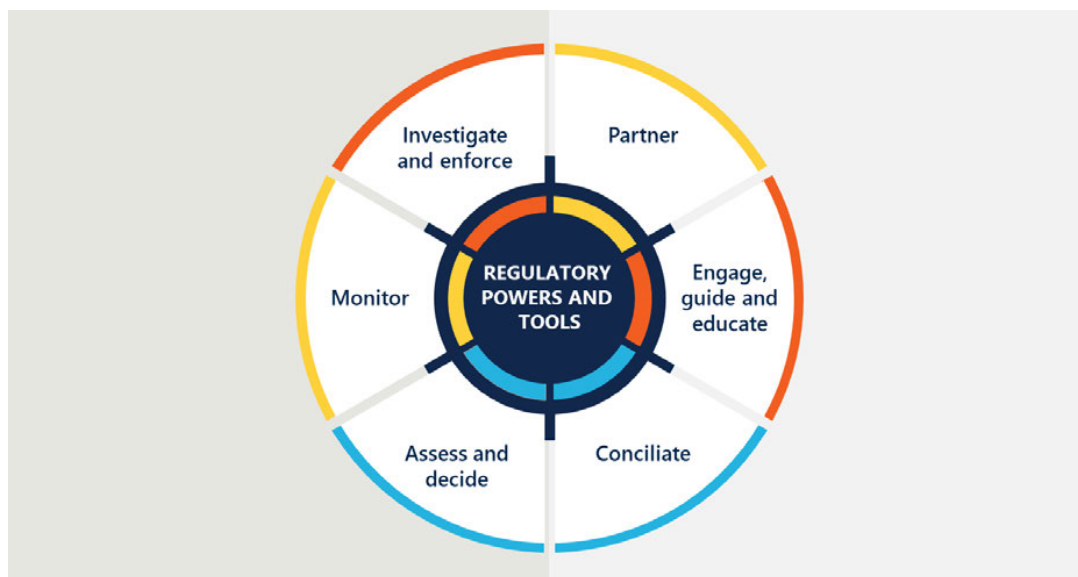
⁹ Attorney-General's Statement of Expectations, p 4.

This means that the OAIC should prioritise its regulatory effort based on risk of harm to the community. The changing nature and scale of the risks of harm to the community associated with privacy and FOI rights require the OAIC to take a more proactive regulatory posture than it has to date.

In practice, this will require a greater relative focus on enforcement, education and engagement activities, supported by more partnerships with co-regulators, and an increase in monitoring and investigations. To achieve this, the OAIC will need to be more efficient and targeted in engaging with government. It will also need to adopt a new approach to conciliation of low-risk complaints, assessments and decisions for routine, low risk complaints and IC reviews. This means the OAIC should more frequently exercise its discretion not to investigate privacy complaints or undertake IC reviews, and should quickly decide whether or not cases are a complaint and whether another body is better placed to respond. Other changes will also be required, which are described below.

Figure 1 provides an overview of the shift in focus that will be required to effect this new regulatory approach.

Figure 1 | Change in focus required to deliver the new regulatory approach



Orange = significant relative increase | Yellow = relative increase | Blue = more efficient

Successfully executing the shift in regulatory posture will take time and require changes to governance, structure, processes, capability, culture and leadership

Successfully executing the shift to becoming an even more risk-based and enforcement- and education-focused regulator will require the OAIC to change all elements of its operating model – including its governance, structure, processes, capability, culture and leadership. The Strategic Review has recommended reforms with inter-related operating elements, meaning the OAIC leadership should use a holistic approach when tackling reforms. For example, if the OAIC does not change its culture and ways of working, it will risk stymieing necessary changes to the agency's governance and processes.

A significant shift will be required in the way the OAIC conceives of, prioritises and delivers its critical and strategic regulatory functions. In particular, this will require shifting focus from individual case management, assessments and decisions towards the broader range of activities the OAIC should be undertaking, such as providing the Australian community with access to information, protecting the privacy of individuals and undertaking strategic information management functions. This shift in focus will need to flow into the agency's priorities, how staff spend their time, and how much time they spend on particular activities.

The OAIC will need to change the way it works, maximising efficiency by right-sizing and applying differential approaches to delivering work that depend on risk and the agency's strategic priorities. This will require changes to intake processes, triaging work more effectively, introducing workflows to ensure that work is delivered by appropriate staff in a way that is proportionate to the risk of the relevant matter, and developing supporting materials to ensure staff follow the new processes consistently across the agency. The OAIC recently commissioned a Systems Review to analyse current systems and consider similar issues. The Strategic Review worked with the team undertaking the Systems Review to share our findings. Recommendations regarding the implementation of new fit-for-purpose systems are expected to be made by the Systems Review team in the coming months.

The OAIC has had significant workforce change in recent years, which has affected the overall skillset of employees. It will need to continue to evolve its skills profile as it responds to rapidly evolving technological drivers of change and increases its focus on enforcement to address harm from privacy breaches, and on education and guidance. This should be supported by more consistent, fit-for-purpose induction practices.

While the Terms of Reference do not explicitly reference culture, the Strategic Review considered aspects of culture under organisational capability. We observed that the OAIC has a culture that places a premium on delivery, being technically expert, getting the details right and managing enterprise risk. These values manifest in constructive ways (for example, a commitment to excellence, thought leadership and a willingness to 'go the extra mile') and less constructive ways (for example, leaders setting unrealistic expectations and engaging in micromanagement, not making important decisions about prioritisation in a timely manner, and investing effort that is out of proportion with the risks associated with the matter).

The OAIC's core values and how they manifest, and its preferred models of leadership, will need to grow and evolve if the agency is to successfully adopt the recommendations from the Strategic Review. It is also vital that the OAIC's new Commissioners are all involved and play a key role in shaping and embedding a new culture within the agency.

The OAIC's governance in recent years has been calibrated to several different Commissioner arrangements. Current governance arrangements will not effectively scale to meet the needs of three Commissioners. The OAIC's structure, which is largely organised by regulated area, does not promote an integrated approach to regulation across privacy and FOI, and it duplicates functions across branches. The structure and governance of the OAIC will require change to support an integrated and efficient approach to delivering its work, and account for the appointment of three new Commissioners.

s 47C



Implementing the recommendations from the Strategic Review will take time, and work should start as soon as possible

This report recommends substantial changes across all elements of the OAIC's current operating model. **s 47C**. The importance of the OAIC's work and the opportunities to strengthen its approach through the recommendations of the Strategic Review mean that implementation should begin as soon as possible.

The Review's recommendations will be implemented as the OAIC is experiencing substantial change due to two new Commissioners commencing in February 2024 and the appointment of a new IC (who will also be agency head) later in the year. **s 47C**

This state of flux means implementation will need to be carefully considered to maintain momentum, but decisions should not be made that may need to be re-prosecuted with new Commissioners.

The OAIC should implement recommendations such as those relating to process improvements, an induction program, governance **s 47C** **s 47C**

Finally, full implementation of recommendations such as those relating to structure, leadership and culture should be deferred until all new Commissioners have started, so they can be involved in shaping key decisions.

Changes will need to be implemented thoughtfully and with care. The OAIC and its staff have been through significant changes over the past few years – as noted earlier – and staff will face further changes with the commencement of the new Commissioners. Many OAIC staff report feeling stressed and overworked. The risks of change fatigue and creating unnecessary stress are therefore very real and must be carefully managed.

Details about the sequencing, dependencies and timing of the required changes to implement the Strategic Review's recommendations will be articulated in an Implementation Plan that will accompany the Review.

Recommendations

The Strategic Review's recommendations are outlined in Figure 2. The priorities and proposed timing of their implementation is explored further in Appendix A.

Figure 2 | Recommendations of the Strategic Review

1. The OAIC shift its regulatory posture to be more risk-based, with a greater focus on enforcement and education activities, to ensure its effectiveness as a regulator in response to its changing operating environment.
2. The OAIC further consider its role in providing advice to the Government on whole-of-government reforms so that advice and submissions are more consistently informed by the agency's updated posture and regulatory priorities. This will likely result in the OAIC developing fewer and more targeted submissions to reforms and inquiries.
3. The OAIC adopt a Commissioner-directed governance model to achieve the agency's purpose and future functionality, where Commissioner time is reserved for critical value-adding activities and supports are in place to enable Commissioners to effectively perform their roles.
4. After a final decision is made by the Government on the Privacy Act Review recommendations, and the incoming Privacy Commissioner and FOI Commissioner have commenced, the OAIC

update its structure to achieve the agency's purpose and future functionality in ways that will enable it to deliver on its new regulatory posture.

5. The OAIC refresh its strategic workforce plan and learning and development strategy to identify the roles and skills needed to deliver its updated regulatory posture, achieve its purpose and future functionality, and respond effectively to the likely continuing growth in the volume and complexity of its core statutory workload.
6. The OAIC develop a consistent, enterprise-wide induction program to ensure consistencies of practice, supporting the agency to achieve its purpose and future functionality and respond effectively to the likely continuing growth in the volume and complexity of its core statutory workload.
7. The OAIC further consider its current culture and how it manifests in organisational values and behaviours, clearly articulate its desired future culture and leadership, and consider the documentation and supports that will enable the desired future culture.
8. The OAIC reduce the amount of investigations work outsourced to external legal providers that can be performed more efficiently or effectively in-house, and develop its internal functions covering the same activities.
9. The OAIC streamline processes for managing FOI and privacy matters to effectively respond to anticipated growth in the volume of matters. This should include right-sizing the time and regulatory effort required for case resolution, to maximise efficiency and support the OAIC's statutory functions. In order of priority, reforms should focus on:
 - introducing more effective risk-based triaging
 - implementing workflows to ensure cases are actioned more efficiently.

This should be complemented by regular updates to supporting materials to drive consistent practices, and systems changes as recommended by the Systems Review.

s 47C

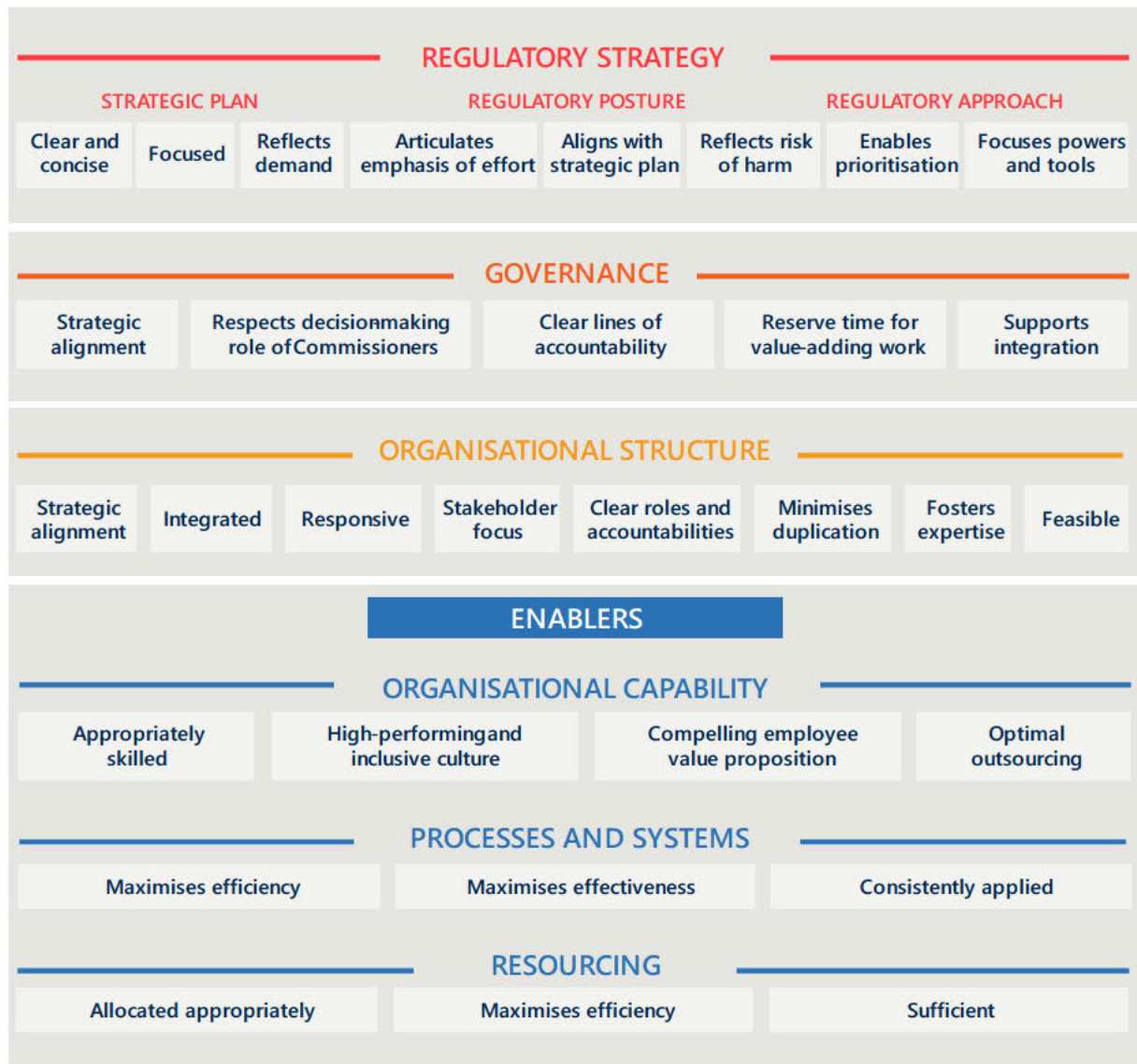


The analytical framework for the Strategic Review

Nous developed an analytical framework to guide the Strategic Review. It outlines the elements of the OAIC's operating model that we considered in response to the Terms of Reference of the Review. Figure 3 shows the framework and assessment criteria developed for each element of the operating model.

These criteria were used to test the suitability of the OAIC's current operating model and to guide recommendations around what the OAIC should change to ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and to respond to future challenges. Questions used to guide analysis relating to each criterion in the framework are included at the start of the relevant chapter in this report.

Figure 3 | Strategic Review analytical framework



Structure of this report

This report has two main parts:

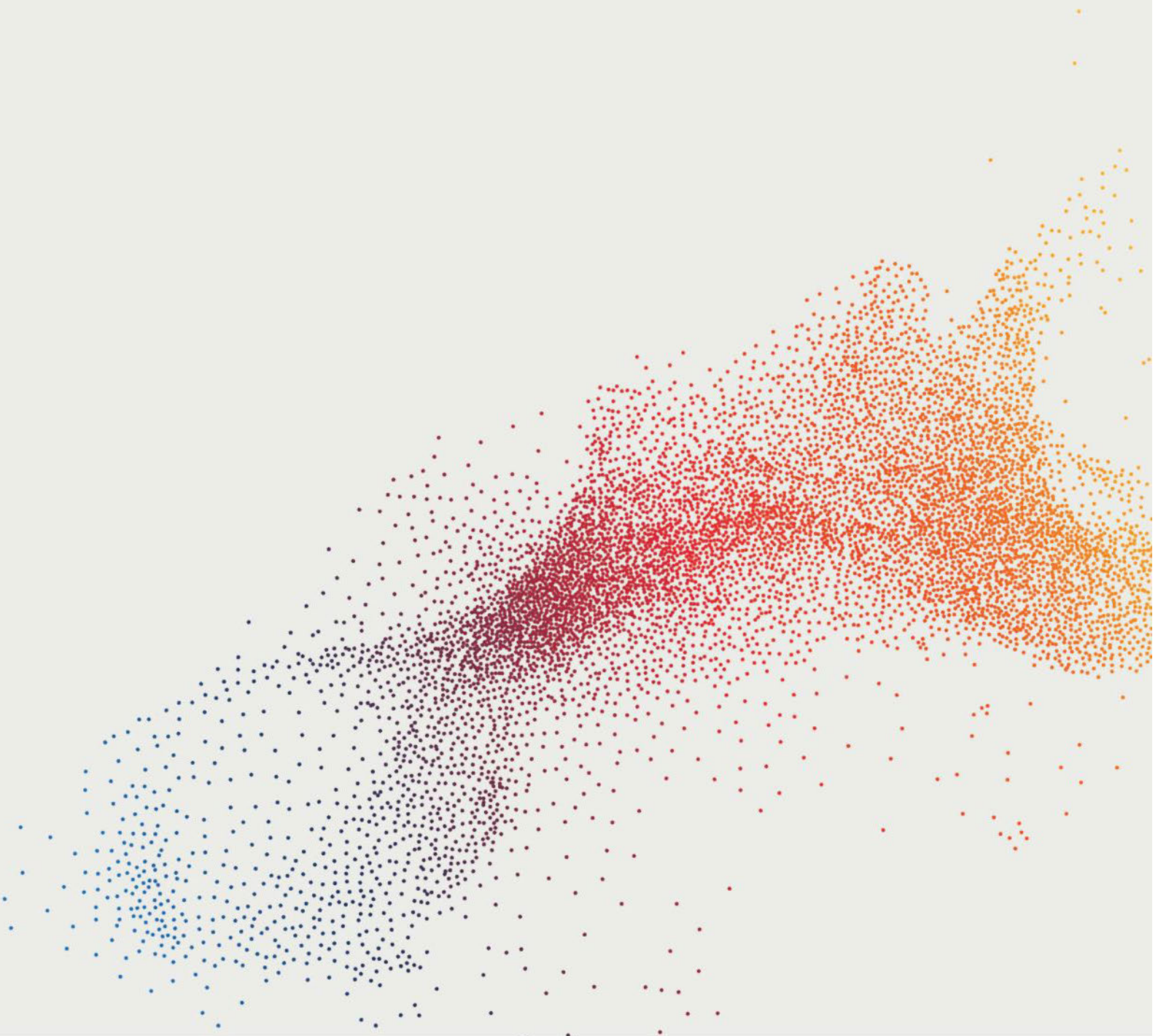
1. **Background and context** | Provides an overview of the Strategic Review, the OAIC, and the drivers of change the agency must respond to in order to achieve its purpose and future functionality as a regulator.
2. **The OAIC's operating model** | Outlines the current state, opportunities and challenges, and recommendations about the future state in respect to key elements of the OAIC's operating model – regulatory strategy, governance, structure, processes and systems, organisational capability, and resourcing and resource allocation.

Table 2 summarises how the Terms of Reference map to the elements of our analytical framework and the corresponding chapters of this report.

Table 2 | Report structure

Terms of Reference	Relevant analytical framework elements	Report reference
The extent to which the OAIC's <ul style="list-style-type: none"> • organisational capability • structure • governance • resourcing are suitable to achieve the OAIC's purpose and future functionality, or require amendment	Drivers of change	Chapter 3
	Organisational capability	Chapter 7
	Organisational structure	Chapter 6
	Governance	Chapter 5
How resource allocation can be optimised to maximise efficiency and support the OAIC's statutory functions	Resourcing	Chapter 9
	Processes and systems	Chapter 8
How the OAIC can best respond to the likely continuing growth to the volume and complexity of its core statutory workload	Resourcing	Chapter 9
	Drivers of change	Chapter 3
	Strategy, regulatory posture and approach	Chapter 4
	Processes and systems	Chapter 8
	Organisational capability	Chapter 7
How to ensure the effectiveness of the OAIC as a regulator in responding to changing technology, the growth of the digital economy and increasing cyber crime	Resourcing	Chapter 9
	Drivers of change	Chapter 3
The role of the OAIC in providing advice and reports to government about privacy, information access and information management	Strategy, regulatory posture and approach	Chapter 4
	Strategy, regulatory posture and approach	Chapter 4

Part 1: Background and context



1 Overview of the Strategic Review

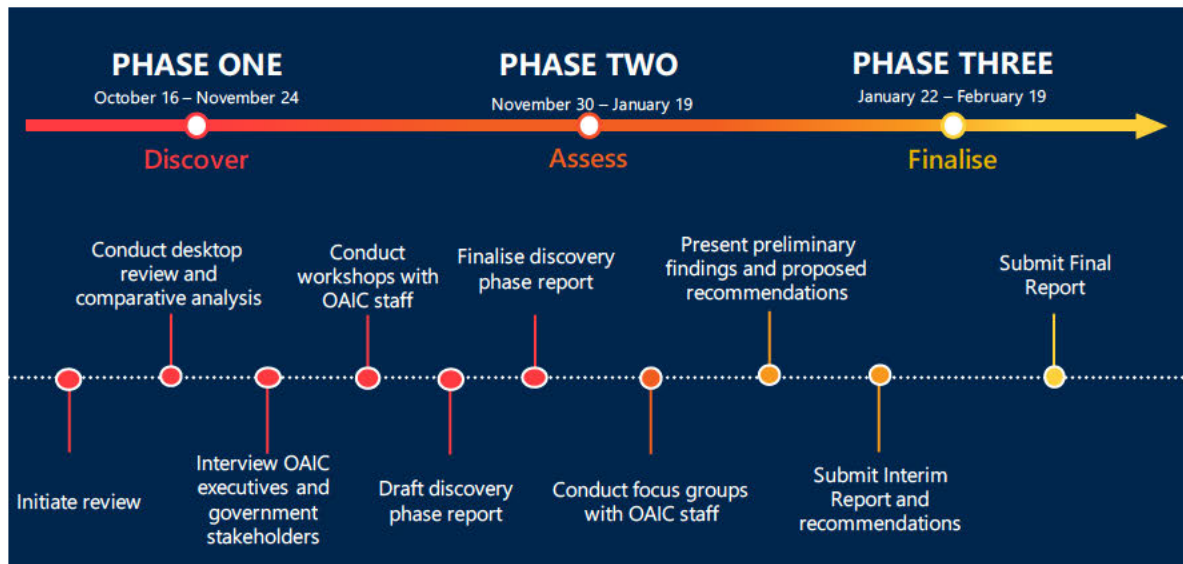
This chapter provides an overview of the scope, governance and data sources for the Strategic Review.

The OAIC and the AGD commissioned the Strategic Review of the OAIC. The purpose of the Review was to ensure that the OAIC is well positioned to deliver its statutory functions as the national privacy and information access regulator into the future.

The Strategic Review comes as data, information and privacy systems are becoming increasingly challenging and complex. How effectively the OAIC performs its role as the primary regulator of these systems is therefore increasingly important for all Australians.

The Review was conducted over 16 weeks, from October 2023 to February 2024. Timelines and key milestones are shown in Figure 4.

Figure 4 | Timelines for the Strategic Review



1.1 Strategic Review scope

The key elements of the Terms of Reference of the Review are outlined in Figure 5. The full Terms of Reference can be found in Appendix A.

Figure 5 | Scope of the Strategic Review as per the Terms of Reference

The reviewer should consider, report, and make recommendations about how the OAIC can ensure it is best positioned to deliver on its functions as the national privacy and information access regulator and respond to future challenges. Recommendations should cover:

1. the extent to which the OAIC's
 - a. organisational capability
 - b. structure
 - c. governance
 - d. resourcing
 are suitable to achieve the OAIC's purpose and future functionality, or require amendment
2. how resource allocation can be optimised to maximise efficiency and support the OAIC's statutory functions
3. how the OAIC can best respond to the likely continuing growth to the volume and complexity of its core statutory workload
4. how to ensure the effectiveness of the OAIC as a regulator in responding to changing technology, the growth of the digital economy and increasing cyber crime
5. the role of the OAIC in providing advice and reports to government about privacy, information access and information management.

The Strategic Review occurred in parallel with several other reforms and announcements that will have a bearing on the OAIC's functions as a regulator and how it can be best positioned to respond to future challenges. These include the release of the report from the Senate Inquiry into the operation of Commonwealth FOI laws (FOI Senate Inquiry), the appointment of the new FOIC and the new PC, and the announcement by the IC (also the agency head) that they will not be seeking a third term in the role. The release of the Australian Government's (the Government's) response to the Privacy Act Review and agreement to its recommendations in full or in principle also preceded the start of the Strategic Review by several weeks.

Figure 6 outlines several upcoming decisions to be made by the Government and/or the OAIC. These decisions are relevant to the OAIC's future priorities and operating model. Where these decisions relate to the Terms of Reference, they have been considered to some extent and referred to throughout this report as part of our review of the OAIC's evolving operating environment.

Figure 6 | Upcoming decisions that are relevant to the outcomes of the Strategic Review

Upcoming decisions relate to:

1. the recommendations from the FOI Senate Inquiry
2. the future funding implications for the OAIC from the Privacy Act Review and the Government's response
3. the information and document systems the OAIC should be using and any recommendations relating to specific systems the OAIC could implement, which are under consideration by the OAIC's Systems Review.