

REVIEWING THE REVIEWERS: LESSONS FROM THE AUSTRALIAN PUBLIC SERVICE CAPABILITY REVIEW PROGRAMME

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ABSTRACT

In October 2022, the Australian Government re-instated a formal programme of capability reviews across major Commonwealth agencies, building on a recommendation of the 2019 Independent Review of the Australian Public Service. The Capability Review Programme, administered by the Australian Public Service Commission, assesses agencies against five domains and eighteen elements of organisational capability, culminating in a four-point maturity rating and a forward-looking excellence horizon. This article examines the Programme's design logic, methodological architecture, and early implementation through the theoretical lens of dynamic capabilities. It argues that the Programme constitutes an attempt to institutionalise the three dynamic capability functions at the whole-of-service level, but that its long-term efficacy will depend on resolving three structural challenges: the partial independence of reviewing personnel, which constrains sensing; limitations of the maturity rating instrument, which degrade diagnostic quality; and the translation gap between review findings and sustained capability uplift, which represents a seizing failure.

Keywords: Australian Public Service; capability review; organisational assessment; public sector reform; dynamic capabilities

INTRODUCTION

Governments around the world are preoccupied with the performance of their public services. This preoccupation has developed since the 1970s, driven by a confluence of pressures that show little sign of abating. Fiscal constraint, intensified by the global financial crisis of 2008 and subsequent periods of austerity, has forced governments to demonstrate that public expenditure produces commensurate public value (Pollitt and Bouckaert, 2011). Declining public trust in government institutions has heightened demands for transparency and accountability, making the visible management of performance a political necessity as much as an administrative one (Van Dooren, Bouckaert and Halligan, 2015). The growing complexity of policy challenges, from climate change and demographic ageing to geopolitical instability and digital transformation, has made the question of whether public organisations possess the capacity to govern effectively more urgent than ever (Walker, Boyne and Brewer, 2010). As Pollitt and Bouckaert (2011) observe, public management reform is fundamentally about deliberate changes to the structures and processes of public sector organisations with the objective of getting them to work better.

Organisational capability is one of the critical dimensions through which public sector performance is produced and sustained (Andrews, Beynon, and McDermott, 2016). While performance scholarship has examined a wide range of potential drivers, including leadership quality, strategic orientation, environmental factors, and resource endowment, there is

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growing recognition that none of these translates reliably into outcomes without organisational capability (Andrews et al., 2016; Boyne, 2003).

Organisational capability can be broadly defined as “the particular combination of skills, competencies, resources, routines and behaviours of an organisation that enables it to perform an activity in a reliable manner to achieve a (satisfactory) determined outcome” (Leiringer and Zhang, 2021: 423). Drawing on resource-based theory, Andrews et al. (2016: 239) establish that organisational capability “encapsulates the insights of the resource-based theory of the firm about the organisational sources of high performance”, acting as the connective tissue between what a public organisation has and what it is actually able to do. Critically, capability of this kind is not reducible to the sum of individual competencies: it is an emergent property of how people, processes, structures, and leadership practices interact within an organisational context over time. For public organisations in particular, which are human capital intensive, largely nonmarket in character, and accountable to diverse and often competing constituencies, the management of organisational capability presents distinctive and enduring challenges (Andrews et al., 2016).

One mechanism through which governments have sought to assess and strengthen the organisational capability of their public agencies is the institutional capability review – a systematic, independent examination of an agency's capacity to meet its current and future objectives (Panchamia and Thomas, 2014). Such reviews have been conducted in various forms across Westminster-system governments, including in New Zealand, the United Kingdom, and Australia, each developing frameworks that assess agencies across multiple domains of organisational functioning against a forward-looking performance horizon (APSC, 2025; Gill, 2011; Te Kawa Mataaho PSC, 2025; WAPSC, 2026). The rationale for such reviews rests on the proposition that organisational capability does not sustain itself and that without periodic, structured external scrutiny, capability gaps go undiagnosed and unaddressed, with consequences that are felt most acutely by the citizens who depend on public services (Andrews et al., 2016; APSC, 2025; Panchamia and Thomas, 2014).

In Australia, such reviews were conducted intermittently between 2010 and 2016 before falling into abeyance. Their re-instatement in 2022, under a reformist Labour government and with statutory backing introduced by the Public Service Amendment Act 2024, marks a significant moment in the ongoing project of APS reform. This article focuses on the re-instated Australian Public Service Capability Review Programme (APSC, 2026), and the framework that underpins it. The Programme is part of a broader reform agenda, but it occupies a distinctive position within that agenda: unlike workforce strategies, data capability frameworks, or service delivery redesigns, capability reviews are meta-level instruments. They assess the systems by which agencies develop, deploy, and sustain their capacity to govern. That meta-level function gives them both unusual leverage and unusual vulnerability, because a well-designed review can catalyse change across multiple dimensions of an organisation simultaneously, however, the credibility of any review rests on perceptions of independence, rigour, and consequentiality, all of which are difficult to secure within the institutional relationships of a single public service.

The article proceeds as follows. The section on reform context situates the re-instated Programme within its reform context, tracing the lineage from the 2019 Thodey Review (Thodey et al., 2019) through to the 2024 legislative amendments. The following section provides a detailed analysis of the Capability Review Framework itself: its two-part structure, five domains, twenty elements, and four-point maturity scale. The Theory section develops the dynamic capabilities framework centred on Teece's (2007) three functions of sensing,

seizing, and transforming as the primary theoretical lens through which the Programme's design and limitations are evaluated. The section on three structural design challenges maps each challenge explicitly onto the sensing and seizing functions of the dynamic capabilities framework (Teece, 2007). The final section draws conclusions and offers directions for future research.

REFORM CONTEXT: FROM THODEY TO STATUTE

The 2019 Independent Review of the Australian Public Service (Thodey et al., 2019), chaired by David Thodey AO, was the most significant examination of the Australian Public Service. Commissioned in 2018 and delivered in December 2019, the Review engaged more than 11,000 participants through over 400 meetings, workshops and events, producing a final report (APSC, 2020). Its central finding was that while the APS contained many examples of excellence, it was 'not performing at its best' and was 'not ready for the big changes and challenges that Australia will face between now and 2030' (Thodey et al., 2019: 16). Among its forty recommendations was a call for regular, independent capability reviews to 'build organisational capacity and accountability' (Recommendation 2a, p. 73).

The Coalition government's response, released simultaneously with the Review, accepted thirty-five of forty recommendations in whole or in part (APSC, 2020). The commitment to capability reviews was among those accepted, but formal implementation was disrupted almost immediately by the COVID-19 pandemic. Planning paused in April 2020 as the Secretaries Board redirected attention to crisis response and continuity of government. The ambitions of the Thodey agenda were not abandoned but deferred.

The Labour government, elected in May 2022, moved quickly to operationalise the stalled reform agenda. In October 2022, Minister for the Public Service Senator the Hon. Katy Gallagher announced the re-instatement of the Capability Review Programme in a speech to the Institute of Public Administration Australia (2022). The Australian Public Service Commission (APSC) itself was nominated as the first agency to be reviewed which was a symbolically important choice signalling that the central agency responsible for APS stewardship would not be exempt from scrutiny. Four agencies commenced reviews in the 2022-23 cohort: the APSC, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts; the Department of Agriculture, Fisheries and Forestry; and the Department of Health and Aged Care (APSC, 2023).

The legislative consolidation of the Programme came with the Public Service Amendment Bill 2024. The Act introduced a statutory requirement for all departments of state, Services Australia, the Australian Taxation Office, and the APSC to participate in a capability review at least every five years, with review reports tabled in the Australian Parliament (Public Service Amendment Bill, 2024). This provision transformed what had been an administratively discretionary arrangement into a legal obligation signifying an important shift with consequences for both accountability and the design of the review process. A further amendment in December 2024 placed these requirements firmly into the Public Service Act 1999, cementing their status.

The Programme thus sits within a broader ecosystem of the APS reform. That ecosystem includes the APS Capability Reinvestment Fund (providing \$25 million from 2023-24 to address cross-agency capability gaps), the APS Data Capability Framework (aligning data competencies across the service), the Strategic Commissioning Framework (requiring agencies to bring outsourced core work back in-house), and the APS Reform Performance Framework (tracking progress against two reform outcomes). Capability reviews are positioned within

this ecosystem as diagnostic and accountability instruments as they identify gaps that other reform levers are intended to fill.

THE CAPABILITY REVIEW FRAMEWORK: DESIGN AND ARCHITECTURE

The Two-Part Structure

The Capability Review Framework, most recently updated in December 2025 after a series of iterative refinements during the pilot phase, is composed of two inter-related parts: an excellence horizon and an analysis of organisational capability (APSC, 2025). The forecast is a forward-looking contextual assessment. It describes how the operating environment for an agency is likely to evolve over the next four years and identifies the capabilities the agency will need to succeed in that context. Agencies prepare an initial self-assessment of their excellence horizon, which is then refined in dialogue with the Senior Review Team. The forecast is explicitly prospective: it is not a record of past performance but a specification of future requirements. The conceptual lineage of this instrument can be traced to New Zealand's Performance Improvement Framework, which similarly employs a future-focused framing to avoid reviews becoming exercises in historical accounting (Te Kawa Mataaho, 2025).

The analysis of organisational capability then assesses the agency against this forecast. This assessment is structured around five domains and eighteen elements of organisational capability. Each element is evaluated using a four-point maturity rating scale. The domains cover leadership and culture, collaboration, delivery, workforce, and enabling functions reflecting a broad conception of organisational capability that extends well beyond the technical competencies of individual staff members to encompass systemic, cultural, and relational dimensions of agency performance (APSC, 2025).

The Five Domains and Twenty Elements

The five-domain architecture of the Framework reflects both established models in public administration and the specific operating context of the APS. It treats organisational capability not as a single variable but as an emergent property of interactions among multiple subsystems.

The leadership and culture domain addresses the tone, values, and behavioural norms set by senior leaders, as well as the agency's capacity for risk and innovation. The collaboration domain examines the agency's ability to work effectively with other agencies, levels of government, and external stakeholders. This dimension is of particular salience in a federal system with complex intergovernmental relationships. The delivery domain covers the core functions of the agency: its ability to produce policy advice, administer programmes, and serve its client populations. The workforce domain encompasses recruitment, development, retention, and the diversity and capability of the agency's human capital. The enabling functions domain addresses the organisational infrastructure, such as information technology, financial management, data and governance systems, that underpins effective delivery.

Within each domain, individual elements are assessed against descriptors that identify signs of 'mature capability', characteristics that reviewers are expected to probe through document analysis, interviews, and workshops with agency staff and stakeholders. The Framework deliberately distinguishes between expertise (the combined abilities of staff, including knowledge, skills and human capital) and capacity (how the organisation applies that expertise through processes and systems), a distinction that draws attention to the gap between individual competence and organisational performance (APSC, 2025).

The Four-Point Maturity Rating

Each of the twenty elements is rated on a four-point scale. The scale is explicitly forward-looking: ratings are intended to assess the agency's projected capability trajectory against the excellence horizon, not to render a verdict on past performance. The Framework is explicit that a lower rating does not necessarily indicate poor capability in absolute terms but may instead signal that an area requires greater focus to meet changed operating conditions (APSC, 2025).

Agency heads receive ratings as clear indicators of the state of capability in their organisations. Importantly, aggregate ratings across multiple agencies enable the APSC and central agencies to identify areas where whole-of-service capability building initiatives might have the most impact, giving the rating instrument a system-level diagnostic function beyond its utility for individual agencies. Where reviewers encounter insufficient evidence to support an assessment of a particular element, a default rating is applied. This is a procedural provision that has implications for the comparability of ratings across agencies with different levels of documentation maturity.

The maturity framework as a genre of organisational assessment has a well-established theoretical lineage, drawing on Capability Maturity Model Integration (CMMI) traditions developed in the software engineering literature and subsequently adapted for public sector contexts (Becker et al., 2009). Its appeal in public sector settings lies in its capacity to render complex, multi-dimensional constructs comparable across diverse organisations through standardised descriptors. Its limitations are equally well-documented: maturity scales can reward bureaucratic compliance over genuine capability, they can suppress contextual nuance, and their forward-looking orientation can create ambiguity about the evidentiary basis for ratings (Pöppelbuß and Röglinger, 2011).

THEORY: DYNAMIC CAPABILITIES AND THE ADAPTIVE STATE

From Static Resources to Dynamic Capability

The resource-based view of the firm (Wernerfelt, 1984) provides a useful starting point for understanding organisational capability but an insufficient endpoint. Its primary limitation, well recognised in the strategic management literature, is that it treats capability as a relatively stable stock, a configuration of resources and competencies that an organisation either has or lacks at a given point in time. In environments that are relatively stable, this may be an adequate frame. But public organisations operating in the contemporary governance environment characterised by geopolitical volatility, demographic change, technological disruption, and declining public trust, face precisely the conditions under which static capability accounts break down (Teece, Pisano, and Shuen, 1997). What matters in such environments is not only what an organisation can do today, but whether it can sense emerging challenges, reconfigure its practices, and rebuild its competencies as conditions change. This is the domain of dynamic capabilities.

Teece et al. (1997: 516) defined dynamic capability as 'the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments'. The distinction drawn between ordinary or operational capabilities (what an organisation currently does well) and dynamic capabilities (its capacity to renew and reconfigure those capabilities) is of foundational importance for capability assessment in the public sector. A review instrument that captures only current capability profiles risks systematically missing the dimension that matters most: whether an agency possesses the higher-order organisational

practices through which it can identify its own gaps, adapt its ways of working, and rebuild the competencies it will need in a future that looks different from the present.

Teece (2007) subsequently elaborated the micro-foundations of dynamic capabilities into three clusters of activity: sensing, seizing, and transforming. Sensing refers to the capacity to scan, monitor, and identify opportunities and threats in the operating environment. Seizing refers to the mobilisation of resources and the commitment of the organisation to addressing identified priorities. Transforming refers to the continuous renewal of organisational competencies through recombination, reconfiguration, and restructuring. Together, these three functions describe the adaptive cycle through which organisations maintain alignment between their capability profiles and the demands of a changing environment. It is this framework that this article proposes as the primary theoretical lens through which to understand both the design logic and the structural limitations of the APS Capability Review Programme.

Dynamic Capabilities in the Public Sector

The application of dynamic capabilities theory to public sector organisations is not novel, but it remains underdeveloped. Piening (2013) demonstrated that dynamic capabilities are identifiable and consequential in public organisations, albeit with important modifications from their private sector formulation. Pablo et al. (2007) showed that dynamic capabilities in public sector contexts are closely tied to the quality of managerial and leadership practices. More recently, the UCL Institute for Innovation and Public Purpose has argued that dynamic capabilities are essential for governments confronting complex, rapidly shifting policy challenges (Puttick, 2024).

Dynamic capabilities in public organisations face constraints that do not apply with the same force in private firms. Public organisations cannot freely redeploy resources, exit activities, or restructure themselves in response to environmental signals without political authorisation. Their operating environments are shaped not only by technological and economic change but by electoral cycles, machinery-of-government decisions, and the shifting priorities of successive governments, all of which can disrupt capability development in ways that market forces do not replicate. This means that the institutional scaffolding around dynamic capability, the formal mechanisms through which sensing, seizing, and transforming are enabled and sustained matter considerably more in public sector contexts than in private ones. It is precisely this institutional scaffolding function that the APS Capability Review Programme is designed, at least in part, to perform.

Mapping the Framework onto the APS Capability Review Programme

The three clusters of dynamic capability activity map well onto the architecture of the APS Capability Review Programme and the broader reform ecosystem within which it is embedded. This mapping provides a theoretically grounded account of what the Programme is designed to do, and where it may fall short in each function.

Sensing is the function most directly instantiated in the review process itself. The forecast which requires agencies and review teams to jointly construct a forward-looking account of the operating context and the capability requirements it implies, is a structured sensing exercise, forcing agencies to identify the capability gaps that, if unaddressed, will leave them ill-equipped for future challenges (APSC, 2025). The five-domain assessment framework and four-point maturity scale provide the diagnostic instrument through which identified gaps are characterised and prioritised. In dynamic capabilities terms, the review is institutionalised sensing, a mechanism for ensuring that organisations periodically examine their own

capability trajectories rather than assuming that current competencies will remain adequate (Teece, 2007).

Seizing is the function corresponding to the action plan process that follows each review. Once capability gaps have been identified through the sensing exercise, agencies are required to develop and publish action plans specifying how they will lift capability in identified areas, with progress tracked through corporate plans and annual reports (APSC, 2026). In dynamic capabilities terms, this is the commitment phase, the mobilisation of organisational attention and resources toward reconfiguring capabilities in response to identified gaps (Teece, 2007). The statutory tabling requirement, introduced through the Public Service Amendment Bill 2024, strengthens the seizing function by creating external accountability for the quality and ambition of agency responses.

Transforming is the most demanding of the three functions, and the one least directly addressed by the review process itself. In Teece's (2007) formulation, transformation involves the continuous renewal of organisational competencies through recombination, realignment, and sometimes radical restructuring, not merely the incremental adjustment of existing practices in response to identified gaps. In the APS context, the transforming function is distributed across the broader reform ecosystem: the Capability Reinvestment Fund, the APS Data Capability Framework, the Strategic Commissioning Framework, and the broader workforce and leadership development agenda collectively constitute the system through which the transforming function is meant to operate. The review programme is positioned within this ecosystem as a diagnostic instrument, its role is to identify where transformation is needed, not to deliver it. This institutional division of labour between diagnosis and transformation is theoretically coherent, but it creates a coordination challenge that the current Programme architecture does not fully resolve, as the section on challenges examines.

THREE STRUCTURAL DESIGN CHALLENGES: SENSING, SEIZING, AND TRANSFORMING

The dynamic capabilities framework developed in the theoretical framework section, and its three constituent functions of sensing, seizing, and transforming (Teece et al., 1997; Teece, 2007), provides the organising lens through which this article evaluates the structural design challenges of the APS Capability Review Programme. Each of the three challenges examined below maps onto a distinct failure point within this framework. The independence problem is fundamentally a sensing failure: the relational dynamics of a partially embedded review process constrain the candour and external orientation of the diagnostic exercise. The maturity instrument's limitations represent a further sensing problem: the quality of the information produced by the assessment may be systematically compromised by inter-rater inconsistency, gaming, and comparability deficits. Finally, the translation gap is a seizing failure: the mechanisms designed to convert diagnostic findings into genuine organisational commitment fall short of what genuine capability change requires. Together, these three challenges describe a programme that has invested significantly in the institutional architecture of dynamic capability development but has not yet fully resolved the frictions that prevent each function from operating as intended.

The Independence Problem: A constraint on sensing

Effective sensing in Teece's (2007) formulation, or the capacity to scan, identify, and accurately diagnose capability gaps and future requirements, depends critically on the quality and candour of the information on which it draws. A sensing process whose outputs are shaped by the relational interests of those conducting it will systematically underdiagnose the

capabilities most threatening to future performance: those that are most visible to organisational insiders, most embedded in current leadership practice, and most uncomfortable to name. The independence of capability reviews is therefore not merely a legitimacy concern; it is a functional precondition for the sensing process to operate as intended.

The APS Capability Review Programme attempts to secure independence through two mechanisms: the appointment of eminent external individuals as Independent Reviewers, and the involvement of senior APS officers from agencies other than those being reviewed as Senior APS Reviewers. The first mechanism is relatively robust. Such Independent Reviewers normally bring substantial public sector experience and reputational standing that insulates their findings from dismissal as internally motivated. Their involvement provides a degree of external orientation that genuine sensing requires (APSC, 2026).

The second mechanism – Senior APS Reviewers – is more structurally ambiguous from a sensing perspective. These are current SES Band 2 or Band 3 officers drawn from agencies other than those being reviewed.² Their inclusion is designed to bring operational APS knowledge to the review process, but it creates a systemic reciprocity: the agencies whose officers serve as reviewers may subsequently be reviewed by officers from the agencies they reviewed. In a relatively small senior leadership cadre, this creates webs of professional relationship that may, consciously or not, moderate the candour of findings, producing what DiMaggio and Powell (1983) would recognise as the normalising pressure of professional isomorphism, in which shared membership of an occupational community constrains the range of assessments that feel institutionally permissible.

The consequences for sensing are concrete. A review team whose members are embedded in the same professional networks as the leaders of the reviewed agency is likely to share common assumptions about what good capability looks like, to discount signals that challenge those assumptions, and to frame findings in terms that are professionally palatable rather than maximally diagnostic. Teece (2007) notes that effective sensing requires not only internal reflection but active scanning of external environments and a genuine openness to disconfirming information – precisely the qualities that collegial restraint tends to suppress. This tension is not unique to the APS: New Zealand's Performance Improvement Review Programme has grappled with comparable questions about whether the 'constructive' tone of reviews reflects diplomatic restraint or genuine assessment (Gill, 2011). Future iterations of the Framework would benefit from explicit guidance on managing real or perceived conflicts of interest within review teams, and from consideration of whether a greater proportion of reviewing personnel should be drawn from outside the APS altogether.

The Maturity Instrument's Limitations: A Second Sensing Problem

Even where the independence of the review process is adequately secured, the quality of sensing depends on the validity and reliability of the diagnostic instrument through which capability is assessed. The four-point maturity rating scale is the Framework's primary measurement tool, and its limitations as a sensing instrument deserve careful attention. Teece (2007) emphasises that sensing requires not only the identification of gaps but their accurate characterisation, understanding not just that a capability is underdeveloped but why, in what dimensions, and with what implications for future performance. An instrument that produces

² Senior Executive Service (SES) comprises the senior leadership group in the Australian Public Service, directly below the Agency Heads. Bands 2 and 3 refer to the SES classification levels at the Executive Director and Deputy Secretary level, respectively.

unreliable, gameable, or poorly comparable ratings will generate sensing outputs that mislead as much as they inform.

The first limitation is inter-rater reliability. Maturity assessments depend on reviewers sharing a common understanding of what distinguishes a 'developing' from an 'established' capability across eighteen elements spanning five domains. The Framework provides descriptors and characteristics to guide assessment, but the translation of qualitative evidence gathered through interviews and workshops into a four-point rating involves significant interpretive judgement. Without published inter-rater reliability data, it is difficult to assess how consequential this problem has been, but it represents a structural limit on the precision of the sensing information the Programme generates.

The second limitation is the gaming risk. Once agencies understand the descriptors associated with higher maturity ratings, there is an incentive to present evidence and to develop documentation and processes that satisfies those descriptors without addressing underlying capability gaps. This is precisely the dynamic that Argyris and Schön (1978) identified as single-loop learning: adjusting surface-level behaviours in response to external signals while leaving the deeper theories-in-use that generate capability gaps untouched. The UK Cabinet Office capability review programme experienced this problem acutely: by 2010, departments were reported to have learned the 'exam questions' and were finding ways to answer them without genuine capability change (Panchamia and Thomas, 2014). From a dynamic capabilities perspective (Teece, 2007), gaming represents a sensing failure of a particular kind, namely, the production of information that appears to confirm capability development while masking its absence.

The third limitation is comparability. The Framework is designed in part to enable cross-agency benchmarking allowing the APSC and central government to identify systemic capability gaps and target whole-of-service investment, exercising a system-level sensing function beyond the diagnostic value to individual agencies. But meaningful comparability requires ratings produced through sufficiently standardised processes that like-for-like comparisons are valid. The iterative improvement of the Framework during the pilot phase, while appropriate as a learning process, means that earlier and later reviews may not be directly comparable. Establishing a stable framework version and accompanying calibration processes before the statutory review cycle takes full effect would significantly strengthen the Programme's systemic sensing value.

THE TRANSLATION GAP: A SEIZING FAILURE

The most consequential structural challenge facing the Capability Review Programme lies not in the sensing function but in the seizing function that follows it. In Teece's (2007) framework, seizing refers to the mobilisation of resources and the genuine commitment of organisational attention and authority toward addressing identified priorities. Seizing requires more than the recognition of a capability need, it requires the conversion of diagnostic findings into substantive organisational decisions: about resource allocation, structural adjustment, leadership development, and the sustained prioritisation of capability investment over competing demands. A programme that generates high-quality sensing outputs but fails to stimulate genuine seizing produces information without change, which is, at best, an expensive consultation exercise and, at worst, a mechanism for displacement activity, the appearance of improvement without its substance.

The Programme's accountability architecture attempts to address the seizing challenge through two mechanisms. First, agencies are required to develop and publish action plans in

response to review findings, documents specifying how the agency will lift capability in identified areas, reported through corporate plans and annual reports. Second, the Parliamentary tabling requirement creates external accountability: findings and agency responses enter the public record and are available for scrutiny by the Parliament, the media, and civil society. These mechanisms are necessary but not sufficient for genuine seizing. Action plans are agency-authored documents that translate external findings into internally acceptable commitments, a process that can dilute the ambition of review recommendations and substitute documentary compliance for substantive organisational change (Argyris and Schön, 1978).

The seizing problem is illustrated by the APSC's own capability review, the first conducted under the re-instated programme, which identified substantive challenges including the need for the APSC to clarify its purpose and priorities, develop its own workforce planning, and proactively assure workforce policies across the APS (APSC, 2023). These are not challenges that admit of quick resolution through action plan commitments: they require sustained leadership attention, structural adjustment, and cultural change over an extended period. Genuine seizing in Teece's (2007) sense would require the APSC to mobilise resources toward these challenges in ways that visibly alter its operating model, not merely to document intentions. Tracking whether this has occurred requires follow-up review mechanisms that the current Programme does not formally include.

New Zealand's Performance Improvement Review Programme, recognising the seizing challenge, has developed follow-up review processes for agencies where progress against initial findings is uncertain (Te Kawa Mataaho, APSC, 2025). The APS Programme's five-year statutory review cycle provides a natural follow-up trigger, but five years is a long interval for seizing accountability, particularly where machinery-of-government changes can substantially alter an agency's leadership and capability profile within that period. A structured mid-cycle reporting obligation, aligned with agency corporate planning and explicitly requiring agencies to demonstrate substantive progress rather than action plan compliance, could materially strengthen the seizing function without requiring a full review. The broader reform ecosystem: the Capability Reinvestment Fund, the Strategic Commissioning Framework, and the APS Academy's learning and development architecture constitutes the transforming infrastructure through which seizing commitments are meant to be realised. Ensuring that review findings are systematically transmitted to and integrated into that ecosystem's investment decisions remains a critical unresolved challenge for the Programme's long-term effectiveness.

CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH

The re-instated Australian Public Service Capability Review Programme represents a genuinely significant institutional investment in the adaptive capacity of the Commonwealth public service. Viewed through the dynamic capabilities framework (Teece, 2007), the Programme constitutes an attempt to institutionalise all three functions of organisational adaptation, namely, sensing, seizing, and transforming, at the whole-of-service level. Its excellence horizon mechanism and five-domain assessment architecture together constitute a structured sensing process: a periodic, independent examination of where agencies stand in relation to the capability requirements of a changing operating environment. Its action plan and parliamentary tabling requirements constitute a seizing architecture: the institutional mechanisms through which diagnostic findings are converted into organisational commitments. And its positioning within the broader APS reform ecosystem alongside the

Capability Reinvestment Fund, the Strategic Commissioning Framework, and the APS Academy, locates it within a transforming infrastructure through which capability commitments are meant to be realised over time.

The analysis presented in this article identifies, however, that each of these three functions faces structural constraints that the current Programme design has not fully resolved. The sensing function is constrained by the partial independence of reviewing personnel: the involvement of serving SES officers in review teams creates the conditions for professional isomorphism, or the normalising pressure of shared institutional membership that tends to moderate diagnostic candour and suppress disconfirming signals (DiMaggio and Powell, 1983). The sensing function is further constrained by the limitations of the maturity rating instrument, which is susceptible to inter-rater inconsistency, gaming, and comparability deficits that erode the reliability and validity of the diagnostic outputs the Programme generates. And the seizing function is constrained by the translation gap: the persistent risk that review findings are absorbed into action plan commitments without producing the deeper organisational decisions, for example, about resource allocation, structural adjustment, and sustained leadership attention, that genuine capability uplift requires (Argyris and Schön, 1978; Teece, 2007).

These challenges are not unique to Australia. They are structural features of all organisational capability assessment programmes operating within governments, and they have been identified in comparable forms in the New Zealand, United Kingdom, and Western Australian programmes from which the APS framework has drawn. What distinguishes the APS context is the combination of statutory obligation, relative newness, and the broader reform ambition within which the Programme is situated. The statutory embedding of the five-year review cycle, through the Public Service Amendment Act 2024, provides a durability that its predecessor programmes lacked and that the UK programme notably failed to achieve, abandoned in 2010 when a change of government rendered its political rationale obsolete (Panchamia and Thomas, 2014). Unlike the New Zealand and Western Australian programmes, which retain administrative flexibility by operating outside statute, the APS Programme's legislated cycle makes it significantly harder for a future government to quietly discontinue reviews when political conditions change (Te Kawa Mataaho, APSC, 2025; WAPSC, 2026). But durability is not the same as effectiveness. A programme that reliably produces review reports and action plans without generating the sensing quality, seizing commitment, and transforming follow-through that genuine dynamic capability development requires will become, over time, an accountability ritual rather than an adaptive instrument.

Several directions for future research are indicated by this analysis. First, qualitative research with senior APS leaders who have been through the review process, both as reviewed and reviewing parties, is needed to assess how the relational dynamics of review teams shape the candour and diagnostic ambition of findings: the sensing quality question. Second, longitudinal analysis of agency capability profiles across successive review cycles, once sufficient time has elapsed, will be essential for assessing whether action plan commitments translate into observable capability improvement: the seizing effectiveness question. Third, research on the integration between review findings and the broader reform ecosystem's investment decisions, for example, the Capability Reinvestment Fund's project selection, the APS Academy's learning programmes, and the APSC's workforce policy agenda, is needed to assess whether the transforming infrastructure is receiving and acting on the signals that the review process generates. Together, these questions constitute a research agenda for evaluating not just whether the Programme is well designed as an assessment instrument, but

whether it is contributing to the development of the APS as a genuinely adaptive institution capable of sensing its own capability gaps, committing to address them, and transforming its practices in response to an environment that will not remain static.

The reinstatement of capability reviews in the APS reflects an important institutional acknowledgement: that organisational capability does not sustain itself, and that public services require periodic, structured, and independent scrutiny of their capacity to govern if they are to remain fit for purpose across changing political and environmental conditions. Whether the Programme fulfils this ambition will ultimately depend on whether its sensing, seizing, and transforming functions are strong enough to produce not just documentation of capability but capability itself.

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