MESSAGE FROM THE SECRETARY

Innovation will be central to DFAT’s efforts to deliver impact on Foreign Policy White Paper commitments, enabling us to operate effectively in an increasingly competitive, contested and unpredictable world.

Meeting our goals requires each of us to actively engage in exploring new ways to address the opportunities and challenges we face; to foster a culture of collaboration, experimentation and informed risk taking. In addition, we must seize the opportunities that innovation provides to drive poverty reduction and sustainable economic growth in the Indo-Pacific, building security, prosperity and trading opportunities for Australia and our region.

Together we have made significant progress and achieved much since DFAT’s first innovation strategy was launched three years ago. It is now time to lift our ambition, to embed an innovative mindset and practice across DFAT, and to place DFAT at the leading edge of innovative public sector organisations.

Innovation is about thinking and acting in ways that will make DFAT a global leader in problem-solving and seizing opportunities. It is the practice of trying new things, adapting what did not work and then trying again until we have found an approach that works significantly better than current practice. It requires us to be open to new knowledge and practice, recognising that we may need to source outside skills and expertise to achieve our objectives. External collaboration will also lead to inclusive private sector-led growth and support aid for trade opportunities.

Our innovation activity must be consistent with and leverage our recently developed policies in related areas such as the Foreign Policy White Paper; and DFAT’s Communication Strategy, Workforce Strategy, and Economic and Commercial Diplomacy Strategy. Our processes and culture will need to support innovative approaches - staff must feel backed to experiment. Our leadership will model good innovation practice, and we must seek feedback to continuously improve our innovation activity. More broadly, we have the opportunity and reputation to make significant contributions to innovation across the APS.

I am optimistic about our ability to do this – we have demonstrated impact and leadership through the delivery of our initial strategy, and we have smart, motivated, committed staff and partners.

This updated strategy sets out how we will leverage our innovation journey so far to expand our influence, deliver better outcomes for Australia at home and abroad, and help our people to achieve the very best they can. I expect the whole Department to explore the opportunities that innovation presents us with.

Having begun the journey well, this new three-year strategy outlines the next steps, harnessing innovation to support our objective of making Australia and our region stronger, safer and more prosperous.

Frances Adamson
Secretary
MISSION

Achieve impact through applying new tools and approaches, scaling capability and culture, empowering DFAT staff, and utilising innovation to maximise opportunity, security and strength for Australia and our region.

VISION

DFAT known as an exemplar in foreign affairs, trade and development impact and influence through embedded innovation practices.

WHAT DOES INNOVATION MEAN TO US?

We define innovation as the application of a new approach that creates a positive impact that is significantly greater than can be realised through current practice.

KEY OBJECTIVES

LEADERSHIP

Leading innovation across DFAT & collaborating across whole of government; experimenting with new ideas, technologies and approaches.

CULTURE & CAPABILITY

Celebrating innovation across DFAT; ensuring processes back innovation; building capability.

SCALING

Scaling innovation support across all of DFAT; scaling current early stage innovation projects.

EVALUATION

Evaluating, benchmarking and sharing lessons learnt.
BUILDING ON OUR EXPERIENCE

DFAT has applied innovation to foreign affairs, trade, and development activity for some time. Innovative work accelerated in 2015 with the development of the first DFAT Innovation Strategy, and the launch of the innovationXchange (iXc). Some of our achievements include the:

- First three internal Ideas Challenges
- Bold path taken to redirect the Passport Redevelopment Program
- Collaboration and user-focus of the Free Trade Agreement portal

Over the last three years we have demonstrated through specific projects how innovation can enhance our outcomes and stimulate change. A number of Divisions and Posts have been highly proactive in the uptake of innovation. Most of the early initiatives within our innovation hub, iXc, have been aid-related, but increasingly partnerships have been developing across the broader DFAT.

TUPAIA

Imagine if you could track the availability of life saving medication across the Pacific with the click of a button. Given the geographic complexities of the Pacific, ensuring that each remote island has adequate medical supplies presents major challenges for the region. Tupaia is a mobile-enabled web platform that makes information about the medical services and supplies available at health facilities digitally accessible, allowing health care decision makers to direct resources appropriately. With DFAT support, Tupaia has now expanded its coverage to six countries in the Pacific.

Recently, the CEO of the Ministry of Health in Tonga used Tupaia’s real-time mobile data to assess damage to medical facilities from Cyclone Gita and report information back to the Prime Minister. Meanwhile in Timor-Leste, availability of essential medicines at the national level has improved by more than 20%. These results will continue to improve as usage of the platform becomes more widespread.
INTERNATIONAL ATOMIC ENERGY ASSOCIATION (IAEA) ROBOTICS CHALLENGE

What if we used robots to perform time consuming and repetitive tasks for us? The Australian Safeguards and Non-Proliferation Office (ASNO) have successfully brokered a partnership between the CSIRO and the International Atomic Energy Association (IAEA) to develop and test new safeguards technologies for the verification of nuclear non-proliferation, using a challenge method.

A highlight of this developing partnership was a technology challenge event hosted by CSIRO’s Data61 team in November 2017. The Robotics Challenge involved 12 research teams from 9 countries, testing their own devices under simulated inspection scenarios. Under the IAEA’s traditional approach to technology development and procurement, the deployment of customised inspection technologies can take many years. The event demonstrated that robotics can enhance the efficiency and effectiveness of otherwise labour intensive and tedious inspection tasks.

The Robotics Challenge employed a “trial small” method. This innovative approach to procurement illustrates that a positive risk culture can help DFAT take advantage of the opportunities presented by technological change.

Innovation at DFAT has been applied to business process innovation as well as new products and services. Other case studies extend to ways of adapting DFAT’s policy work, such as new models for trade negotiation necessary in a rapidly changing world (in Office of Trade Negotiations), and methods of engaging on Maritime Security Strategy development (in US and Indo-Pacific Strategy Division).

ASEAN-AUSTRALIA SMART CITIES INITIATIVE

How can we best prepare for the cities of the future? By 2030, an additional 90 million people will be living in cities in Southeast Asia. This unprecedented rate of urbanisation brings both challenges and opportunities that need smart planning, innovative solutions and good governance to address.

The ASEAN-Australia Smart Cities Initiative is a new partnership that will contribute to achieving this goal. Australia is working with ASEAN to create cities that are smart and sustainable through education, specialist training, technical assistance and support for innovation. This collaborative approach will allow us to share Australia’s world-class expertise in sectors such as green infrastructure, water governance, data analytics and renewable energy to create a more prosperous, stable and resilient region. The ASEAN-Australia Smart Cities Initiative is jointly managed by Southeast Asia Division and iXc.
LESSONS LEARNT

From DFAT’s journey so far, the following key lessons learnt have influenced how DFAT’s Innovation Strategy will be delivered moving forward:

- **Focusing on demonstrable outcomes**, both inside and outside DFAT is key to proving value. Our focus must always be on creating greater impact through our work.

- **For scale**, we need to empower and skill our staff to work differently. We need to create business processes and capability building programs that enable, encourage and back staff to innovate.

- **Risk mitigation** can be achieved through experimenting at manageable scale. Taking informed risks can help to take best advantage of new opportunities.

- **DFAT’s international networks** provide an opportunity to contribute new ideas and talent to, and learn from, the Whole of Government innovation agenda. Working across the portfolio and with other Departments will increase our influence.

- **Early engagement** with internal and external stakeholders who can take ideas to scale is key to delivering sustainable and scalable outcomes.

- **Many parts of DFAT** have experimented with innovative activity. We need to find ways to share the outcomes, lessons learnt, and the activity itself in order to scale up successful activities.

- **Culture** is crucial – much has been achieved but there is more to do. Effective collaboration will remain a high priority.

- **Partnering with external expertise** enables projects to deliver extraordinary outcomes.

- **DFAT INNOVATION STRATEGY 2018–21**

  Top: A teacher in Tonga learns how to improve nutrition outcomes with innovative technology.
  Bottom: Mama’s Leaf has developed reusable sanitary pads to break down menstruation taboos in Vanuatu.
WHAT DOES INNOVATION MEAN TO US?

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INNOVATION AT DFAT MOVING FORWARD

Over the next three years, we will evaluate and communicate the outcomes of DFAT’s early experimental approaches to innovation, build awareness across the Department, followed by scaling support, capability and culture throughout DFAT.
To achieve our goals, we must think bigger, and think differently. We must become confident, proactive leaders of innovation.

**MISSION**
Achieve impact through applying new tools and approaches, scaling capability and culture, empowering DFAT staff, and utilising innovation to maximise opportunity, security and strength for Australia and our region.

**VISION**
DFAT known as an exemplar in foreign affairs, trade and development impact and influence through embedded innovation practices

**KEY OBJECTIVES**
In order to achieve DFAT’s potential through innovation, the Department is pursuing four Key Objectives over the next three years. The following outlines the Key Objectives and top-level descriptions of likely activity.

**LEADERSHIP**
Enable, encourage and back innovation across DFAT and the APS
- Incubate and experiment with new ideas and approaches, sharing lessons learnt across DFAT and externally (including innovation ecosystem building and technology roadmapping)
- Experiment with ways to become more proactive and anticipate global developments, technologies and opportunities
- Proactively collaborate and leverage activity across whole of government on innovation policy and practice Leadership

**CULTURE & CAPABILITY**
Develop a communication stream for DFAT innovation activity aligned to DFAT’s Communication Strategy
- Explore ways to share lessons learnt, failures and achievements, new approaches and breakthrough technologies across DFAT
- Ensure DFAT processes back innovative practice and intelligent risk taking
- Develop a program of capability building for DFAT staff, utilising Diplomatic Academy and other delivery pathways

**SCALING**
Generate a prioritised program of high impact collaborative innovation projects in geographic and functional divisions and Posts for iXc to support
- Support new pathways, partnerships and tools to help DFAT connect to external expertise and possible collaborators
- Provide support for branch heads, division heads and Posts to embrace innovation
- Trial approaches to scale current early stage innovation projects

**EVALUATION**
Evaluate current iXc programs, share methodology and lessons learnt
- DFAT innovation activity to proactively seek feedback and continuously learn from our approaches
- Access and share the latest thinking on how to understand and measure innovation impact
- Benchmark our activity in comparison to similar national and global practice

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*Top: Researchers from the World Mosquito Program trial the Wolbachia bacteria.  Bottom: A mother in Myanmar uses an app to monitor her child’s health.*
DELIVERING RESULTS

Delivering this program of objectives will require a collaborative approach across DFAT, at all levels and in all Divisions and Posts.

It is up to all of us to seek and share new and better ways to do our work, to increase our impact and influence. It requires DFAT leadership to lead, encourage and celebrate innovation, to support changes to systems and processes to back those who wish to innovate. It will align with new strategies and contribute to current change programs.

Whilst the strategy requires engagement from all of us, we have a number of current, new and proposed entities that will help to drive this change:

- DFAT’s iXc provides a Department-wide resource, catalyst and capacity builder to support our activity (though its large portfolio of current projects under management will occupy it for the first 6 – 12 months).
- The newly appointed Chief Innovation Officer (CXO) provides leadership, expertise and external connections in the innovation sector to lead and support innovation across DFAT.
- DFAT will set up a small, internal high-level Advisory Group to prioritise and connect activity and opportunity.
- A network of Innovation Champions will be developed to share lessons learnt and spread culture and awareness.

The detailed action plan for the first year of this strategy is still under development, but high-level actions are outlined in the Appendix.

RESULTS WE WILL DRIVE

Innovation in the hands of DFAT staff to continuously improve what we do, increasing the impact and influence that our work delivers; innovation capability and infrastructure in the Indo-Pacific to build economic prosperity and social strength; and bold new approaches to assist us to deliver on our challenging Foreign Policy White Paper and Sustainable Development Goals agendas.
THE ROLE OF IXC

As an engine for this transformation, iXc will require time to adapt from its current way of working. In its early stages, iXc focussed on delivering innovative, experimental projects in order to demonstrate the utility of innovation. Some of these projects have long-term management needs that will divert FTE from focussing on the objectives of this updated strategy. There is also a need for further development of innovation capability within the team.

Over the next three years, iXc will continue to take four roles: Leading, Partnering, Enabling, Influencing. iXc will:

**LEAD**
- Lead on projects utilising and experimenting with new technologies and approaches (such as technology for development)

**PARTNER**
- Partner across DFAT (functional and geographic divisions), as well as with posts and corporate activity to support and deliver innovation projects based on DFAT needs

**ENABLE**
- Enable others to take up innovation by building culture and capability in DFAT

**INFLUENCE**
- Influence other areas of DFAT that require adaptation to ensure innovation is backed in the Department

Specific iXc funding support will continue to focus on aid and delivery of the Sustainable Development Goals, but innovation activity will be supported across the Department.

THE ROLE OF THE CXO

Some of the new activity will include the use of the CXO as an innovation expert

- **Lead on projects utilising and experimenting with new technologies and approaches (such as technology for development)**
- **Enable others to take up innovation by building culture and capability in DFAT**
- **Partner across DFAT (functional and geographic divisions), as well as with posts and corporate activity to support and deliver innovation projects based on DFAT needs**
- **Influence other areas of DFAT that require adaptation to ensure innovation is backed in the Department**

Above: DFAT’s Chief Innovation Officer Sarah Pearson will be taking a leading role in embedding Innovation at DFAT.
EMPOWERING
We encourage and reward staff to innovate in all work areas through active leadership and constant learning.

DARING
We inspire and back staff to take considered risks and productivity improvements.

DYNAMIC
We actively pursue new ways of doing things and collaborate with others, looking to accelerate outcomes.

COLLABORATIVE
We connect with new people, organisations, technologies, science and businesses, partnering to ensure we achieve the maximum impact with others.

VALUES & BEHAVIOURS

CREATIVE
We welcome, nurture and celebrate new ideas and creative approaches in workplaces, helping to sustain lasting impact and productivity improvements.

PROACTIVE
We anticipate global developments, seeking new ways to influence sustainable change.

CONFIDENT
We drive excellence, engaging in whole of government innovation activity.

OPTIMISTIC
We look to the future and seek out opportunities to do things differently and achieve greater impact.

TRANSPARENT
We communicate effectively, ensuring that our successes and failures are understood and appreciated.

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We communicate effectively, ensuring that our successes and failures are understood and appreciated.

Image: A teacher in Tonga learns how to use new technology to improve students’ nutrition choices.
APPENDIX

HIGH LEVEL ACTIONS FOR EACH KEY OBJECTIVE IN YEAR ONE

**LEADERSHIP**

- CXO provides innovation leadership and expertise across DFAT, through task forces (such as Soft Power) and committee roles (such as DFAT’s Impact Investing Advisory Group), Board membership (Global Innovation Fund), national and international speaking engagements
- DFAT leadership drives innovation across DFAT (e.g. include innovation in speeches, interview innovators across DFAT and publicise)
- iXc sets up three flagship areas of experimentation in:
  - Technology for development
  - Scenario analysis and technology roadmapping
  - Innovation ecosystem building activity in the Indo-Pacific

**CULTURE & CAPABILITY**

- DFAT develops and delivers a communication stream for innovation activity aligned to the Communication Strategy, with case study input from across all DFAT
- iXc develops a program of capability building for DFAT staff, exploring utilising Diplomatic Academy and other delivery pathways
- DFAT includes innovation activity with risk culture change activity
- iXc sets up a DFAT Innovation Champions network
- Experiment with approaches to allow DFAT staff to develop ideas in a ‘safe place’

**SCALING**

- CXO sets up a DFAT Innovation Advisory Group for identifying and prioritising DFAT driven innovation projects requiring support
- DFAT develops a model for private sector engagement (led by MDD)
- iXc engages in high impact innovation projects for geographic and functional divisions utilising iXc expertise and connections
- iXc connects startups supported by DFAT in their early stages to scaling programs delivered by others (such as the World Food Programme)
- iXc expands innovation support for Posts to engage in innovation activity

**EVALUATION**

- Evaluate current iXc programs; share lessons learnt and evaluation approach across DFAT
- Design a feedback method for innovation activity
- Engage in a light touch benchmarking activity

**SCORE CARD FOR YEAR ONE**

We expect that at the end of the first year DFAT will have:

- Built stronger understanding of the impact of, and support for, innovation across DFAT as evidenced in a regular survey on risk and innovation, done jointly with EXB, and with appropriate actions identified.
- Piloted and adapted capability building opportunities for DFAT staff, giving them the tools to innovate in their programs.
- Aligned risk and innovation culture change activity and delivered at least one activity collaboratively with EXB, such as a joint capability building or awareness raising initiative.
- Set up a DFAT Innovation Advisory Group with a process for prioritising innovation support.
- Initiated at least one impactful innovation project in a geographic or functional division utilising iXc expertise.
- Scaled at least one current project by connecting to scaling support as well as connecting to opportunities.
- Made progress in the three flagship areas, including learning from early work to build innovation ecosystems, and setting up a technology for development community of practice that is well attended and valued.
- Completed evaluation of iXc projects and shared lessons learnt.