

**Division 4: Public Sector Commission, \$24 423 000 —**

Ms S.E. Winton, Chair.

Mr M. McGowan, Premier.

Mr L. Warner, Acting Public Sector Commissioner.

Mr D. Volaric, Deputy Commissioner.

Ms K. Rosario, Acting Director of Equal Opportunity in Public Employment.

Mr A. Barrett, Acting Executive Director, Strategy Policy and Reform.

Ms A. Alderson, Chief Finance Officer.

[Witnesses introduced.]

**The CHAIR:** Leader of the Opposition.

**Dr M.D. NAHAN:** I would like to go through a question again relating to one I asked previously. From 2016–17 to 2018–19, the number of full-time equivalents in the Public Sector Commission has increased by about 25. That is almost unique; nonetheless, it is substantial. At the time there was a reduction in the vicinity of \$3.4 million in the budget of the senior executive service. Is the Premier taking people out as a policy of reducing SES numbers and then backfilling? In other words, have any of the positions in the Public Sector Commission that have been vacated and for which someone received redundancy been filled again?

**Mr M. McGOWAN:** I will just comment generally and then ask Mr Warner to provide more specific information. The Public Sector Commission is also bound by the government's policies on the SES and also the voluntary targeted separation scheme. These are unfortunate things that the government has to do to work on repairing the financial situation we were left with. Therefore, we have implemented that at the Public Sector Commission. The Leader of the Opposition will recall the arrangement with the voluntary targeted separation scheme, which is that the agency can keep 20 per cent of the proceeds that are saved by that process to employ new people. Obviously, there is an incentive to deliver. It gets only 20 per cent of what was there before but it gets to employ the people who might meet its needs into the future. That is why that policy was put in place. I will ask Mr Warner to comment further.

[3.30 pm]

**Mr L. Warner:** I think there are two parts to the question. Without knowing specifically the point the member is making, the first is that the increase in FTEs is largely the result of a change in the methodology of reporting FTEs. In the previous year, they used an actual figure but under current arrangements we are looking at an average FTE. The other point, as the Premier stated, is the commitment by the Public Sector Commission to reduce its SES consistent with the policy position of the government.

**Dr M.D. NAHAN:** Have any positions in which the previous occupant received a redundancy been filled by somebody else? Have any positions in the Public Sector Commission from which someone exited with a voluntary redundancy subsequently been filled by a new person?

**Mr M. McGOWAN:** What page of the budget?

**Mr Z.R.F. KIRKUP:** It is on page 70.

**Mr M. McGOWAN:** I am not aware of —

**Dr M.D. NAHAN:** I refer to the spending changes on page 70. Under the heading “Election Commitment”, there is an increase of \$3.375 million over five years for the line item “Senior Executive Service Reduction”. There is a voluntary targeted exit program for the SES. Have some of the positions in the SES that were vacated with a payment of voluntary redundancy been filled by someone new—have they been backfilled?

**Mr M. McGOWAN:** I will let Mr Warner comment on the questions asked by the Leader of the Opposition.

**Mr L. Warner:** There have been no substantive appointments to any positions that have been subject to SES reductions.

**Dr M.D. NAHAN:** Is the Public Sector Commissioner in charge of the senior executive service reduction program more generally across the public sector or is it the responsibility of the Department of the Premier and Cabinet?

**Mr L. Warner:** The Public Sector Commissioner and the commission has responsibility for managing the implementation of that policy position across the public sector more broadly.

**Dr M.D. NAHAN:** The question applies not only to the Public Sector Commission, but also across government. Have the positions of people who left their substantive position with a redundancy payout as part of the senior executive service reduction program been filled subsequently by somebody new?

**Mr L. Warner:** We do not have that level of detail available to us at the moment. The expectation is that agencies and directors general will manage their SES reduction locally in accordance with the policy framework.

**Dr M.D. NAHAN:** Since the Public Sector Commission has carriage of this responsibility, perhaps it can provide me with the data as supplementary data.

**Mr M. McGOWAN:** I think it is a very broad question. We obviously have the machinery-of-government changes to create fewer agencies, which I think most people would think is a wise thing to do because it will create better structures and remove some of the silos within government. There might be issues at various points in time, but the principle and the arrangements we put in place are relatively conservative and achievable and the benefits are there to be seen. In addition, we have the voluntary targeted separation scheme, which 2 200 people will have taken up by the end of the year. The reduction in the SES amounts to 104 positions or so across government. At any given point in time, an agency may use the 20 per cent saving to employ someone new or create a new position because the machinery-of-government changes mean that people might be working across agencies. It is a very big field, to be honest, with that number of people. There is no specific answer to the question posed by the Leader of the Opposition. It might be that under the voluntary targeted separation scheme there was a person whom the agency was very keen to see leave and it filled that person's position, and obviously the reasons for that are sometimes pretty clear. Those things occur in any big organisation at any given time.

**Dr M.D. NAHAN:** There are 104 people, which is not a large number of people. I assume that there would not be too many instances of this, so the government is not dealing with a large number. I did not ask whether or not it is appropriate. Has an FTE position that was vacated with a redundancy been backfilled subsequently by a new person? The program is administered by the Public Sector Commission so it should have access to the data. It should not be a hard thing to do.

**Mr M. McGOWAN:** The SES reduction involves 104 people because there was a growth of 40 per cent in the SES under the last government —

**Dr M.D. NAHAN:** That is not relevant. The question is —

**Mr M. McGOWAN:** I can show the Leader of the Opposition the figures if he wants —

**Dr M.D. NAHAN:** The question is —

**The CHAIR:** Leader of the Opposition, the Premier is trying to answer.

**Mr M. McGOWAN:** There was a growth of 40 per cent in the senior executive service under the last government. We have reduced the size of the SES by, from memory, around 20 per cent; in effect, we have halved the growth. Obviously over the course of the last 10 years, more people came to WA and there were more positions and the like so there should have been some growth. Those positions are gone; it is a significant reduction. When it comes to the voluntary targeted separation scheme, which involves 2 200 people at this point, and will grow to 3 000 in the future, obviously the agencies were given a 20 per cent bonus or 20 per cent of the savings back. They may have filled the positions that were vacated with someone who, on paper, performs the same role. Perhaps the person who is filling the old position has skills that the person who left did not and, therefore, the agency has employed the person with new skills, new abilities and a new attitude—whatever it might be.

**Dr M.D. NAHAN:** There might be a whole range of reasons for doing that—I am not questioning that. I am asking for the data to determine whether the department has subsequently chosen to employ someone new to fill a position that was done away with. The same thing applies with the voluntary targeted separation scheme. There might be a rationale for it. The government has the data. It is not a large number of people. Has there been a case in which an FTE has been paid out and their position has been backfilled subsequently? It should not be hard to do. When we were in government, we definitely had that data.

**Mr M. McGOWAN:** I do not know whether that is the case, and I do not want to commit to giving supplementary information when I do not know whether I can answer the question.

**Dr M.D. NAHAN:** The Premier can.

**Mr M. McGOWAN:** The Leader of the Opposition says that I can but I am not sure that I can. Let us imagine that a level 4 in an agency left the agency under the VTSS and the agency has now backfilled and put someone in that position. The responsibilities might be different but the person might have different skills. They might be working in a machinery-of-government agency that has a range of different responsibilities. I do not quite know how to answer the Leader of the Opposition's question with any degree of real sensibility or comparability.

[3.40 pm]

**Dr M.D. NAHAN:** Yes, especially on the senior executive. The Premier has said that all those positions have been done away with. Is that the case? Have all 20 per cent—the 104 positions that people have vacated—of those positions gone?

**Mr M. McGOWAN:** There are 104 fewer people in the senior executive service.

**Dr M.D. NAHAN:** Are the positions gone?

**Mr M. McGOWAN:** Agencies will work out the requirements. Just so the Leader of the Opposition understands, this is a saving of \$26 million a year.

**Dr M.D. NAHAN:** Good.

**Mr M. McGOWAN:** It is a saving of \$26 million a year, so we had to pay some people out in order to achieve that saving.

**Dr M.D. NAHAN:** Yes.

**Mr M. McGOWAN:** But 104 positions are now gone, so there is a significant saving.

**Dr M.D. NAHAN:** My point is that some of them might have come back. That is the point I am trying to explore.

**Mr M. McGOWAN:** As far as I am aware, no-one has come back.

**Dr M.D. NAHAN:** I know the government has paid money out and 104 people are gone. I am trying to find out whether those positions were backfilled.

**Mr M. McGOWAN:** It is a net reduction in positions, so by definition there is a reduction in the SES of 20 per cent or 25 per cent. It has never been done before. But we had to do it because of the financial position we were left with. I mean, \$26 million a year is a lot. That is the saving.

**Dr M.D. NAHAN:** The Premier is not going to provide the data on whether the positions from the senior executive service reductions or the voluntary targeted separation scheme, which people received a redundancy payment from, have been backfilled by somebody anew?

**Mr M. McGOWAN:** I have explained to the Leader of the Opposition why I do not think his question is intelligible or that I can communicate it and provide a reasonable answer to him. I am not going to agree to supplementary information when I cannot provide a reasonable answer.

**Dr M.D. NAHAN:** Okay.

**Mr M. McGOWAN:** If the Leader of the Opposition wants to put some questions on notice, I will do my best. But supplementary means that I have to provide whatever information and I cannot define the question the Leader of the Opposition is asking me. There has been a reduction of 104 positions in the senior executive service. That means a huge reduction of senior bureaucrats across government. It has never been done before, with \$26 million a year saved. The voluntary targeted separation scheme has made huge savings across government as well.

**Mr Z.R.F. KIRKUP:** I refer to the significant issues impacting the agency outlined on page 70 and the reform program that is being undertaken. I am keen to understand a number of positions that have been removed—director general and executive director-type positions—and how that relates to the reform program, if I can. We will just first of all understand the basis on which Gwyn Dolphin was removed. Given a new position of managing director of tourism has been advertised, why was Gwyn Dolphin removed? Is it part of the reform program?

**Mr M. McGOWAN:** Is this the bottom of page 70?

**Mr Z.R.F. KIRKUP:** I am trying to understand whether that is part of the reform program; is it a larger machinery-of-government change?

**Mr M. McGOWAN:** Mr Dolphin elected to take a section 59 departure program, so he exited the agency last year. He was not appointed as head of the new agency and changes were made. That happens in government.

**Mr Z.R.F. KIRKUP:** Do we have an understanding of the total breakdown of costs associated with the termination and then the recruitment process that has been initiated to try to find a new managing director of Tourism WA?

**Mr M. McGOWAN:** Can you repeat the question?

**Mr Z.R.F. KIRKUP:** Do we have an understanding of the breakdown of costs associated with the termination of Gwyn Dolphin and then also the recruitment costs and remuneration that is expected for the new managing director of Tourism?

**Mr M. McGOWAN:** All that information was released last year.

**Mr Z.R.F. KIRKUP:** The Premier seems to have a process, though, of providing information from last year; I want to make sure that we get it all wrapped up here.

**Mr M. McGOWAN:** I think I answered questions in relation to this. I will see whether I have that information. When we recruit people, there is advertising and the like; I do not know what the cost of that is. I am not sure whether we will have that level of granular detail here today.

**Mr Z.R.F. KIRKUP:** Could the Premier provide that through supplementary information?

**Mr M. McGOWAN:** The member could put a question on notice, if he likes. We do not know the total cost, because the process is not complete. I cannot answer that question accurately.

**Mr Z.R.F. KIRKUP:** You will not provide it through supplementary?

**The CHAIR:** Member for Dawesville, through me, please.

**Mr Z.R.F. KIRKUP:** Sure, Chair.

**Mr M. McGOWAN:** We are ensuring that there is senior representation for tourism inside the Department of Jobs, Tourism, Science and Innovation. That was not going to happen before, but it is occurring now.

**Mr Z.R.F. KIRKUP:** As part of what the Premier says is a senior position, do we understand what the remuneration is expected to be for that position?

**Mr M. McGOWAN:** I will ask Mr Volaric to answer that question.

**Mr D. Volaric:** The general manager has been advertised as a class 3, which is approximately \$180 000; however, we have proposed it be included in the jurisdiction of the Salaries and Allowances Tribunal and it has yet to determine a remuneration.

**Mr M. McGOWAN:** I want to have someone with the most modern skills in tourism management and marketing, I want to ensure that that person is completely up to date in what occurs elsewhere and how successful tourism agencies work, and I want to make sure that they are a part of a broader agency that has impacts on tourism. We all know tourism is not a standalone industry; it interacts with all sorts of other industries, whether it is hospitality, food, transport or whatever it might be—it interacts with everything else. That is why it is part of this bigger, broader, stronger agency that the government established in May last year. Tourism will be very senior in that agency, I might add. That is what the industry has been asking for and that is why we made the changes that we have.

**Dr M.D. NAHAN:** It is class 3, about \$180 000 and Gwyn Dolphin was substantially higher than that, I take it?

**Mr D. Volaric:** Yes.

**Dr M.D. NAHAN:** Does the Premier expect to get a person who is as up to date with modern trends in tourism as Gwyn Dolphin was to fill the position?

**Mr M. McGOWAN:** I expect we will get a first-rate person. I do not want to go into personalities or things I hear around the place, but I expect that the tourism industry, which employs 90 000 to 100 000 Western Australians, is happy with what we are doing.

**Mr Z.R.F. KIRKUP:** I have a further question, not on Gwyn Dolphin, but on the same dot point. I am keen to understand the basis on which Stephen Wood was removed as well.

**Mr M. McGOWAN:** I just outlined that. We wanted to change up tourism within the agency and that was not happening, so we took some action.

**Mr Z.R.F. KIRKUP:** Was there a range of key performance indicators that were not being met?

**Mr M. McGOWAN:** I am not understanding the question. Whereabouts are we here?

**Mr Z.R.F. KIRKUP:** We are on the same dot point as before. On the removal of Stephen Wood, I do not want to verbal the Premier, but I think he implied that he was not happy with the performance of Mr Wood. I am keen to understand: was that benchmarked against any key performance indicators; and, if that was the case, what KPIs were not being met?

**Mr M. McGOWAN:** The government's wishes in ensuring that tourism was promoted within the agency were not being met.

**Mr Z.R.F. KIRKUP:** The government's wishes?

**Mr M. McGOWAN:** The government's wishes in promoting tourism and creating senior positions or a position in tourism in particular were not being met and were actively being opposed. A range of ministers had concerns; therefore, some action was taken.

**Mr Z.R.F. KIRKUP:** Is it a regular process that when a public servant provides the Premier with fearless and frank advice, the Premier removes them if he is not happy with the advice that he is getting?

**Mr M. McGOWAN:** It was about ensuring that tourism was given priority, and it was not. Therefore, action had to be taken.

**Mr Z.R.F. KIRKUP:** Can we understand the process by which we are trying to find his replacement, and where the Public Sector Commission is at in that place?

**Mr M. McGOWAN:** I will hand over to Mr Warner.

**Mr L. Warner:** The director general of the department has been advertised and recruitment action is underway. A normal process is occurring and a panel has been established. I understand that it will move to shortlisting very soon, the normal process will occur and a recommendation will be taken.

**Mr Z.R.F. KIRKUP:** I appreciate that. I am trying to understand the time line. I understand the process but not the time line by which that is expected to land.

**Mr M. McGOWAN:** I will ask Mr Warner to answer that question. Obviously, at the moment Mr Richard Sellers is there, who has some considerable experience in the area. But we are going through a recruitment process. I will ask Mr Warner to comment on that.

[3.50 pm]

**Mr L. Warner:** We are hopeful that the recruitment process will be done fairly quickly. Some of that is somewhat dependent upon the capability of the candidates and the availability of the candidates to take up the position from a certain date. We hope that occurs in the next few months. It is not unreasonable to expect roles of this nature to take three to four months or more from the moment we go to the market to having someone in the chair.

**Mr Z.R.F. KIRKUP:** I imagine that as part of that, the commission would look strongly at any potential candidate's tertiary qualifications. Would that be the case?

**Mr M. McGOWAN:** Obviously this is an important position. It straddles a whole range of areas. Some people have said that it is too big for one person. I do not accept that. Lots of people have big jobs. I am hoping that there will be a lot of interest. I am hoping that a lot of people will put forward their application and we will be able to select from a wide range of people. There is a selection panel. I am obviously not involved in that, but I want someone who is communicative, consultative and engaged with government. That is the process we will follow. There might be private sector applicants, public sector applicants or applicants from Canberra. Those sorts of things happen because it is a big, exciting job. That is what we are seeking.

**Mr Z.R.F. KIRKUP:** If it is found that a candidate has misrepresented their qualifications—maybe they said that they have a Masters of Business Administration and it turns out they do not—and the candidate has been recommended and perhaps taken on within the public sector, what recourse would be taken to relook at that candidate? Would that candidate continue to be taken on board for a position such as this if they misrepresented their tertiary qualifications?

**Mr M. McGOWAN:** Do you mean like your online representations that you have been to university?

**Mr Z.R.F. KIRKUP:** Yes.

**Mr M. McGOWAN:** Are you saying that you have a university degree or not?

**Mr Z.R.F. KIRKUP:** Sorry; is the Premier talking about me?

**Mr M. McGOWAN:** Yes, you.

**Mr Z.R.F. KIRKUP:** No, not at all.

**Mr M. McGOWAN:** Okay. I have seen online representations by the member for Dawesville saying that he has been to university, so I am a little confused.

**Mr Z.R.F. KIRKUP:** Sorry. Just to clarify, Madam Chair, I have certainly studied at university.

**The CHAIR:** Can we get back to the question?

**Mr M. McGOWAN:** Some people might interpret the member putting online that he has been to university as his having a degree. Sometimes he might have misrepresented and some people might think that he has misrepresented his qualifications. If I saw him online saying, "I have been to university", I would certainly think that he has a university degree. I assumed that he had completed his university degree, but he obviously has not, so he might want to change the representations he has out there. With regard to the selection process, I am sure that the committee will take into account people's qualifications.

**Dr M.D. NAHAN:** Can the Premier confirm his statement that Mr Wood actively resisted addressing the resourcing for tourism in the department?

**Mr M. McGOWAN:** I wanted a senior position in tourism and Mr Wood did not; therein is the issue. I think my position is quite reasonable. I am the Premier of the state. The agency answers to me. Tourism is important. I wanted someone in the highest echelons of the agency to be a tourism person. I think my position is entirely reasonable. If senior bureaucrats do not want to follow the advice of the Premier on something like that, I do not think that is quite acceptable.

**Dr M.D. NAHAN:** I refer to "Oversight and Reporting" on page 73. My reading of this is that in the previous budget in 2017–18 the government made substantial reductions in staffing levels and as a result it had a substantial

reduction in the percentage of oversight actions completed within target time frames. The target was 90 per cent and it went down to 80 per cent. The second paragraph under “Explanation of Significant Movements” indicates that the timeframes for a response to the Corruption and Crime Commission Act, the Public Interest Disclosure Act, the Equal Opportunity Act and, of course, the Public Sector Management Act were significantly reduced because of the reductions in staffing. Staffing has been increased significantly in 2018–19. Is the Premier confident that the responses made in additional staffing will improve the response rate of the Public Sector Commission in oversight and reporting?

**Mr M. McGOWAN:** I will let Mr Warner comment on that.

**Mr L. Warner:** The staffing changes in that period were as a result of realigning resources to accommodate the machinery-of-government changes and the other reform agenda of the government to ensure that we had that appropriately resourced and to give effect to that significant reform. Those resources are now being reassigned to where they would normally be attached, which is in that area, and we are comfortable that we will get back on track with those time frames.

**Dr M.D. NAHAN:** The issue was that during the machinery-of-government changes, people were reallocated to other functions and now they have come back. That is my interpretation.

**Mr L. Warner:** That is correct.

**Ms M.J. DAVIES:** I refer to page 70 and the reform program that is referred to in the first dot point under “Significant Issues Impacting the Agency”. My question is around whether the Public Sector Commission has been overseeing the move of the nine regional development commissions into the new Department of Primary Industries and Regional Development and whether there is an explanation of the reporting structures within that department, given that there are legislative requirements for the regional development commissions and staff to now report to the director general of the department, so there are some complex reporting structures.

**Mr M. McGOWAN:** I accept that. Essentially, we have the boards of the development commissions, to which the CEO answers, and, below that, the staff of the development commissions. Some have, from memory, nine or 10 staff and others up to 20 staff who are part of the broader department. I think that is good for the staff. It means they are part of a bigger, broader agency and they have capacity for promotion and movement—all those sorts of things that may not have been there before. I understand that is the way it works in other states—staff can move up and down the agency and be part of that agency. There is this issue about the CEO answering to the board. I will let Mr Warner comment in relation to the issue the member raises.

**Mr L. Warner:** That was done as part of the machinery-of-government reforms, so, yes the Public Sector Commission helped oversight those changes, in addition to other central agencies—the Department of the Premier and Cabinet, and Treasury—and, of course, the agencies that came together. As the Premier said, the situation currently is that the staff of the development commissions are employed within the broader department and the department is supporting the operations of the commissions through normal secondment arrangements.

**Ms M.J. DAVIES:** Perhaps the Premier can help me to understand this. If someone is a staff member in, for instance, the Mid West Development Commission or the Wheatbelt Development Commission, to whom do they report? Who has the responsibility in the reporting structure? Who are they listening to—the chief executive officer or the director general? How does it work?

**Mr M. McGOWAN:** The advice I have, and my view, is that they answer to the CEO of the commission, certainly in relation to their day-to-day activities, but all their other issues, whether it is payroll, personnel management, applying for other jobs or moving around the agency, are part of a bigger, stronger agency. To be honest, I think it is better for the staff. I saw some examples of development commissions—certainly not the South West Development Commission—in which there were a lot of internal problems. The member for Central Wheatbelt would probably be familiar with one in particular that had a lot of internal problems and a lot of problems with the CEO. The staff felt isolated and it was really quite a basket case. I think this might assist in preventing that from occurring in the future.

**Ms M.J. DAVIES:** Just so I am clear on the reporting structure, if it is direction from government, if it is strategy or if it is implementation of the blueprint and those sorts of things, the staff take direction from the CEO, but for human resources, payroll or back office functions, the structure is supported by the central department. For all intents and purposes, the Premier says that they are operating the same as they were before in terms of the CEO having responsibility for directing and reporting to the board and having a decentralised decision-making structure.

[4.00 pm]

**Mr M. McGOWAN:** My understanding of how it works is that the staff will answer to the chief executive officer, but they are part of a bigger organisation. I will ask Mr Warner to comment.

**Mr L. Warner:** As employees of the department, they are subject to the direction and control of the director general of that department to the extent that that control is given. My understanding is that on a day-to-day activity basis, they take instruction from the senior officer in their location, which is the CEO of the commission, which is not an unusual circumstance in government. In effect, the resources for day-to-day activities are assigned or seconded under the direction of the CEO, but for the purposes of broader career paths or opportunities, they are employees of the department.

**Ms M.J. DAVIES:** Have staff been elevated or shifted? Are there examples of staff being brought back into the department or seeking elevation in the structure? Has that change started to occur?

**Mr L. Warner:** I am not aware of any specific details. That question about what is happening in his agency might be better asked of the director general of the Department of Primary Industries and Regional Development.

**Dr M.D. NAHAN:** The government put together a number of agencies that had boards and separate legislation, Rottnest —

**Mr M. McGOWAN:** Is this the same dot point?

**Dr M.D. NAHAN:** I am trying to get an understanding of chain-of-command issues and responsibilities. The department includes Perth Zoo, the Rottnest Island Authority and, I believe, the Botanic Gardens and Parks Authority for Kings Park. All those have separate boards and separate funding arrangements and whatnot. The chief executive officers by legislation are responsible to the board. Then we have an overarching director general. How does that work? Do the staff of, let us say, the Rottnest Island Authority board take directions from the director general? What is the role of the Rottnest Island board in overseeing and setting budget responsibilities?

**Mr M. McGOWAN:** I will say something general and then I will hand to Mr Warner to have a crack at it. The Department of Biodiversity, Conservation and Attractions has synergies across each area. Obviously, the Zoo, Kings Park and Rottnest Island are essentially nature-based attractions and part of Western Australia's strength.

They fit within a broader biodiversity and conservation context. They also sit within a tourism context. We had to choose where to put them, but we thought putting them under biodiversity sort of worked and I think that is what has happened elsewhere. They fit within a larger agency now. They have their boards and their person running them, who is, as far as I am aware, answerable up the chain to the head of the department, Mr Mark Webb. He is a very professional public servant and once ran Kings Park. Those people interact with their boards, but they are also answerable as part of a larger organisation. We have to look at the evidence. Rottnest has been a stunning success. It has been extraordinarily successful recently. I think that the management, the people on the board, John Langoulant, Michelle Reynolds, and Mark Webb, have been doing a very good job.

**Mr L. Warner:** There has been no change to the statutory powers or functions of the boards under the department. The act established the boards and they remain in force and continue to exercise those powers and have responsibility for those functions. Mark Webb is the director general of the department and concurrently appointed as the CEO of the three separate entities—Rottnest Island Authority, the Zoo and Kings Park. He holds four CEO positions and exercises his powers as the CEO of those agencies, and has allocated resources to those organisations to function. That is how the operations have been established.

**Dr M.D. NAHAN:** There is essentially one CEO for those three agencies; Mr Webb is the CEO of Rottnest, the Zoo and Kings Park.

**Mr L. Warner:** That is correct. He has been appointed concurrently to all those CEO positions.

**Dr M.D. NAHAN:** Each agency had a CEO before the change. Have all three of those CEOs exited the scene because Mr Webb is now effectively the CEO of all three simultaneously?

**Mr L. Warner:** Mr Webb at the time was the CEO of Kings Park, so he remains in that role.

**Dr M.D. NAHAN:** I think he was acting somewhere else.

**Mr L. Warner:** He was acting as the director general of Department of Agriculture and Food at the time, but substantively held the position at Kings Park. Ms Susan Hunt, who was at the Zoo, is now acting CEO of Lotterywest and concurrently Healthway. There was a vacancy at the Rottnest Island Authority at the time of the machinery-of-government changes.

**Dr M.D. NAHAN:** Effectively, the government has combined all three CEO positions of those agencies into a single person, so we have lost two CEOs.

**Mr L. Warner:** That is correct. That enables one single person to have the control and authorisation to give effect to the intent of the reform to create the department in the first place, which was to drive synergies around that portfolio.

**Mr J.N. CAREY:** I refer to “Election Commitment: Senior Executive Service Reduction” under “Spending Changes” on page 70. I want to know whether we are on target and how much we have saved to date.

**Mr M. McGOWAN:** We announced the changes in April last year and we committed to delivering a reduction in the number of state executive service officers. When we came to government, there were 521 SES officers across the Western Australian public sector. Prior to the election, we committed to a 20 per cent reduction. We have achieved that in less than a year. As of May, there are 396 SES officers in the public sector. That is 521 down to 396, which is well below our target of 417. It is a net reduction of 125 officers, but a gross reduction of 152 officers. The reductions were achieved by retirements, resignations, non-reappointments and officers invoking their right to return. It was a difficult undertaking. Obviously, it is not pleasant, but it is one of those things we have to do in government if we are determined to get the state’s finances back under control. The saving from this initiative is around \$26 million a year.

**Dr M.D. NAHAN:** Last year, the government’s target for the voluntary targeted severance scheme was 3 000. I think the government has achieved 2 200 or something like that.

**Mr M. McGOWAN:** It is around that.

**Dr M.D. NAHAN:** Yes. Does the government plan to complete the 3 000 over the next year or has the government’s target been adjusted? If not, is the additional 800 still the government’s target and is it built into the expected savings in 2018–19 and beyond?

**Mr M. McGOWAN:** The budget is accurate. The number that we will achieve by 30 June is around 2 200. We expect to achieve the others over the coming year or couple of years. It is hard to say exactly. But we have obviously pushed this scheme and it has been a difficult exercise. It is not a pleasant exercise. I have had a lot of complaints about it. People are unhappy about it for various reasons. Obviously, in a perfect world we would not do it, but the situation we are in means that we have to do things that we do not particularly like doing.

**Dr M.D. NAHAN:** It is a selective one. When we were in government, we did 5 500, and we had to knock quite a few applications back. People applied for voluntary severance at a very high rate. In some departments the rate of rejection was more than 50 per cent. How many people did the government knock back in this round because it decided that it needed them, rather than wanted them to leave? Does the Premier have data on that?

[4.10 pm]

**Mr M. McGOWAN:** How many people were knocked back?

**Dr M.D. NAHAN:** Applied, but the director general refused.

**Mr M. McGOWAN:** I will ask Mr Warner to comment.

**Mr L. Warner:** We do not have that information at the moment. At the end of the day, people expressed an interest and the directors general had to make a decision as to what they thought would be reasonable in terms of business operations. It is not a given that someone putting in an expression of interest will be provided with an offer.

**Dr M.D. NAHAN:** The way it worked before was that a target would be set, people would apply, the director general would say yes or no, and then what the severance would be would be gone through. So, the department does not have the data about the difference between applications and acceptances?

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** We have some data, but as the scheme is still open, I am unable to give consolidated figures.

**Dr M.D. NAHAN:** Is there a remaining issue with people applying to leave but the department DGs do not want them to leave? Is that a significant issue?

**Mr M. McGOWAN:** I think there is a bit of that. I will let Mr Warner comment in a moment, but anecdotally I have had people say that they would like to take it up but the agencies cannot afford to lose them. Let us imagine an agency such as Education. We can have only very limited take-up there because we have to have a certain number of teachers and education assistants to meet the needs of classrooms. So, for every teacher who might want one—I suspect there would be lots—we cannot offer them because we need people in front of classrooms. Other agencies we can afford to let people go and deliver savings. That is why in Education we have had to look for savings initiatives elsewhere inside the portfolio, other than directly in front of classrooms. That has caused a lot of pain, as the Leader of the Opposition knows, but that is the reality of that portfolio. Health has already had a significant reduction in numbers. Health is doing its best, and these days it is achieving unheard of low levels of expenditure growth—unmentionable low levels of expenditure growth. It is doing its bit in many ways, and across the broader public sector we are delivering targeted redundancies. But often a redundancy is not available for everyone who wants one because that person and their position are required. Do you want to comment, Mr Warner?

**Mr L. Warner:** Yes. I understand that it is not uncommon for these sorts of schemes to be oversubscribed with people putting out expressions of interest, but as it is a targeted scheme, it is around making sure that agencies can continue to deliver services. Therefore, directors general have to be circumspect in the offers they make.

**Dr M.D. NAHAN:** Was the scheme open to frontline services such as police, nurses, doctors and the like?

**Mr M. McGOWAN:** It was across the public sector. People can apply, but it does not mean they will be accepted. A specific program within Police will replace people with new officers. Often, officers are very keen to leave, and they are replaced with new officers. I think the former government did something similar back in 2014 or thereabouts. That is the advice we got. But obviously over time the number of people who want to leave builds up, and this opportunity is there. It is an instrument by which the public sector can renew and make savings, but it comes with a degree of pain and some people are unhappy about it. Were our financial circumstances different, we may not do this.

**Mr Z.R.F. KIRKUP:** I refer to “Public Sector Leadership” on page 72 of budget paper No 2. I am keen to understand whether, in order to develop and support the public sector, any staff satisfaction surveys have been taken across government and whether the agencies that conducted them have provided the information to the Public Sector Commission; and, if so, what the results of those surveys have been.

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** The Public Sector Commission, as a regular kind of program, surveys a sample of public sector agencies and reports on this in its “State of the sectors” report. In 2018 we commenced a survey of nine of the machinery-of-government affected agencies. We are currently collating the data from that employee perception survey. The aim of the EPS is to provide employees with an opportunity to provide feedback on workforce management topics in the context of their organisation, particularly those going through changes. In 2018 some questions were specifically included to deal with change management, but a core group of questions were retained. It is undertaken as a monitoring exercise to enable the commission to give advice and support to agency heads and to have a baseline for any practice improvements that might arise. We see this as a positive way of giving feedback to agencies so that they can better support their employees, particularly those undergoing those sorts of changes. As a normal rule, the copies of the EPS will be provided to the agency heads to detail the feedback from their staff. As I have said, we are currently collating all that data and, hopefully, we will soon be in a position to provide that to those agencies.

**Mr Z.R.F. KIRKUP:** Could the Premier outline the nine agencies and whether the results of that staff employee perception survey will become public? Does the Premier intend to table that information?

**Mr M. McGOWAN:** I will let Mr Warner provide that advice.

**Mr L. Warner:** The agencies that participated in the survey are the Department of Biodiversity, Conservation and Attractions; the Department of Communities; the Department of Jobs, Tourism, Science and Innovation; the Department of Justice; the Department of Local Government, Sport and Cultural Industries; the Department of Mines, Industry Regulation and Safety; the Department of Planning, Lands and Heritage; the Department of Primary Industries and Regional Development; and the Department of Water and Environmental Regulation. We provide the individual reports direct to the agencies. We do not as a rule publish the individual reports, but we get the aggregate data and publish what it tells us as part of the “State of the sectors” report, which is then tabled in Parliament.

**Mr Z.R.F. KIRKUP:** Premier, do those employee perception surveys try to understand or gauge the interactions with executive government from an agency perspective?

**Mr M. McGOWAN:** I will let Mr Warner comment.

**Mr L. Warner:** The focus of the surveys is really around employee engagement with what is happening in their own organisations; it is not generally to do with an individual’s interaction with executive government. In fact, most employees would not have a significant interaction with executive government.

**Mr Z.R.F. KIRKUP:** At that point in time the PSC is not inquiring into interactions? No part of the perception survey relates to the interaction with ministerial officers.

**Mr M. McGOWAN:** Sorry; can you repeat your question?

**Mr Z.R.F. KIRKUP:** Does no part of that employee perception survey relate to the interaction with ministerial officers?

**Mr M. McGOWAN:** I do not know the answer to that question, so I will ask Mr Barrett.

**Mr A. Barrett:** No question specifically asks that question.

**Extract from *Hansard***

[ASSEMBLY ESTIMATES COMMITTEE A — Tuesday, 22 May 2018]

p50b-58a

Chair; Dr Mike Nahan; Mr Mark McGowan; Mr Zak Kirkup; Ms Mia Davies; Mr John Carey

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**The appropriation was recommended.**