



## State of the sector 2012

# Letter of transmittal

THE SPEAKER  
LEGISLATIVE ASSEMBLY

THE PRESIDENT  
LEGISLATIVE COUNCIL

I submit to parliament the *State of the sector 2012* report in accordance with section 22D of the *Public Sector Management Act 1994* and section 22 of the *Public Interest Disclosure Act 2003* (PID Act).

This report describes the state of public sector administration and management in 2012 and reports on the extent of compliance by public sector bodies with public sector standards and the Western Australian public sector *Code of Ethics*.

The report also reports on minimum standards of conduct and integrity for public interest disclosure officers pursuant to section 20 of the PID Act.

I intend to publish the report after it is laid before the House.



M C Wauchope  
PUBLIC SECTOR COMMISSIONER  
November 2012

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# Commissioner's overview



I am very pleased to present the *State of the sector report 2012*.

The report focuses on four central elements of public sector administration and management which are: governance and organisational performance; integrity and ethical conduct; workforce planning and leadership; and workforce management. These elements are considered vital to achieving and sustaining high standards of administrative performance, and providing efficient and effective services to the public.

The amount of work done across the sector in the last year to maintain and improve public sector administration and management has been significant, and demonstrates the continuing partnership between public sector agencies and the Public Sector Commission.

Raising awareness of conduct and integrity issues continued to be a priority in 2012 and considerable progress was made in the development of agency workforce plans. Agency discipline policies and processes are being revised to reflect the new legislative provisions, and the use of greater flexibilities in recruitment processes is continuing. Nonetheless there is still scope for further improvement in a number of areas which are identified in the report.

Key challenges facing the public sector in coming years include increased demand for services and infrastructure, and the need to improve performance and efficiency in service delivery in a tight fiscal environment. To meet these challenges, the public sector needs strong governance systems and processes, focusing on accountability and performance. It will need to ensure its available workforce has the skills and capabilities to plan and deliver services and programs. To maintain high performance it will also need to ensure that it sustains and improves professionalism and integrity. These issues are discussed in detail throughout the report.

The process of improving the sector is an evolutionary one requiring a long-term, concerted effort from all agencies to continue to strengthen their governance systems and improve their culture, practices, planning and overall performance. Central agencies and oversight bodies are working in partnership with line agencies to improve the efficiency, effectiveness and accountability of the public sector. The Commission is committed to ongoing reform to ensure that strategies are directed towards building capacity and capability across the sector and that the regulatory environment enables this. The continuing efforts of all agencies will sustain and build a public sector that is resilient and able to adapt to the challenges of the future.

This report outlines the 'state of play' in the WA public sector in 2012. The significant input and effort of those who participated in the survey program, and from Commission staff who have structured the report to ensure it provides a comprehensive picture, are appreciated.



M C Wauchope  
PUBLIC SECTOR COMMISSIONER

21 November 2012

# Introduction

## Role of the Commission

The role of the Commission is to bring leadership and expertise to the public sector to enhance integrity, effectiveness and efficiency. In addition to the performance reporting and oversight functions reflected in this report, the Commission provides advice and assistance to agencies and chief executive officers (CEOs) on a range of public administration and management matters. This includes the delivery of training and development programs to build the capacity of the sector and assist public sector bodies in meeting their requirements under the public sector's accountability framework.

## Purpose of the report

The report addresses the requirement for the Commissioner to report annually to parliament on the state of public sector administration and management, on the extent of compliance with the principles set out in sections 8 and 9 of the *Public Sector Management Act 1994* (PSM Act), and on the extent of compliance with standards and ethical codes established in support of those principles. It also covers the Commissioner's reporting obligations under section 22 of the *Public Interest Disclosure Act 2003* (PID Act).

The report aims to provide parliament, public sector CEOs, agencies and the broader community of WA with a comprehensive view of current public sector performance as it relates to integrity, administration and management. It highlights some of the challenges that will impact on the management of the WA public sector over the next five to ten years and where the sector needs to focus its future planning.

Public sector agencies are encouraged to use the information contained in the report to improve their understanding of the key dimensions of public sector administration and management and to guide continuous improvement efforts. The *State of the sector 2012 – Statistical bulletin* (SOTS Statistical bulletin) that accompanies this report offers more detailed comparative data that agencies can use to benchmark their performance against other similar agencies or the sector as a whole.



## Scope of report and data sources used

The report draws on a range of data and information sources, including the annual agency survey (AAS); PID officers' survey; the annual board and committee survey (ABCS); the employee perception survey (EPS); and human resource minimum obligatory information requirement (HRMOIR) data. Detailed information regarding the Commission's measurement frameworks, sample sizes, data sources, assessment rubrics and the type and range of agencies included in the data presented in this report is at 'Appendix A – Public sector monitoring and evaluation framework'.

Accountability in the WA public sector is underpinned by a range of obligations that support key principles enshrined in legislation. The monitoring and oversight of these obligations is undertaken by a number of central agencies. Key trends and issues observed by those agencies that are relevant to public administration and management are referenced in the report to provide a more comprehensive overview.

## Report structure

The report contains six sections:

- Section 1 'Commissioner's overview' includes a summary of the key issues the Commission has noted from its monitoring and evaluation program this year. It also highlights the challenges facing the public sector and service delivery in the next five to ten years.
- Section 2 'Profile and structure of the Western Australian public sector' provides information about the State's public sector workforce as at June 2012 and reports on the profile and structure of entities that comprise the sector.
- Section 3 'Governance and organisational performance' examines agency governance systems and processes for strategic and operational planning; organisational performance; financial and risk management; communications, information and records management.
- Section 4 'Integrity and ethical conduct' provides an overview of agency efforts to build and sustain integrity systems, including reporting processes. It also provides information on how agencies comply with the PID Act.
- Section 5 'Workforce planning and leadership' discusses the progress made in workforce and diversity planning, and highlights challenges for agency leadership.
- Section 6 'Workforce management' focuses on workforce management related activities such as recruitment, performance management and dealing with claims of breaches of the public sector standards.

## Changes to reporting

As foreshadowed in the 2011 report, this report reflects further incremental changes in the Commissioner's broader reporting and evaluation approach following changes to the PSM Act that took effect in 2010. This year's report gives greater emphasis to the theme of 'enhancing professionalism and integrity'. The central importance of professionalism and integrity to public sector performance is reflected in commentary across many topics. Agency case studies are included to highlight good practice and showcase the diversity of public sector services.

For the last four years agencies have been required to evaluate the maturity of their administrative systems using a scale (0 to 5). This year descriptions for the maturity ratings were more specifically defined to provide clearer guidance on expectations for each maturity level across the range of topics covered. This is likely to have resulted in more considered self-assessment by agencies. In some areas it may also have resulted in agencies rating themselves at a lower maturity level than the previous year.

Another change for 2012 is the treatment of public sector entities listed under Schedule 1 of the PSM Act. These fall largely outside the Commissioner's jurisdiction, however some of these entities have specific accountability requirements within their own legislation which mirror obligations under the PSM Act or which require oversight by the Commissioner. For this reason some Schedule 1 PSM Act entities were again included in the AAS<sup>1</sup>. There has however, been a change from last year in how results for these entities are reported. This year, AAS results for Schedule 1 PSM Act entities have not been included in the overall results for the public sector. Where reported these results are shown separately. This means that the overall results from previous years are not directly comparable with the overall results for this year as Schedule 1 PSM Act agencies were previously included in this data set.

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<sup>1</sup> A full list of Schedule 1 PSM Act entities surveyed is at 'Appendix D – List of agencies required to report under the PSM Act, PID Act and EO Act'.

# Overview of key findings

At the conclusion of each section in the report there is a summary of key findings which has been compiled below. This overview of findings acknowledges good practice, outlines areas in which progress has been made and identifies issues which require further attention or action by agencies.

## **Governance and organisational performance**

### **Organisational capability and effectiveness of governance systems and processes**

- The majority of agencies have well established processes for strategic and operational planning, and the reporting of performance indicators.
- Agencies have shown consistent improvement in their ability to monitor and audit financial performance.
- The proportion of agencies managing and documenting their risk management processes increased. Agencies are encouraged to continue to develop and implement plans to identify and manage risks especially those agencies that do not have documented risk processes in place.
- There has been significant improvement in the level of monitoring, analysis and evaluation of agency websites being undertaken.
- The proportion of agencies that have taken actions to comply with, and raise awareness of the *State Records Act 2000* requirements is high and continues to improve.
- Of the public sector boards surveyed in the ABCS, the majority reported that they have effective, open and professional decision making processes.
- Agencies that support boards are encouraged to assist those boards to build their governance capability.
- An increased focus on reducing the level of red tape and streamlining operational processes remains an area for improvement.

## Integrity and ethical conduct

### Value based culture, compliance with codes, discipline and misconduct, public interest disclosure

- There is a high level of agency compliance with the requirement to have a code of conduct that reflects the public sector *Code of Ethics*.
- Agencies have been proactive in addressing areas they perceive to be high risk integrity issues in their codes of conduct.
- The cumulative number of employees trained in the 'Accountable and ethical decision making' (AEDM) program has increased over the last three years with the majority of agency corporate executive members also trained in the program.
- A high proportion of agencies have implemented changes to their discipline policy and processes to reflect the revised PSM Act disciplinary provisions and are making use of the broader range of options available.
- Agencies are encouraged to implement improvements to disciplinary recording and reporting systems so that they can monitor and report on all aspects of disciplinary investigations.
- Agencies should ensure that all avenues for reporting allegations of wrongdoing are included in agency policies and procedures.
- Public authorities should utilise the range of products developed by the Commission to raise awareness of the public interest disclosure process and the protections available under the legislation to increase the confidence level of employees in using this process.

## Workforce planning and leadership

### Workforce planning maturity levels and risks, diversity, leadership

- Workforce plans now cover 99% of the public sector workforce, representing a headcount of 155 300 employees.
- The majority of agencies have developed and implemented a range of workforce planning initiatives to attract a skilled workforce, including promoting flexible working arrangements and streamlining recruitment processes.
- It is expected that many of the sector's leaders will retire in the next five to ten years, with the SES having a median age of 53.4 years. To improve leadership succession planning, agencies should identify critical leadership positions and invest in talent management strategies.
- Agency workforce plans need to include strategies to attract and retain managers, given this occupational group is the most likely to impact on an agency's ability to deliver services in the future.
- Agencies should focus on succession planning and knowledge transfer to retain corporate knowledge and build workforce capability.
- The retention of Indigenous Australians and people from culturally diverse backgrounds is an ongoing issue being addressed through workforce planning initiatives and the *Aboriginal Employment Strategy 2011–15*. To meet WA's target of 3.2% representation of Aboriginal employees in the sector's workforce, agencies need to ensure that the number of Aboriginal people recruited exceeds the number of separations.

## Workforce management

### Employment framework, performance management, grievance, breach of standards

- A high proportion of agencies have utilised the flexibilities introduced through the Commissioner's instruction on filling a vacancy.
- Considerable progress has been made by agencies in updating their agency HR policies and procedures to reflect changes resulting from the introduction of the *Employment Standard* but there are some agencies that still need to focus on this.
- The majority of agencies have performance management processes in place but the extent to which these processes are being used needs to improve. Agencies need to ensure that employee participation in performance management processes is monitored and effectively managed.
- Most agencies have fully established processes to deal with grievances, and employee awareness of these processes is high.
- The number of grievances lodged with agencies has decreased by a third, with most grievance cases resolved in a reasonable time frame.
- The number of breach of standard claims referred to the Commission decreased slightly this year, however there was an increase in the number of breach findings.
- There was an increase in the number of employees claiming that they had been subjected to workplace bullying and harassment. Agencies are encouraged to build awareness about what constitutes bullying and harassment in the workplace and take a preventative approach to dealing with these issues.

# Future challenges

There are a number of challenges facing the sector now and into the future that have influenced the treatment of issues in this report and of which the sector needs to be cognisant.

## **Strategic and operational planning must take account of a broad range of factors**

WA's economy and population have been expanding at historically high levels with strong growth in employment. These factors have fuelled increased demand for government services and infrastructure in both urban and regional WA creating significant policy and planning challenges.

While the sector is confronting challenging and complex demand issues it also faces significant constraints on its resource base. The capacity to meet social and economic infrastructure needs will continue to be impacted significantly by changes to the economic and financial outlook for WA. Agencies are being encouraged to adopt a more rigorous approach to reviewing and improving their business processes, services and programs in order to achieve the savings needed to meet the efficiency dividend and budget outlook.

The focus on improving the overall performance of the sector and the cost effectiveness of the services and programs it delivers will continue into the foreseeable future. Agencies will need to look more closely at their business processes, programs and services and identify opportunities to simplify practices and use alternative delivery models. The situation also requires agencies to focus on workforce skills and productivity.

Effective workforce management and planning of the future workforce can help position the sector to be ready for these challenges. The pool of potential recruits to the sector is diminishing as the population ages. The WA public sector workforce now has 23% of its workforce aged over 55 years, while the percentage of workers under the age of thirty remains low at 15%. Workforce planning and attraction and retention will continue to be critical issues and new participation and engagement challenges must be addressed.

Community perceptions are important to the sector's reputation and there is increasing public scrutiny on public sector conduct and performance. The Commission believes it is vital to maintain and build community trust and confidence in the sector through maintaining high ethical standards and ensuring integrity in decision making consistent with core public sector values.

Keeping pace with community expectations for convenient access, quality and customised services, while operating in a tight fiscal environment is increasingly difficult. The geographical spread of WA adds to the complexity of service delivery, with 25% of the WA public sector located in regional or remote areas. Technology offers new ways to deliver services but this requires financial investment, new skills and expertise.

The Commissioner has a strategic role in improving the overall efficiency and effectiveness of the sector and planning its future management. Over recent years there has been a strong focus on building ethical workplace cultures, workforce planning and increasing the capability of the workforce. Considerable attention has also been given to improving governance systems and processes across the sector. Recently there has been an increased emphasis on using innovation and collaboration to achieve better efficiency and service outcomes.





## Professionalism and integrity remains high but must be continually enhanced

Integrity and professionalism are inherent values within the public sector context and can be applied at all levels – the overall workforce, at an agency level and at an individual employee level. The *Code of Ethics* and agency codes of conduct guide individual and organisational behaviour and the way in which public sector employees carry out their work. The commitment of every employee to public sector values and principles links directly to the overall performance of the sector.

The operations of government touch every aspect of business and community life. Public sector services range from providing direct services to administering regulations, managing licensing regimes and approval processes for the State. It is vital that these roles are undertaken transparently in the public interest and not in a manner that compromises public confidence. To achieve this, all public sector workplaces must be underpinned by a strong culture of professionalism and integrity.

As stewards of public resources, public sector employees are expected to understand and apply ethical principles in all their actions and decision making and to demonstrate a high level of professionalism. Beyond that, professionalism at an employee level also includes generic values relevant to any public institution, including transparency, diligence, responsiveness, impartiality and effectiveness.

Professionalism also embraces the idea that public sector employees have the necessary skills, knowledge and values to effectively carry out their duties. Therefore, as well as having a high level of integrity, a professional public sector employee needs to have the requisite level of competency and to be given the opportunity to continue to develop their level of capability.

Employee professionalism and integrity contributes significantly to agency performance by:

- increasing public confidence and trust in the agency and reducing reputation and operational risk
- promoting and building a workplace culture where professionalism is recognised and valued, which also leads to improved employee retention
- encouraging and contributing to the building of core skills of the workforce
- enhancing the quality of decision making
- supporting succession planning.

At an organisational level, professionalism can be characterised by sound organisational performance, a commitment to excellence and the demonstration of high levels of integrity and accountability. These values are exemplified by a work culture that encourages learning, strong customer service, excellence and continuous improvement in service delivery, and where a high standard of performance at an individual level is encouraged and recognised.

The culture of integrity and professionalism in the public sector must not just be strong in practice but must also be perceived to be strong if it is to maintain the confidence of the business sector and all sectors of the community.

This year has seen an increase in public scrutiny of the private use of public resources and the effective management of conflicts of interest. Code of conduct guidelines have been updated by the Commission to provide clear guidance to agencies on the key integrity risk areas that should be addressed in agency codes. Both the Corruption and Crime Commission (CCC) and the Office of the Auditor General (OAG) have finalised significant reviews relating to the acceptance of gifts, hospitality and other benefits by public sector employees. Notwithstanding these activities, the outcome of the employee perception survey provides a strong indicator that public sector agencies are actively encouraging ethical behaviour by employees and that a high proportion of public sector leaders demonstrate honesty and integrity.

The continued commitment of public sector agencies to training staff in AEDM is considered an important contributing factor to this outcome.

## **Workforce planning must focus on future service needs and workplace dynamics**

An ageing workforce and expanding service delivery requirements increase the need for careful and integrated planning of the workforce and its capability.

Developing integrated strategic workforce plans at an agency level has been a priority for the WA public sector since 2009. Significant progress has been made by the sector in this area (discussed in detail in the 'Workforce planning and leadership' section).

Succession planning and talent management programs have been commenced. A sector wide talent management system targeted at the senior executive level has been recently developed and will be fully operational by 2014. Attraction and retention strategies have been a major focus for the sector in recent years. This has resulted in more customised recruitment processes, shorter recruitment time frames and better induction programs. Flexible working practices and health and wellbeing programs are being increasingly used to ensure an engaged workforce.

With the ageing of the workforce and level of recruitment needed in the next few years, tapping into underutilised labour markets and doing more to retain older workers will become increasingly important. Programs that encourage the sharing and transfer of corporate knowledge and allow older workers to transition to retirement need to be part of an agency's workforce plan. The increase in the number of older workers and the range of generations employed also creates workplace challenges for managers. Generational differences can affect recruiting, team building, and attitudes to change. Motivating, managing, and increasing productivity potentially across three generations constitutes a new challenge in the workplace.

With 23% of the workforce already aged 55 years or above, continued investment in workforce planning and capability building is needed in order to have dynamic and contemporary workplaces that attract and retain high quality employees. During times of budgetary pressures there is sometimes a tendency to scale back workforce-related initiatives, however retaining and building on these strategies and programs is crucial to recruiting and retaining employees with the right technical skills and cultural fit, and providing them with the opportunity to perform at their best.

## Concepts of governance must expand from compliance management to performance excellence

The importance of improving performance across the sector, particularly in the current fiscal environment, has been widely acknowledged. Efficiency and effectiveness are essentially about aligning various elements of organisational performance, including strategy, risk and performance feedback mechanisms, as well as critical skills, capabilities and behaviours. These elements of corporate governance, together with effective leadership, ensure the successful long-term operation of an organisation and are the foundations for improving organisational performance.

Agencies are responsible for determining their own governance systems, structures and approaches to delivering agency outcomes. The Commission supports agency efforts in governance through its website that contains governance principles and supporting resources developed specifically for the WA public sector, and by providing direct assistance to public sector entities where required.

In the past, corporate governance in the public sector has tended to focus on meeting statutory and other mandatory compliance requirements. More recently there has been a shift in the way that governance is being approached, with a greater emphasis on systems that control and improve organisational performance. It is important to have the right attitudes and behaviours in the workplace to support effective governance systems and processes. Additionally, as partnerships with other jurisdictions and other sectors become more common, governance processes will need to take account of these types of arrangements.

The Commission is developing a governance framework to provide guidance on the range of issues that WA public sector entities will need to consider as part of their governance systems and processes. The Commission will also use a range of forums to facilitate improved sharing of governance knowledge and experience across the sector and by developing a communication hub where public sector entities can exchange governance information on-line.

Public sector bodies in WA take a variety of forms. Governance arrangements need to be tailored according to the type of public sector body, its primary functions and the context in which it operates. The distinction and interaction between differing roles, responsibilities and accountabilities at the varying levels of government can be complex but need to be understood so that governance arrangements are appropriate and support sound decision making. However, there is a balance between having sufficient processes in place to prevent maladministration and having such a myriad of complex processes, procedures and rules that they become an obstruction to organisational efficiency.

Across the sector there is a greater awareness of the need to not just deal with the outcomes of governance failures but to promote a greater understanding of the underlying causes and how they can be addressed and prevented. Many of the matters coming to the attention of the Commission have been the result of inadequate governance arrangements or practices. The findings in reports by other oversight bodies such as the OAG, the CCC and the Ombudsman are also being used to identify areas of potential systemic weaknesses in governance practices and to develop sector wide approaches to address these weaknesses.

## **System and business process improvement is becoming more important**

Regular assessment of organisational performance allows an agency to identify areas where the efficiency of systems and processes can be improved. This may require a range of data sources beyond information reported annually in key performance indicators (KPIs). The 'Governance and organisational performance' section focuses on the importance of aligning and integrating performance information, strategic and operational plans and system and business process improvements.

Organisational culture also plays a major role in the successful implementation of system and business improvements. Organisational improvement efforts have been shown to be most successful when governance processes are integrated and aligned, and the agency has developed a strong organisational culture that supports innovation, continuous improvement and employee capability building.

## **Innovation through improved collaboration and use of technology is essential**

Ensuring service efficiency and responsiveness is a key principle under section 7 of the PSM Act. As well as continuing to improve services at an agency level, it also means providing greater choices in service delivery. Continual improvement requires creative thinking and different approaches. The Economic Audit Committee<sup>2</sup> identified the need for the public sector to do more to foster innovation and work across organisational boundaries using collaborative approaches to develop policy and deliver services.

Many agencies have started exploring and encouraging innovation, collaboration and greater use of technology to improve their services.

Collaboration in a public sector context refers to working with other agencies, jurisdictions or sectors to explore issues, develop solutions or generate new ideas. Collaborative practice is now becoming central to the way we work, deliver services and produce innovations.

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<sup>2</sup> Economic Audit Committee 2009, *Putting the public first – Partnering with the community and business to deliver outcomes: final report*

The *Delivering community services in partnership policy* is an example of an initiative which has been jointly developed by the public and not-for-profit community sectors<sup>3</sup>. It has an emphasis on building genuine partnerships between government and the not-for-profit community sector, articulating a range of funding and contracting options available, and reducing the associated administrative burden imposed on the not-for-profit sector under previous arrangements.

Innovation is the application of new ideas to improve the efficiency of processes or deliver better services. According to the Global Innovation Index 2011<sup>4</sup>, Australia's ranking in the use of innovation to improve productivity has slipped from 18th place down to 21st place in the world. Innovation in a public sector context means providing products and services more efficiently and effectively, facilitating community adoption of new approaches and fostering innovation in the community.

There are a number of agencies, such as the Department of Agriculture and Food, Landgate and Challenger Institute of Technology, with well established innovation programs that have led to initiatives which significantly improved their organisational performance. Some initial work on how to foster and stimulate innovation across the WA public sector has already commenced and will be progressed further in 2013. The next step is to identify some common principles and consistent approaches that agencies looking for further guidance and direction can use.

## Conclusion

These key issues highlight the administrative areas of performance where there will be a shift in focus and an increased emphasis in future reports. The theme for the 2013 report will be 'innovation and collaboration' and will include information on how these initiatives have been utilised across the sector to achieve better efficiency and service outcomes.

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3 Department of the Premier and Cabinet 2011, *Delivering community services in partnership policy, a policy to achieve better outcomes for Western Australians through the funding and contracting of community services*

4 INSEAD 2011, *The global innovation index 2011, accelerating growth and development*

# Profile and structure of the Western Australian public sector

The WA public sector is a diverse and dynamic environment. The shape and profile of the workforce and the structures which comprise its 'machinery' are constantly changing and need to be considered in the context of this report.

This section of the report provides information about Western Australia's public sector workforce and structure as at 30 June 2012. The profile relies on 2011/12 workforce data provided to the Commission by public sector entities under the HRMOIR. Information about the number and nature of entities that make up the sector is maintained by the Commission.

Where relevant, workforce comparisons are made with Western Australian workforce and population data obtained from the Australian Bureau of Statistics (ABS). The report includes workforce statistics relating to salary, gender, age, occupation, employment arrangements, region and tenure. This information is critical to understanding the workforce planning challenges facing the sector.

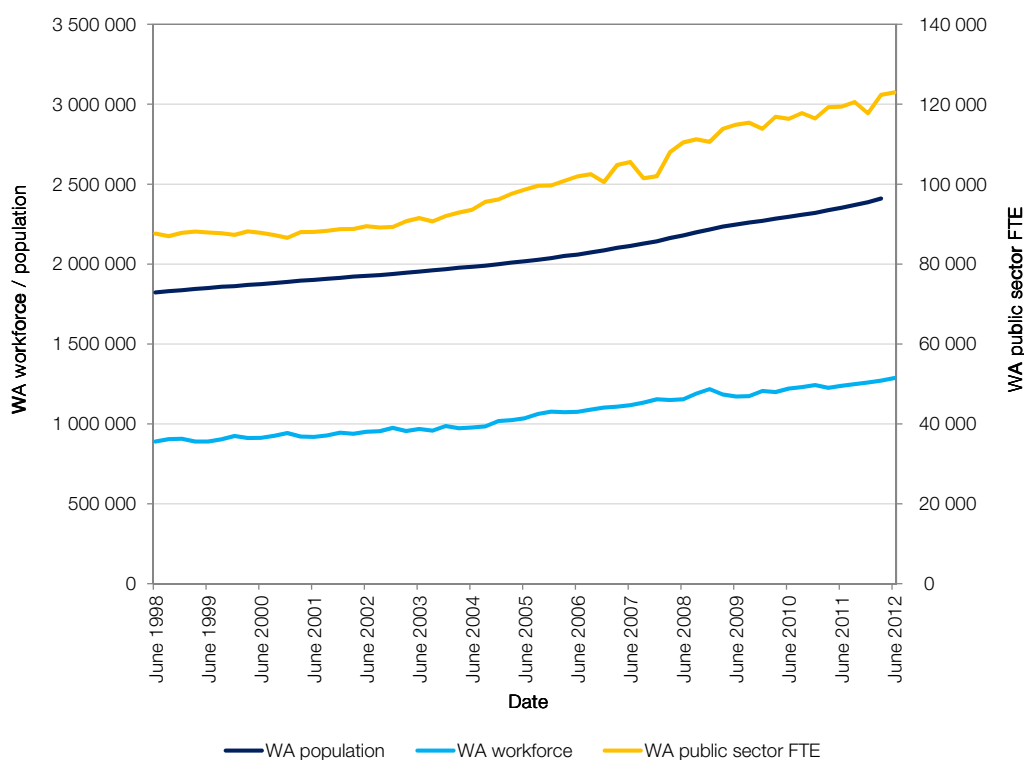
For detailed workforce information, see the *SOTS Statistical bulletin*, or for data definitions, see the *HRMOIR data definitions* on the Commission's website. A number of terms used in this section are also discussed in further detail in 'Appendix I – Glossary'.

# Profile of the public sector workforce

## Full-time equivalents (FTE) and headcount

At the end of June 2012<sup>5</sup>, 156 892 employees representing 122 939 FTE were employed by the 125 public sector entities that report workforce data to the Commission<sup>6</sup>.

Between June 1998 and June 2012, the number of FTE in the WA public sector increased by 40.3% compared with a 44.6% increase in the total WA workforce<sup>7</sup> and a 32.3% increase in the WA population<sup>8</sup> (Figure 2.1).



**Figure 2.1 Full-time equivalents in the WA public sector, WA workforce, and WA population, June 1998 to June 2012 (Source HRMOIR)**

5 Data is calculated as at the last pay period in June 2012.

6 A number of Schedule 1 PSM Act entities provided only aggregated headcount and FTE figures. These figures have been included in the total WA public sector headcount and FTE, but cannot be further categorised.

7 ABS 2012, 6291.0.55.001 – *Labour force, Australia, detailed – electronic delivery, July 2012.*

8 ABS 2012, 3101.0 - *Australian demographic statistics, March 2012.*

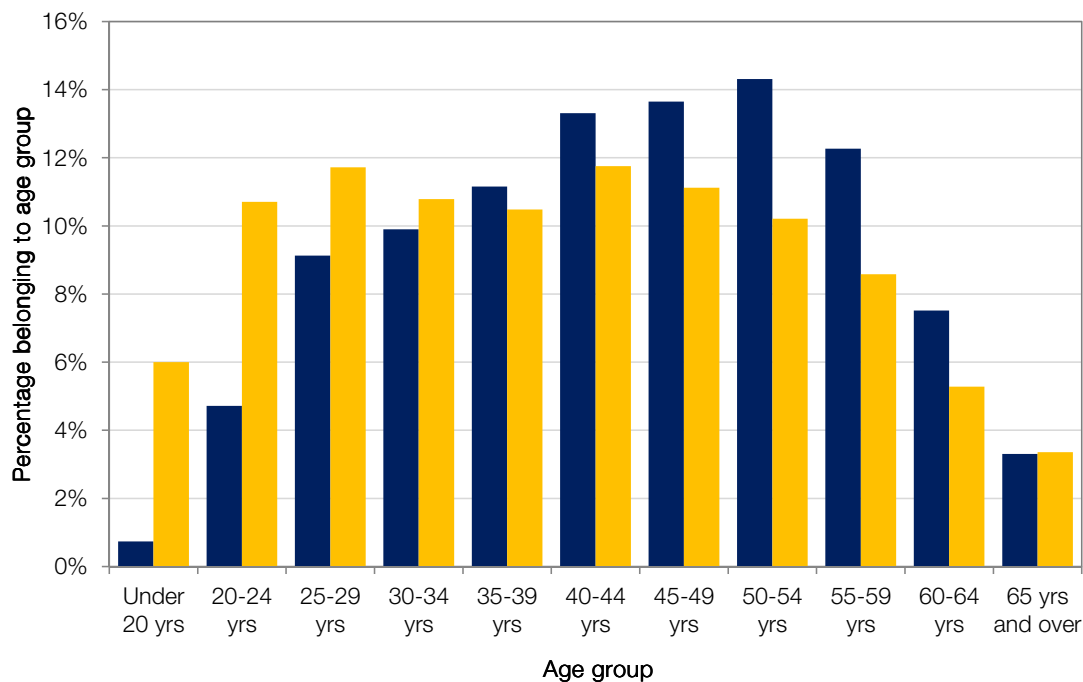


In accordance with the Premier's economic statement in February 2009 and Cabinet's decision in July 2009, general government entities are required to comply with an FTE ceiling. The public sector FTE ceiling for 2011/12 was 108 363. The 'average paid FTE' for entities required to comply with the FTE ceiling for June 2012 was 107 199 (i.e. 1164, or 1.1% below the 2011/12 FTE ceiling).

## Age profile

One of the issues facing the public sector is an ageing workforce, primarily attributable to the ageing of the 'baby-boomers' generation born between 1946 and 1964. There is a greater proportion of this age group in the public sector than is found in the private sector, evidenced by the differences in the median age for the two sectors. In June 2012, WA public sector employees had a median age of 45.4 years compared with the WA workforce median age of 40.1 years.

Figure 2.2 shows the age profile of the public sector and illustrates a concentration of WA public sector employees in the 35 to 59 years of age range (64.7%). Nearly a quarter (23.1%) of the WA public sector workforce is over 55 years of age, reflecting a significant number of employees who may leave the public sector in the next decade.



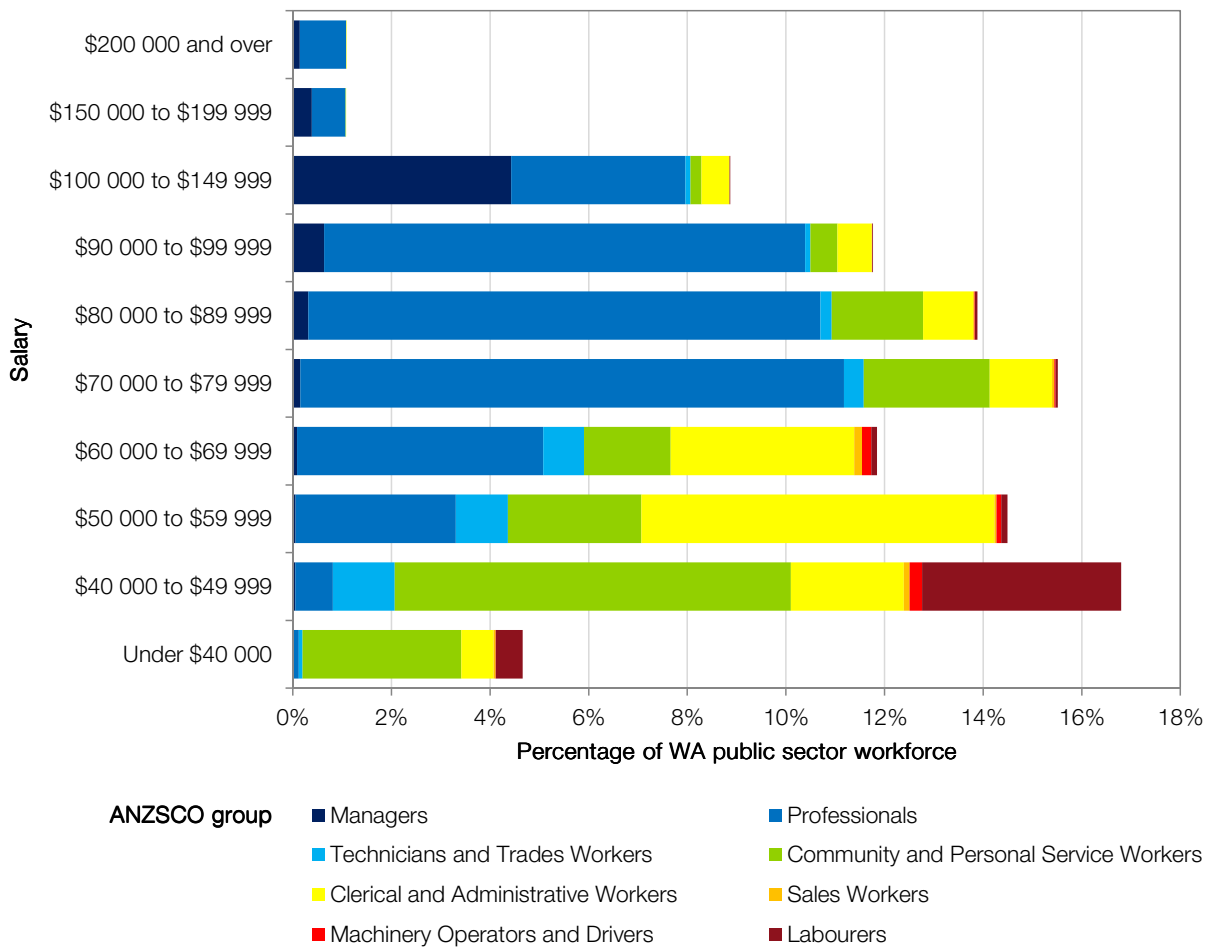
**Figure 2.2 Age profile comparison of WA public sector employees with WA workforce (Source HRMOIR and ABS)**

The workforce planning activities being undertaken within the public sector to address these issues are covered in the 'Workforce planning and leadership' section. The Commission continues to monitor the profile of the sector and advises on data collection and workforce planning matters.

## Salary profile

At the end of June 2012, the median salary of WA public sector employees was \$70 036. 'Salary' here is defined as an employee's equivalent annual base salary. For example, a part-time employee of 0.5 FTE with an equivalent annual base salary of \$100 000 will be reported as having a salary of \$100 000. Figure 2.3 presents salary rates for the most common occupational categories in the public sector.

The salary and occupational profile for individual public sector entities can be found in the *SOTS Statistical bulletin*.



**Figure 2.3 WA public sector salary profile and ANZSCO occupation categories by headcount (Source HRMOIR)**

## Occupations

Understanding changing occupational profiles in the workforce, in the public sector and in agencies is an important element of workforce planning and can assist to identify areas where job redesign may be necessary or opportune. Consulting services, information resources and information sharing forums managed by the Commission assist agencies to undertake this planning.

Since 2007, the WA public sector has collected occupation data based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO)<sup>9</sup>. ANZSCO is a skill-based classification of occupations, developed as the national standard for organising occupation-related information for purposes such as policy development and review, human resource management, and labour market and social research. The classification includes all jobs in the Australian workforce.

When compared with the WA workforce as a whole, the WA public sector workforce has a higher proportion of 'Professionals', 'Community and Personal Service Workers', and 'Clerical and Administrative Workers'<sup>10</sup>. The profiles of the two workforces by ANZSCO defined 'major occupational groups' are set out in Table 2.1.

**Table 2.1 Distribution of WA public sector employees compared with the WA workforce by headcount in ANZSCO major groups, June 2012 (Source HRMOIR)**

ANZSCO major groups	WA public sector	WA workforce
Managers	6.3%	12.2%
Professionals	45.4%	20.2%
Technicians and Trades Workers	4.1%	17.3%
Community and Personal Service Workers	20.9%	9.3%
Clerical and Administrative Workers	17.4%	13.5%
Sales Workers	0.4%	8.4%
Machinery Operators and Drivers	0.6%	9.0%
Labourers	5.0%	10.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>9</sup> Australian Bureau of Statistics 2009, 1220.0 – ANZSCO – Australian and New Zealand Standard Classification of Occupations, first edition, revision 1

<sup>10</sup> ABS 2012, 6291.0.55.003 - Labour force, Australia, detailed, quarterly, May 2012.

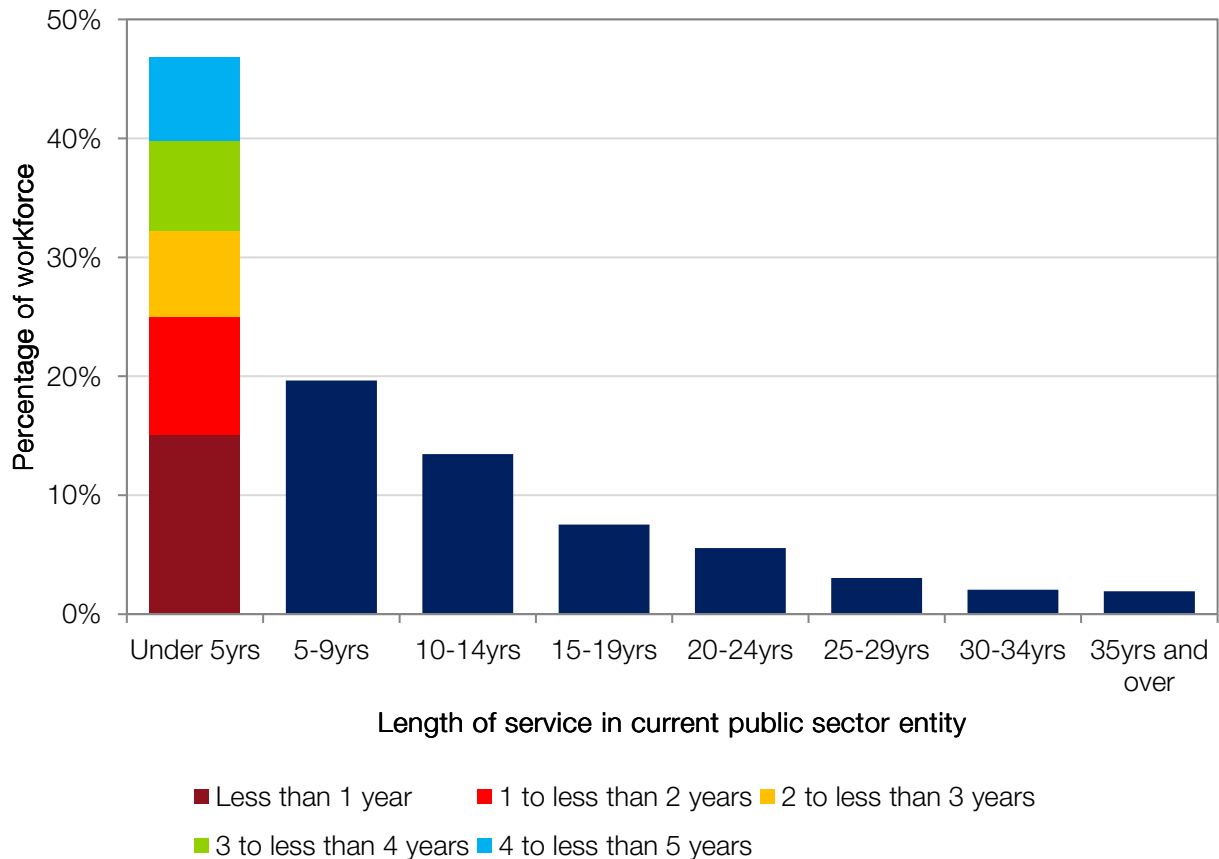
Based on information provided by public sector entities, the 20 ANZSCO defined 'occupational groups' that have the highest levels of representation within the public sector are set out in Table 2.2.

**Table 2.2 ANZSCO occupational groups with highest levels of representation in the WA public sector, June 2012 (Source HRMOIR)**

Occupations (ANZSCO groups)	Headcount	FTE	Median age (years)	% below age 25	% age 25–44	% age 45 and over
Registered Nurses	13 311	10 384	42.7	6.1%	49.7%	44.3%
Primary School Teachers	12 381	8 718	44.5	4.6%	46.6%	48.8%
Education Aides	12 285	7 090	45.2	5.7%	43.5%	50.7%
Secondary School Teachers	8 434	6 408	45.5	3.7%	45.2%	51.1%
Police	5 762	5 550	39.6	8.2%	61.6%	30.1%
General Clerks	5 347	4 336	45.5	12.9%	35.9%	51.2%
Commercial Cleaners	4 486	2 363	50.2	3.9%	30.9%	65.3%
Other Clerical and Office Support Workers	3 905	2 334	46.4	8.0%	37.2%	54.9%
Vocational Education Teachers (Australia) / Polytechnic Teachers (NZ)	3 501	2 543	50.9	0.7%	31.0%	68.4%
Nursing Support and Personal Care Workers	3 302	2 594	50.6	6.7%	27.9%	65.4%
Early Childhood (Pre-primary School) Teachers	2 919	1 961	41.6	6.0%	54.0%	40.0%
Generalist Medical Practitioners	2 815	2 432	32.5	4.4%	82.9%	12.7%
Contract, Program and Project Administrators	2 775	2 539	44.5	3.4%	47.9%	48.7%
School Principals	2 394	2 102	52.8	0.5%	27.8%	71.6%
Welfare Support Workers	2 349	1 947	47.6	4.3%	38.8%	56.8%
Prison Officers	2 194	2 073	48.7	0.5%	36.2%	63.3%
Office Managers	2 106	1 785	50.7	1.5%	29.9%	68.7%
Inquiry Clerks	1 738	1 435	42.5	14.7%	39.8%	45.5%
Other Information and Organisation Professionals	1 709	1 475	45.3	3.9%	45.3%	50.8%
Medical Technicians	1 666	1 346	41.9	9.5%	46.1%	44.4%

## Length of service

Figure 2.4 sets out the length of service of public sector employees in their current entity as at the end of June 2012, while the *SOTS Statistical bulletin* provides information about length of service for each public sector entity.



**Figure 2.4 Percentage of workforce by length of service (years in current entity) for WA public sector employees, June 2012 (Source HRMOIR)**

- 53.2% of the WA public sector workforce have worked in their current entity for at least five years, up from 52.8% in June 2011.
- 33.5% have worked in their current entity for ten or more years, down from 34.0% in June 2011.
- 15.1% of employees have been employed by their current entity for less than a year (14.6% in June 2011), and 25.0% for less than two years (24.0% in June 2011).

## Separations and commencements

In the WA public sector, each agency is an employing authority in its own right. The current state of workforce data does not allow the Commission to report accurately on movements around the sector. When an employee leaves an entity, either to work in another entity or to leave the public sector, both are reported as separations from the entity.

In 2011/12, 26 928 permanent and fixed-term employees separated from their entities <sup>11</sup>, an increase of 27.6% on the previous year (21 098). Resignations decreased by 0.5% from 8112 in 2010/11 to 8072 in 2011/12. Retirements increased by 0.5% from 1297 in 2010/11 to 1304 in 2011/12. Other employee movements may be due to movements between entities or cessation of contracts. Meanwhile, there were 21 000 permanent and fixed-term commencements, an increase of 11.1% on the previous year (18 906). Many of the separations and engagements may reflect a level of healthy mobility between public sector entities.

The separation rate for permanent and fixed-term employees has increased from 15.7% in 2008/09, 17.5% in 2009/10 and 14.4% in 2010/11 to 17.8% in 2011/12. However, for the reasons noted above, this figure is not truly reflective of the separation rate across the WA public sector so should be used with caution. To ensure better accuracy of separation data, the Commission is working on implementing a whole-of-sector employee identifier to provide capacity to monitor and analyse mobility, and rates of internal recruitment within the sector. This is intended to provide better supporting evidence to improve policy and decision making around public sector employment issues.

As shown in Table 2.3, women have a higher separation rate compared with men, but this can be attributed to a higher proportion of women being in fixed-term positions. As shown in Figure 2.5, younger employees are also more likely to leave to progress their careers in other agencies or other sectors. The high separation rate for those 65 years and above is expected as employees reach retirement age.

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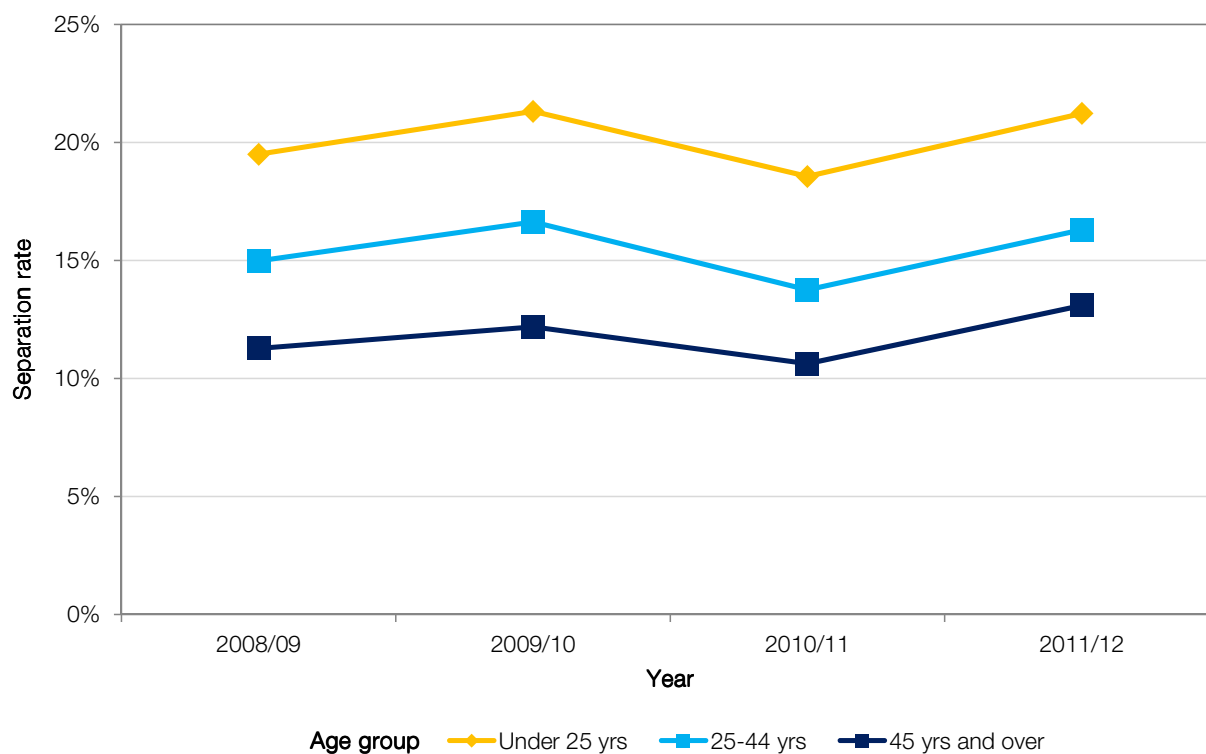
<sup>11</sup> Separation information includes only permanent and fixed-term employees. Employee movements are at an entity level i.e. if an employee resigns from one entity to join another entity, this is still recorded as a separation. Separation rate is calculated using the following formula:

$$\frac{\text{No. of separations in the financial year}}{\text{(No. of employees at the beginning of the financial year + Commencements throughout the financial year)}}$$

**Table 2.3 Separation rate by gender and age groups (Source HRMOIR)**

	2008/09	2009/10	2010/11	2011/12
WA public sector	15.7%	17.5%	14.4%	17.8%
Women	17.2%	18.9%	15.7%	19.9%
Men	12.6%	14.4%	11.7%	13.1%
Under 25 years	19.5%	21.3%	18.6%	21.2%
25–44 years	15.0%	16.6%	13.8%	16.3%
45 years and over	11.3%	12.2%	10.6%	13.1%

A description of workforce planning strategies in place and being promoted to increase diversity in the public sector workforce is provided in the ‘Workforce planning and leadership’ section.



**Figure 2.5 Separation rate by age group (Source HRMOIR)**

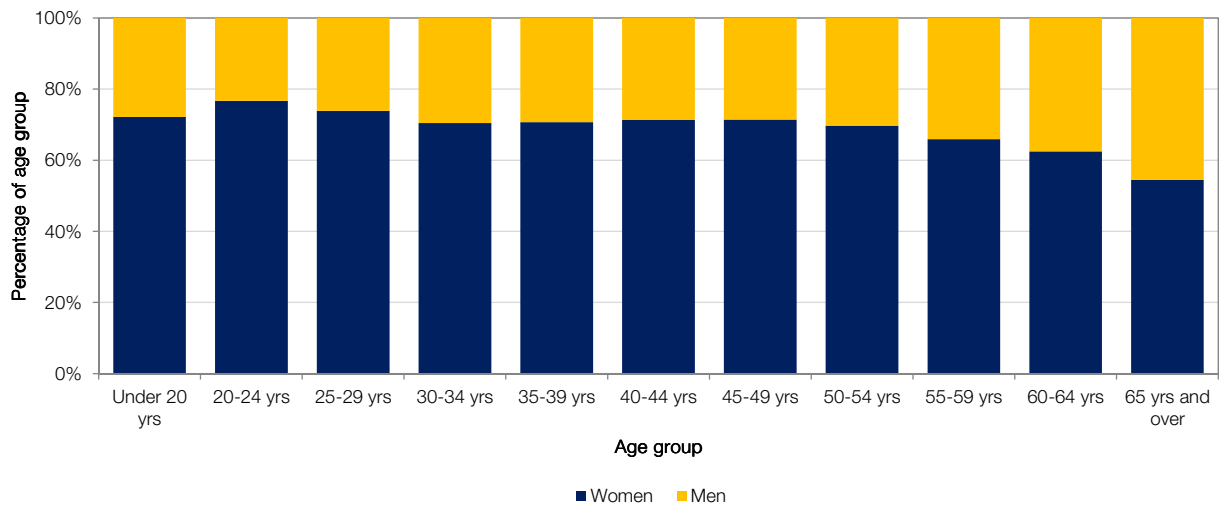
## Gender profile

The public sector comprises women (69.6%) and men (30.4%). Women comprise a significantly higher proportion of the public sector workforce compared with 43.8% in the total Western Australian workforce<sup>12</sup>.

The ‘feminisation’ of the WA public sector workforce over time has been influenced by changes in occupational demographics, in particular, the privatisation of many ‘blue collar’ roles in the public sector and increased participation of women in human services roles. In the last 25 years, the percentage of women in the WA public sector has changed from 47.0% in 1987/88 to 69.6% in 2011/12.

Figure 2.6 shows the change in the gender profile of the public sector across employee age cohorts.

- Women had a slightly younger age profile compared with men (women’s median age: 44.7; men’s median age: 47.0).
- There was a higher proportion of women to men within the public sector in every age cohort.



**Figure 2.6 Age and gender profile of the WA public sector workforce, June 2012**  
(Source HRMOIR)

<sup>12</sup> ABS 2012, 6291.0.55.003 - *Labour force, Australia, detailed, quarterly, May 2012*.

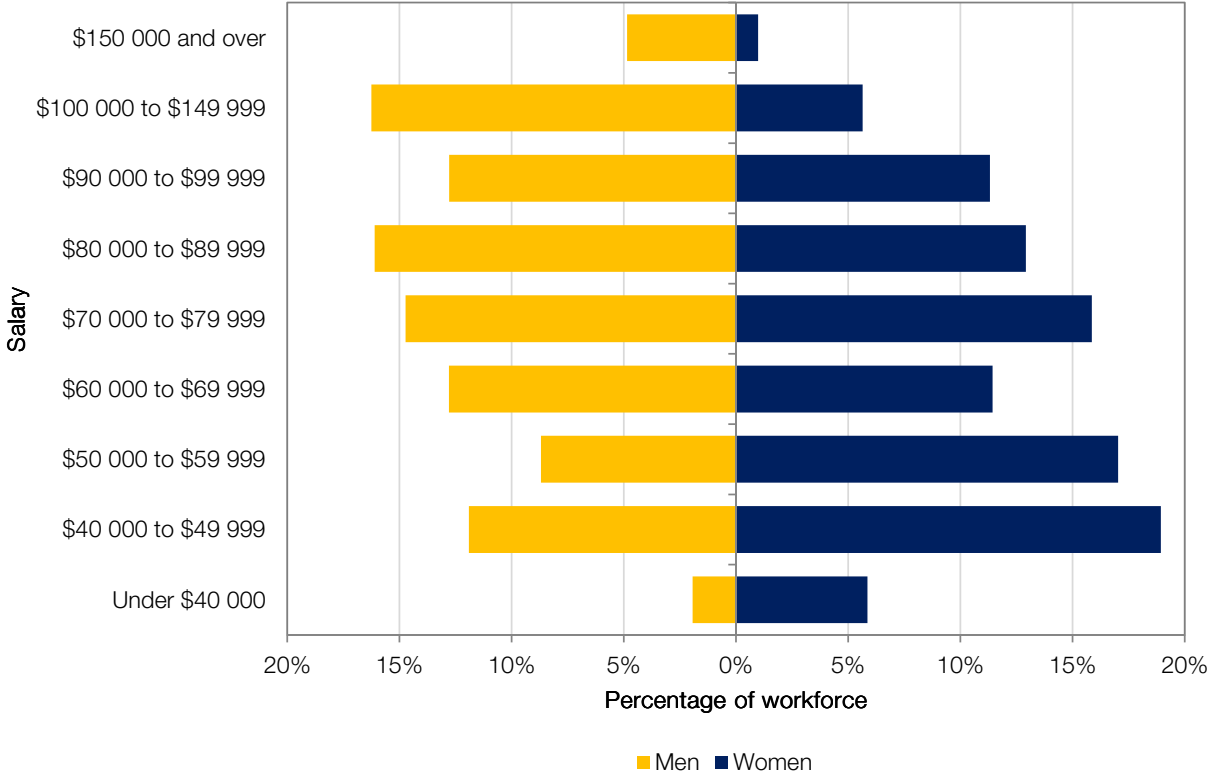


As Table 2.4 shows, a smaller proportion of women than men hold permanent positions (69.7% and 76.7% respectively), while a larger proportion of women than men are on fixed-term contracts, or are casual employees.

**Table 2.4 Employment type by gender, June 2012 (Source HRMOIR)**

	Permanent	Fixed-term	Casual	Others
Women	69.7%	18.6%	10.6%	1.1%
Men	76.7%	14.7%	6.1%	2.5%

Women had a lower salary profile than their male colleagues. Figure 2.7 shows the salary range with the highest representation of men was \$100 000 to \$149 999, while that for women was \$40 000 to \$49 999. The median salaries of females and males were \$67 016 and \$79 621 respectively.



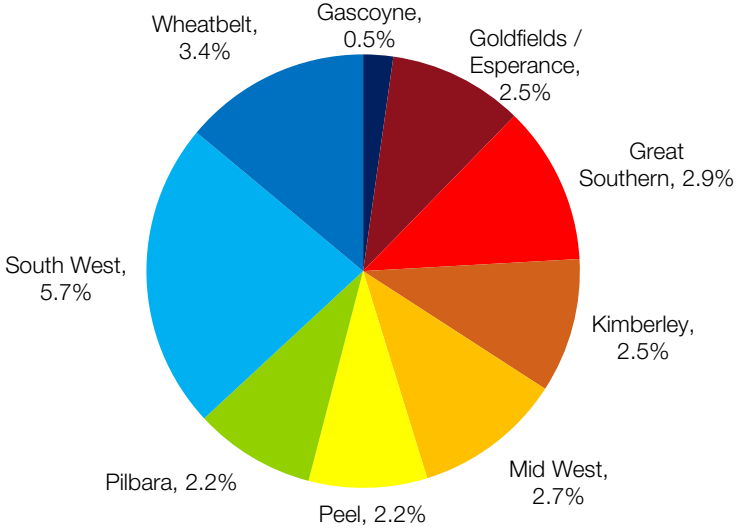
**Figure 2.7 WA public sector employees' salary range by gender, June 2012 (Source HRMOIR)**

Another way to assess changes in comparative salaries for men and women is to consider the equity index developed by the Director of Equal Opportunity in Public Employment. An index of 100 for women indicates that the representation of women at each classification level is proportional to that of men. The equity index for women over the last five years has changed from 61 in 2007/08 to 64 in 2011/12.

## Geographic distribution of the workforce

Nine WA regions have been defined under the *Regional Development Commissions Act 1993*. The WA public sector employs staff across all nine of the non-metropolitan regions, as well as having staff located interstate and offshore.

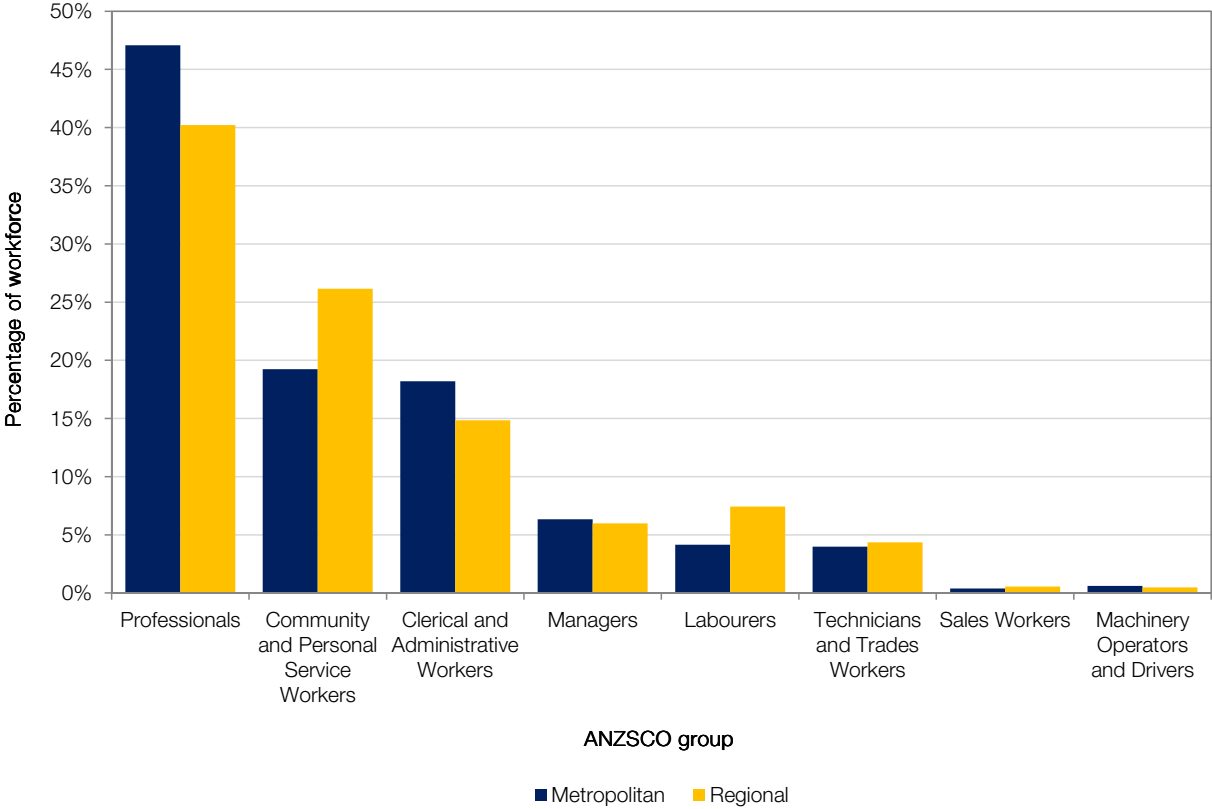
The Perth metropolitan area comprises 75.1% of the public sector's workforce, with 24.7% of public sector employees employed across the other regions, as depicted in Figure 2.8. Just 0.2% of public sector employees are located outside Western Australia.



**Figure 2.8** Distribution of WA public sector employees (FTE) by non-metropolitan region (Source HRMOIR)

### Regional occupations

The employment profile of the non-metropolitan regions is generally similar to the public sector as a whole, as shown in Figure 2.9.



**Figure 2.9 ANZSCO major groups in the regional and metropolitan areas, June 2012 (Source HRMOIR)**

## Public sector agencies by region

Factors influencing allocation of the public sector workforce to a region include the region's population, relevant social and economic drivers, available resources and existing and future infrastructure. Table 2.5 outlines the number of WA public sector employees as a proportion of regional populations<sup>13</sup>.

**Table 2.5 Profile of WA public sector employees by region, June 2012 (Source HRMOIR)<sup>14</sup>**

Region	Estimated population	Public sector headcount	Public sector FTE	Public sector FTE per 100 persons	Public sector median salary (\$)	Public sector median age (years)
Gascoyne	9 621	814	600	6.2	58 465	44.4
Goldfields-Esperance	59 489	3 687	2 829	4.8	66 961	43.1
Great Southern	56 884	4 322	3 134	5.5	68 153	48.5
Kimberley	37 673	3 672	3 045	8.1	67 933	41.9
Mid West	55 609	4 055	3 018	5.4	65 527	45.1
Peel	112 677	3 236	2 422	2.1	67 016	46.2
Pilbara	62 736	3 310	2 676	4.3	69 907	40.1
South West	158 615	8 396	6 051	3.8	67 343	47.6
Wheatbelt	72 856	5 106	3 446	4.7	58 216	47.5
Metropolitan	1 726 055	111 243	87 235	5.1	71 794	45.3
Outside WA	N/A	335	155	N/A	47 322	47.3
Unidentified work locations	N/A	8716	8 327	N/A	N/A	N/A
<b>Western Australia</b>	<b>2 352 215</b>	<b>156 892</b>	<b>122 939</b>	<b>4.9</b>	<b>70 036</b>	<b>45.4</b>

- There were 4.9 public sector FTEs per 100 persons, unchanged from 2011.
- The Peel region had the smallest proportion of WA public sector employees of all the regions, with 2.1 public sector FTEs per 100 persons. It is likely that the majority of services to the Peel region are provided by metropolitan based employees who commute to the region when necessary.
- The Kimberley region had the largest proportion of WA public sector employees of all the regions, with 8.1 public sector FTEs for every 100 persons.

<sup>13</sup> ABS 2012, 3218.0 – Population estimates by statistical local area, 2001 to 2011.

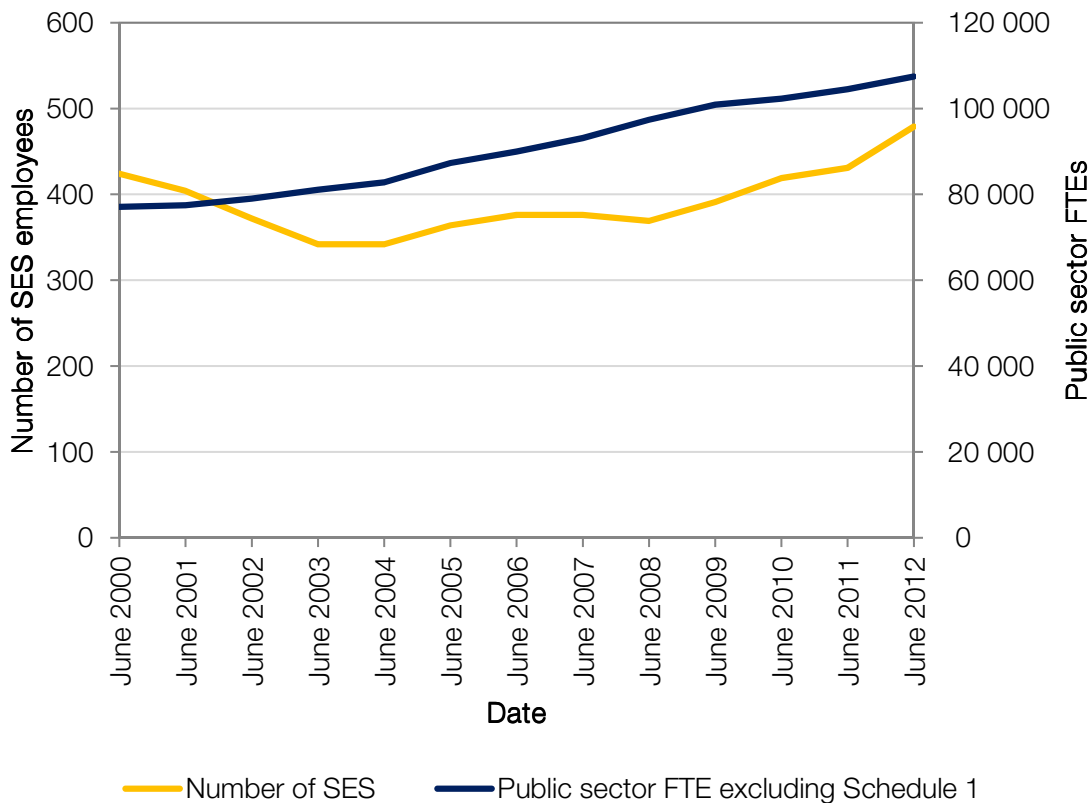
<sup>14</sup> A number of Schedule 1 PSM Act entities provided only aggregated headcount and FTE figures. These figures have been included in this table as 'unidentified work locations' and cannot be categorised further.

- The median age of public sector employees across the nine regions ranged from 40.1 years (Pilbara) to 48.5 years (Great Southern).
- The median equivalent annual salary of regional WA public sector employees (\$66 240) was lower than the Perth metropolitan salary median (\$71 794) and the WA public sector as a whole (\$70 036).

## Profile of the Senior Executive Service (SES)

The SES is constituted under section 43 of the PSM Act. It comprises executive officers who are capable of providing high level policy advice and undertake managerial responsibilities (including promoting efficiencies) within agencies and across the sector.

Figure 2.10 shows that the number of SES has increased proportionately to the WA public sector over the last four years.



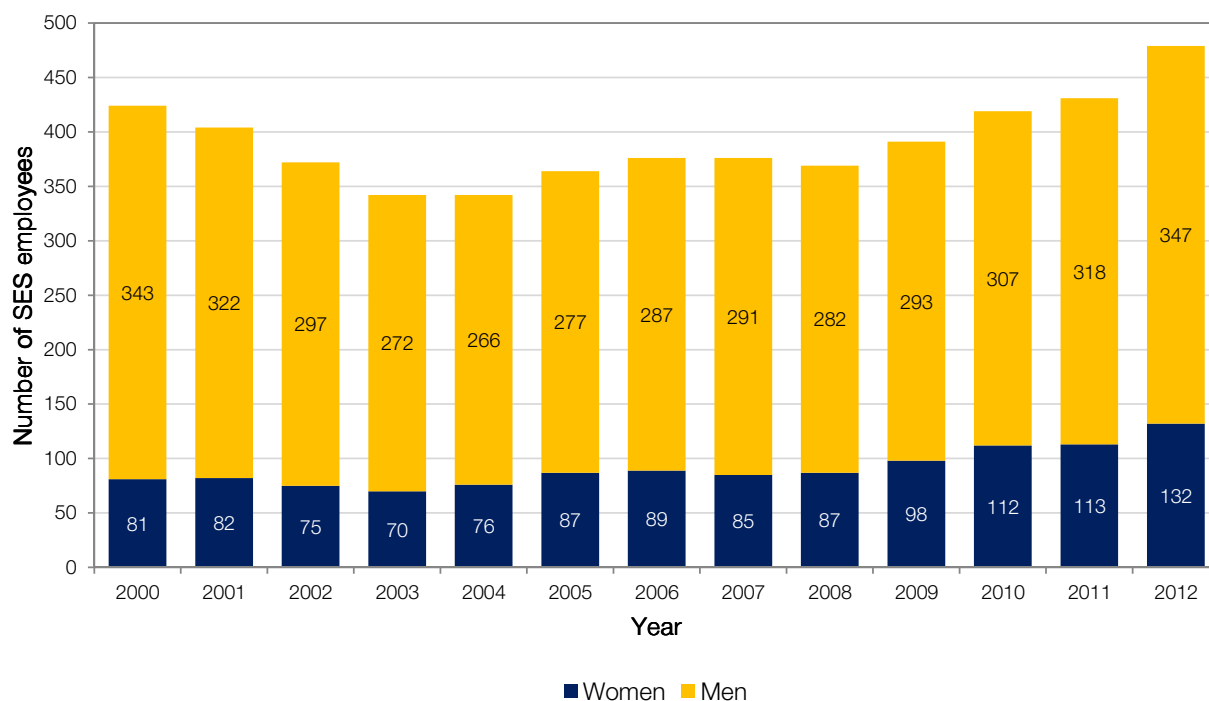
**Figure 2.10 Number of SES compared with WA public sector FTE, (excluding Schedule 1 PSM Act) June 2000 to June 2012 (Source HRMOIR)**

The SES includes executives in the WA public service employed in departments or SES organisations. A large number of executives are also employed in the broader WA public sector. More information on these entities is provided in the ‘Structure of the public sector’ section.

## Women in the SES

Since 2000, the representation of women within the SES has increased from 19.1% to 27.6%, as shown in Figure 2.11. Similarly, women comprise 26.8% of Tier 1 positions (CEOs, Directors General [DGs]) in the public sector<sup>15</sup>.

At the Tier 2 level, women in the public sector represent 30.9% of leadership positions compared with 34.2% in local government and 39.1% in public universities<sup>16</sup>.



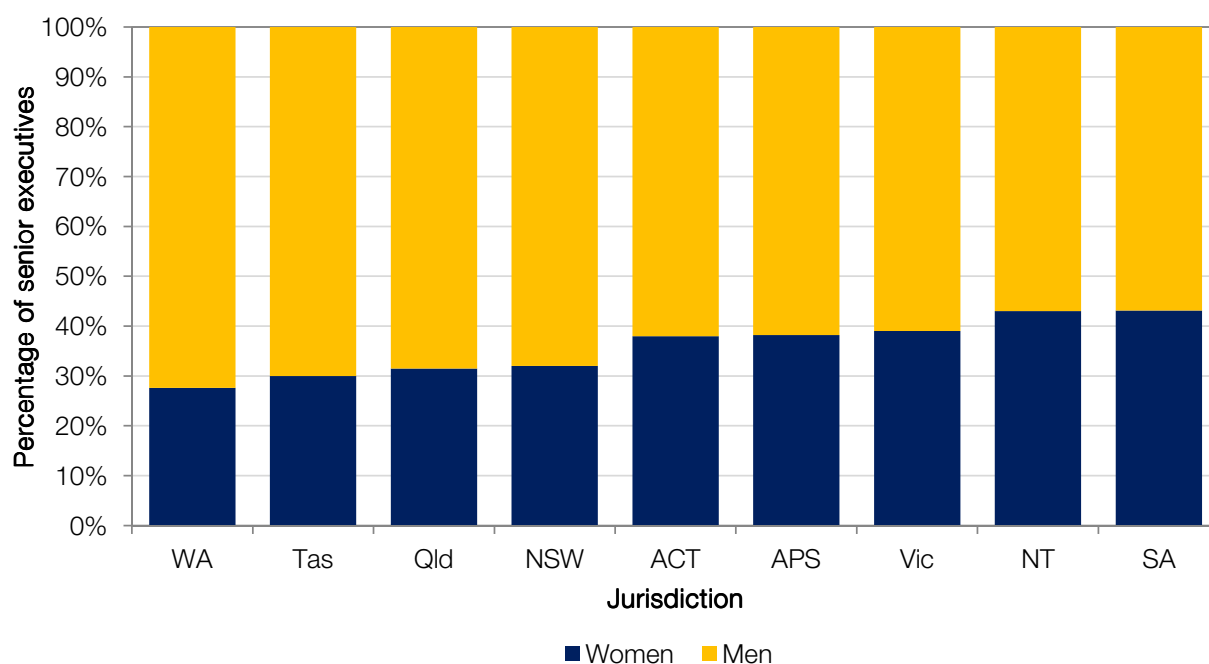
**Figure 2.11 Western Australian public sector SES employees by gender, June 2000 to June 2012 (Source HRMOIR)**

While the steady increase since 2007 is encouraging, the ability to attract, recruit and retain talented women in the SES is an area that requires further work. The Commission is currently examining systemic issues and this work will influence sector-wide strategies and approaches to agency level consulting in 2013.

<sup>15</sup> See 'management tiers' in 'Appendix I – Glossary' for an explanation of Tier 1, 2 and 3 positions.

<sup>16</sup> Director of Equal Opportunity in Public Employment 2012, *Annual report 2012*.

Figure 2.12 provides a comparison of women in senior executive positions across Australian jurisdictions.

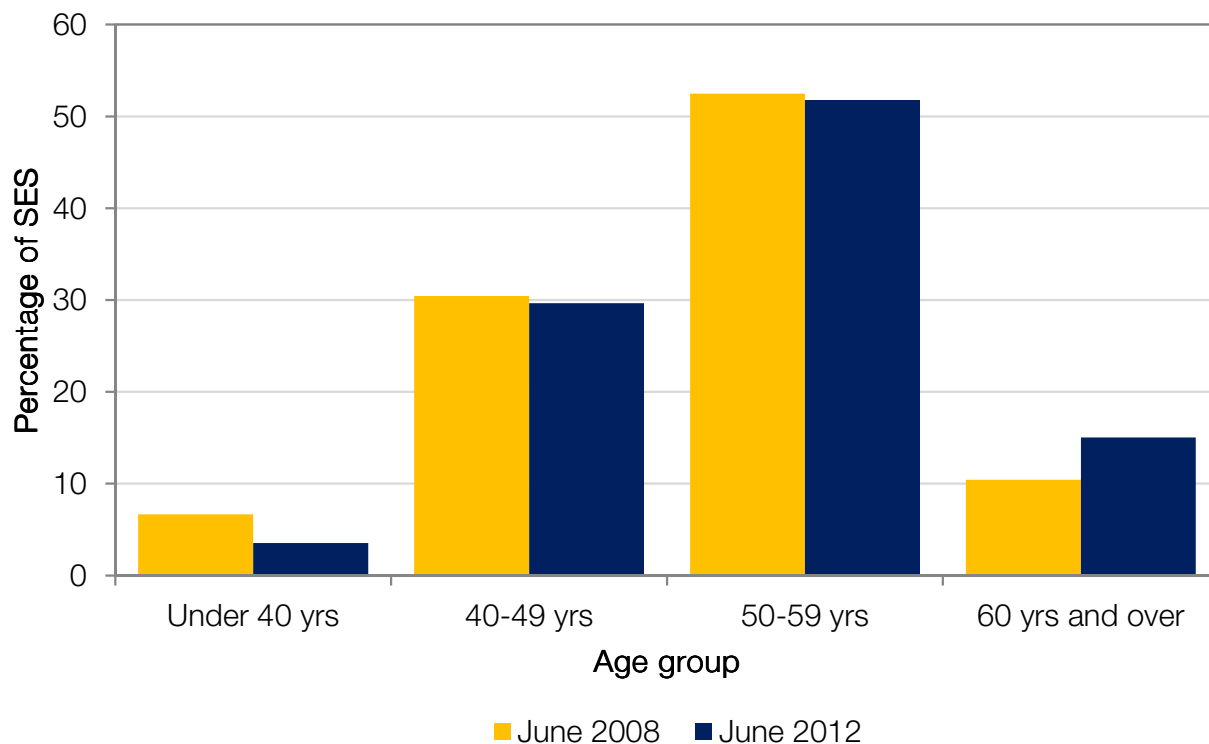


**Figure 2.12 Proportion of women in senior executive positions across Australian jurisdictions, 2010/11 (Multiple sources<sup>17</sup>)**

17 WA HRMOIR; Office of the State Service Commissioner Tasmania 2011, *Annual report 2010–11*; Queensland Public Service Commission 2011, *Annual report 2010–11*; New South Wales Public Service Commission 2011, *The NSW public sector workforce: a 2011 snapshot and snapshot tables*; Australian Capital Territory Chief Minister and Cabinet Directorate 2011, *ACT public service workforce profile 2010–11*; Australian Public Service Commission 2011, *State of the service report: state of the service series 2010–11*; State Services Authority Victoria 2011, *The state of the public sector in Victoria 2010–11*; Office of the Commissioner for Public Employment Northern Territory 2011, *State of the service report 2010–11*; Office of Public Employment and Review South Australia 2011, *South Australian public sector workforce information June 2011 – table 2*.

### Age profile of the SES

At the end of June 2012, the median age of SES employees was 53.4 years (51.5 for women and 54.4 for men), which is higher than the median age of the total public sector (45.4 years). Therefore, it is likely that half of the SES will be eligible to retire within the next decade. Figure 2.13 highlights the ageing profile of the SES over the last four years.



**Figure 2.13 SES employees by age group in the WA public sector, June 2008 and June 2012 (Source HRMOIR)**

### Profile of other diversity groups in the SES

The percentage of SES officers from culturally diverse backgrounds has decreased over the last five years, from 7.8% in 2008 to 6.3% in 2012. Similarly the proportion of SES officers with a disability has decreased from 4.4% in 2008 to 2.5% in 2012. Indigenous Australians in the SES have also decreased from 1.0% in 2008 to 0.4% in 2012. Due to the size of the SES (479 employees), the statistics are affected by relatively small changes in numbers.



# Structure of the public sector

The current public sector structure is outlined in Table 2.6. Some independent statutory office holders, such as the Auditor General and the Commissioner, have a statutory obligation to report directly to parliament. As these office holders are generally supported by an administrative organisation, they are counted in the figures below.

**Table 2.6 Public sector structure and number of entities as at 30 June 2011 and 30 June 2012**

Description	Examples	30 June 2011	30 June 2012
<b>Departments</b> Primarily responsible for providing policy advice and administrative support to ministers. Departments are established, divided, abolished and renamed under section 35 of the PSM Act.	<ul style="list-style-type: none"> <li>Department of the Attorney General</li> <li>Department of the Premier and Cabinet</li> <li>Department of Commerce</li> </ul>	37	37
<b>SES organisations</b> Established under a written law to perform statutory functions, and generally responsible through a board to a minister. SES organisations are specified in Schedule 2 of the PSM Act.	<ul style="list-style-type: none"> <li>Rottneest Island Authority</li> <li>Botanic Gardens and Parks Authority</li> <li>Tourism WA</li> </ul>	41	40
<b>Non-SES organisations</b> Established under a written law to perform specific statutory functions, generally responsible through a board to a minister.	<ul style="list-style-type: none"> <li>Forest Products Commission</li> <li>Swan River Trust</li> <li>Western Australia Sports Centre Trust</li> <li>Legal Aid Commission</li> </ul>	30	29
<b>Statutory boards and committees</b> Established under law to perform statutory functions such as guidance and direction for an organisation; regulation, registration and appeal; coordination of policies and projects; and advisory functions.	<ul style="list-style-type: none"> <li>Road Safety Council</li> <li>Building Services Board</li> <li>Swan River Trust</li> </ul>	33 <sup>(a)</sup>	156
<p>(a) The 33 boards and committees included in 2011 numbers were those that had notified the Commission that they were covered by the PID Act. For more information about the number of boards and committees, see the 'Governance and organisational performance' section.</p>			

**Table 2.7 Other government entities as at 30 June 2012**

Description	Examples
<p><b>Schedule 1 entities</b></p> <p>The remaining bodies and organisations constituted by law to undertake specific public functions. They operate at arm's length to the Government and often in a commercial/semi-commercial environment. Entities included in Schedule 1 to the PSM Act are not part of the 'Public Sector' as defined in that Act.</p>	<ul style="list-style-type: none"> <li>• Public universities</li> <li>• Water Corporation</li> <li>• Port authorities</li> <li>• LandCorp</li> <li>• Police Force</li> <li>• Courts and tribunals</li> </ul>
<p><b>Local government authorities</b></p> <p>There are 140 elected councils, shires or local councils. Services provided by local government include road management, waste collection, recreation, medical and other human services.</p>	<ul style="list-style-type: none"> <li>• City of Perth</li> <li>• Town of Cambridge</li> <li>• Shire of Brookton</li> </ul>



## Machinery of government changes

'Machinery of government (MOG) changes' refer to changes made to public sector structures or administrative arrangements arising from decisions of executive government. MOG changes include the creation, amalgamation, abolition or division of departments or organisations or the movement of functions between departments or organisations.

To achieve and maintain operational responsiveness and flexibility, the Commission provides advice to Government on MOG changes. MOG changes usually occur immediately following an election or when ministerial responsibilities change.

In 2011/12, the following MOG changes occurred:

- The Subiaco, East Perth, Armadale and Midland redevelopment authorities were consolidated into a single Metropolitan Redevelopment Authority.
- The Department of Treasury and Finance was renamed the Department of Treasury. At the same time, the State Revenue, Government Procurement, Building Management and Works, and Shared Services functions of the Department of Treasury and Finance were transferred to the newly created Department of Finance.
- The Office of Energy was abolished and its role and functions transferred to the newly established Public Utilities Office within the Department of Finance.
- In August 2011 legislation effected the abolition of the Builders' Registration Board, the Painters' Registration Board and the Building Disputes Tribunal. A Building Commissioner, assisted by a Building Services Board, now registers building service providers. This new scheme is administered by the Building Commission, which is a division of the Department of Commerce.

# Governance and organisational performance

Governance encompasses the systems and structures by which an organisation is directed and operated, and the mechanisms by which it and its people are held accountable. Effective governance assists sound decision making, improves organisational performance and provides accountability control. A strong focus on building and sustaining effective governance systems and early identification of governance weaknesses will help agencies address problems before they develop into more serious issues affecting organisational performance.

The framework for governance and organisational performance in the public sector is established by various acts, standards and instructions. The principles of public sector administration and management in section 7 of the PSM Act and the functions of CEOs and chief employees in section 29 are at the core of this framework. These provisions also reference other legislation and obligations associated with the management of finances, assets, procurement, records and information management.

This section focuses on the following governance systems and processes and also considers governance of public sector boards and committees:

- strategic and operational planning
- organisational performance
- financial and risk management
- communications, information and records management.

Good governance structures also need to be supported by a strong focus on people and culture which is dealt with in the 'Workforce management' section of this report.

# Strategic and operational planning

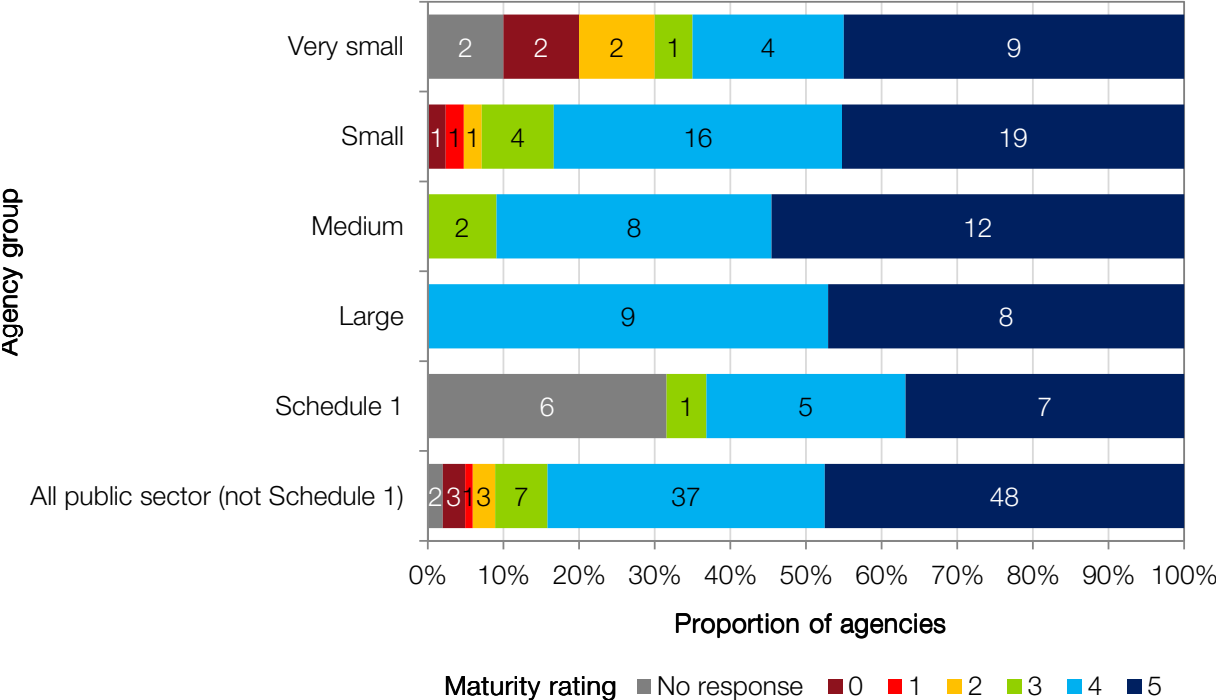
Strategic plans articulate how agencies intend to meet responsibilities established by resource agreements and government policies, provide direction to employees and communicate their goals and plans to stakeholders. Operational plans translate strategic goals into practical objectives, activities and outputs that can be measured and monitored.

The AAS asked agencies to rate the maturity of their strategic and operational plans and programs of work and to respond to the statement 'A strategic plan outlines the organisation's key strategic goals, outcomes and outputs. Operational plans and programs of work support the organisation's key strategic goals and outcomes and are regularly adjusted to changes in strategic and environmental imperatives'. While the survey results for strategic planning processes remain positive, agencies' assessment of their level of maturity is slightly lower from an average rating of 4.2 in 2010/11 to 4.1 for this year (4.2 excluding Schedule 1 PSM Act entities).



Figure 3.1 shows that 85 agencies (84%) had well established and implemented strategic plans with a rating of 4 or higher. An average maturity rating of 4 equates to clear strategic plans which are focused on providing services to the community and are formally reviewed with input from ministers and other stakeholders. It also requires operational plans to have been systematically implemented and for most employees to be aware of relevant measures of achievement. These results show that generally the sector is performing well with regard to implementing strategic planning processes and ensuring that all levels of employees have an understanding of their agency’s strategic plan.

The Commission notes all large and most medium sized agencies reported a high level of maturity in this area of governance.



**Figure 3.1 Maturity of agencies’ strategic and operational plans and programs of work, 2011/12 (Source AAS)**

## Case study

### Improving organisational performance by aligning planning, values and development activities

Challenger Institute of Technology is one of the state's largest vocational education and training providers employing close to 1000 people. Challenger has recognised that to be regarded as a global leader in high quality vocational education and training, then it must grow the collective capability of its people and develop a shared culture of learning and innovation where leadership is clear, communication is open and performance is rewarded.

A set of five core values, coupled with the organisation's guiding principles, were used as the foundation to develop a framework to enable the building of the organisational capability needed to achieve Challenger's vision. Through an extensive employee consultation process the People Development Framework was established. This framework comprises a comprehensive set of organisational and employee development activities arranged under the following three tiers:

- Tier 1 – projects to build the systems, tools, technology, policy and practice to enable and support a learning culture. Examples of projects planned for 2012 include enhancing wireless accessibility, implementation of a timetabling tool, improving information and knowledge management through intranet redevelopment and developing a workforce and diversity plan.
- Tier 2 – addresses the behaviour, shared values and beliefs, and the activities that go beyond traditional training to support continuous learning in a work context. Projects include a range of professional learning activities to support flexible, innovative workplace practices. The projects being implemented for 2012 include a professional development conference, a structured web-based process to encourage and support innovation and excellence by employees, and an award program that acknowledges employee success consistent with the strategic direction and values of the organisation.
- Tier 3 – focuses on maintaining the individual expertise, skills, knowledge and behaviours that are required to achieve the learning strategy. It aims to equip and empower managers to be enterprising and comprises a leadership program including leadership scholarships, coaching for managers and a survey to measure and grow organisational capacity.

Challenger's strategic plan, business unit operational plans and employees' individual performance plans are all integrated and linked to this framework. This ensures that there is a consistent understanding of the approach and activities being undertaken across all levels of the organisation and individual employees understand how they contribute to this.

At the WA Training Awards 2012, Challenger was named 'WA Large Training Provider Year 2012' by the Department of Training and Workforce Development for demonstrating creativity, excellence and innovation in not only its training delivery, but also in its staff development and internal processes and systems.

The success of Challenger's approach is also evident in the results of the 2012 EPS where the average ratings given by Challenger employees across a range of factors were higher than other agencies who participated in this survey. These factors related to engagement with the organisation, feeling valued for their contribution, pride in working in the public sector and a willingness to recommend the WA public sector as a good place to work.

The approach taken by Challenger has also had a positive impact on service delivery, with an increase in student and employer satisfaction in 2012 from an already high base. The Australian Quality Training Framework Quality Indicators Survey revealed:

- More than 95.1% of students were satisfied with the training Challenger provided.
- 95.4% of employers said courses reflected current practice.
- 95.5% of employers reported the training was an effective investment.

Challenger has recognised that continuous learning will occur when people are given the right opportunity, tools and environment and has made significant progress towards its vision of being a high performing provider of workforce development, skills recognition and community leadership.





# Organisational performance

Due to the fiscally constrained environment in which the sector operates, it is important for agencies to deliver value for money services and maintain and improve outcomes. Agencies should use organisational performance measurement information to inform their strategic planning processes and to assist in meeting objectives.

The general principles of public administration and management contained in section 7 of the PSM Act emphasise agency responsiveness and flexibility, service to the community, structures that ensure judicious decision making and continued improvement in efficiency and effectiveness. Consistent with these principles, KPIs are used to measure organisational performance as well as to improve the efficiency of service delivery to the community.



## Evaluating performance

Effective use of performance indicators enables an agency to accurately measure and monitor its performance, identify areas needing improvement and optimise responsiveness and service delivery in the longer term.

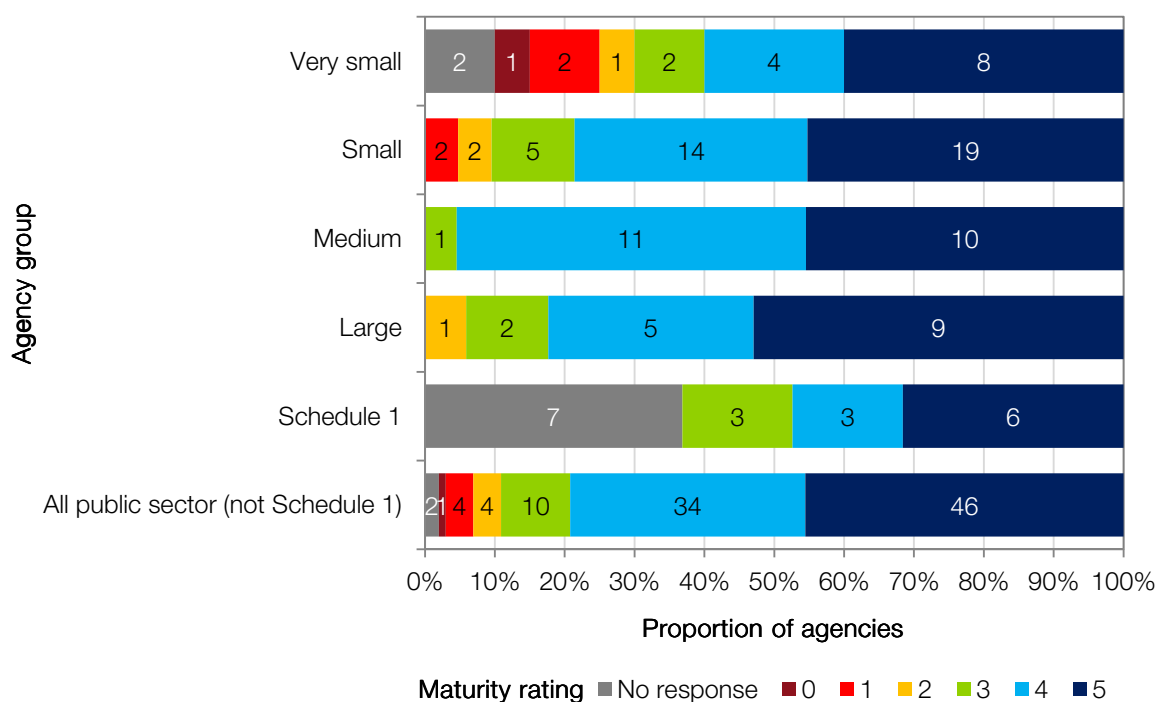
Since 1999, public sector agencies have been required to assess and report annually on the alignment of KPIs to strategic goals using an outcome-based management framework. This process is administered by the Department of Treasury and high-level agency KPIs are audited by the Auditor General.

Public sector agencies have responded positively to aligning KPIs with strategic goals and maintaining records of performance against these KPIs. For 2011/12, the overall maturity rating for the public sector in this area was 3.9 (4.1 excluding Schedule 1 authorities) compared with an average maturity rating of 4.2 in 2010/11.

The AAS asked agencies to rate their agency against the statement ‘Business processes and outcome specific key performance indicators are aligned to the organisation’s key strategic goals and outcomes, and a record is maintained of the organisation’s performance against these indicators’.

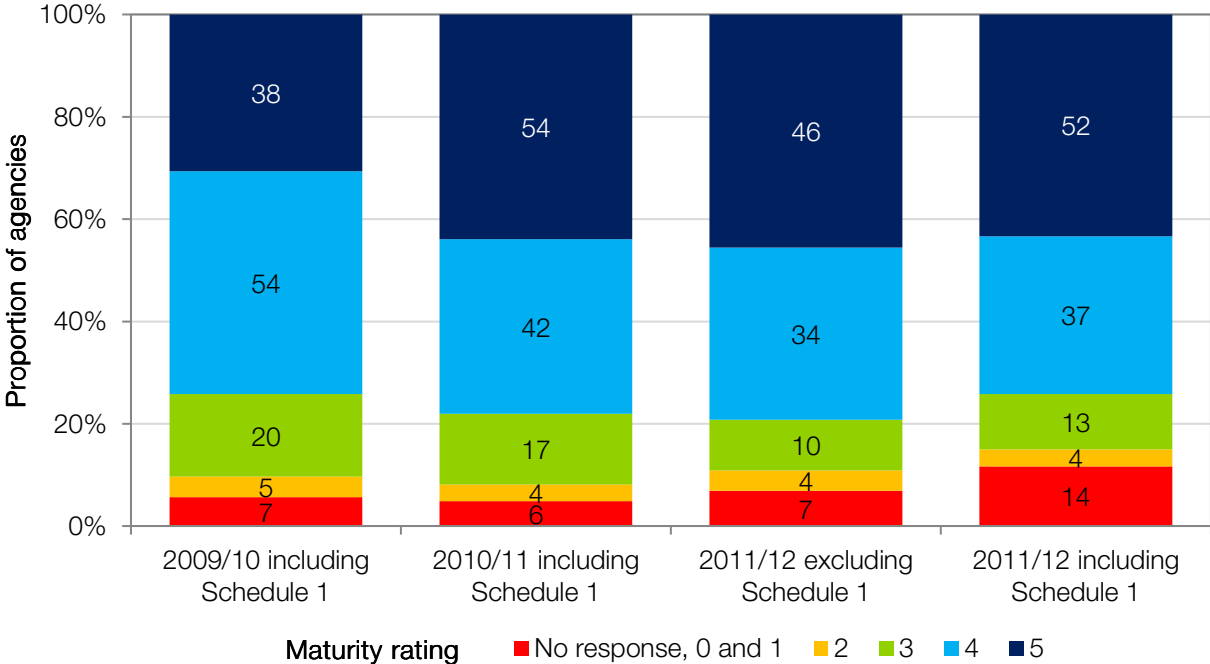
Figure 3.2 shows that of the nine agencies that rated themselves lower than 3 in 2011/12, eight were categorised as small or very small. The Commission is able to provide advice and assistance to smaller agencies that may be having difficulty in aligning their strategic and operational plans with agency KPIs.

Agency specific ratings for these questions are provided in the *SOTS Statistical bulletin*.



**Figure 3.2 Maturity of agencies’ alignment and measurement of business processes and KPIs against key strategic goals, 2011/12 (Source AAS)**

Figure 3.3 highlights the shift in the maturity of the sector over the past three years.



**Figure 3.3 Maturity of agencies’ alignment of KPIs to organisation’s strategic goals and outcomes and recording of performance against KPIs, 2009/10 to 2011/12 (Source AAS)**

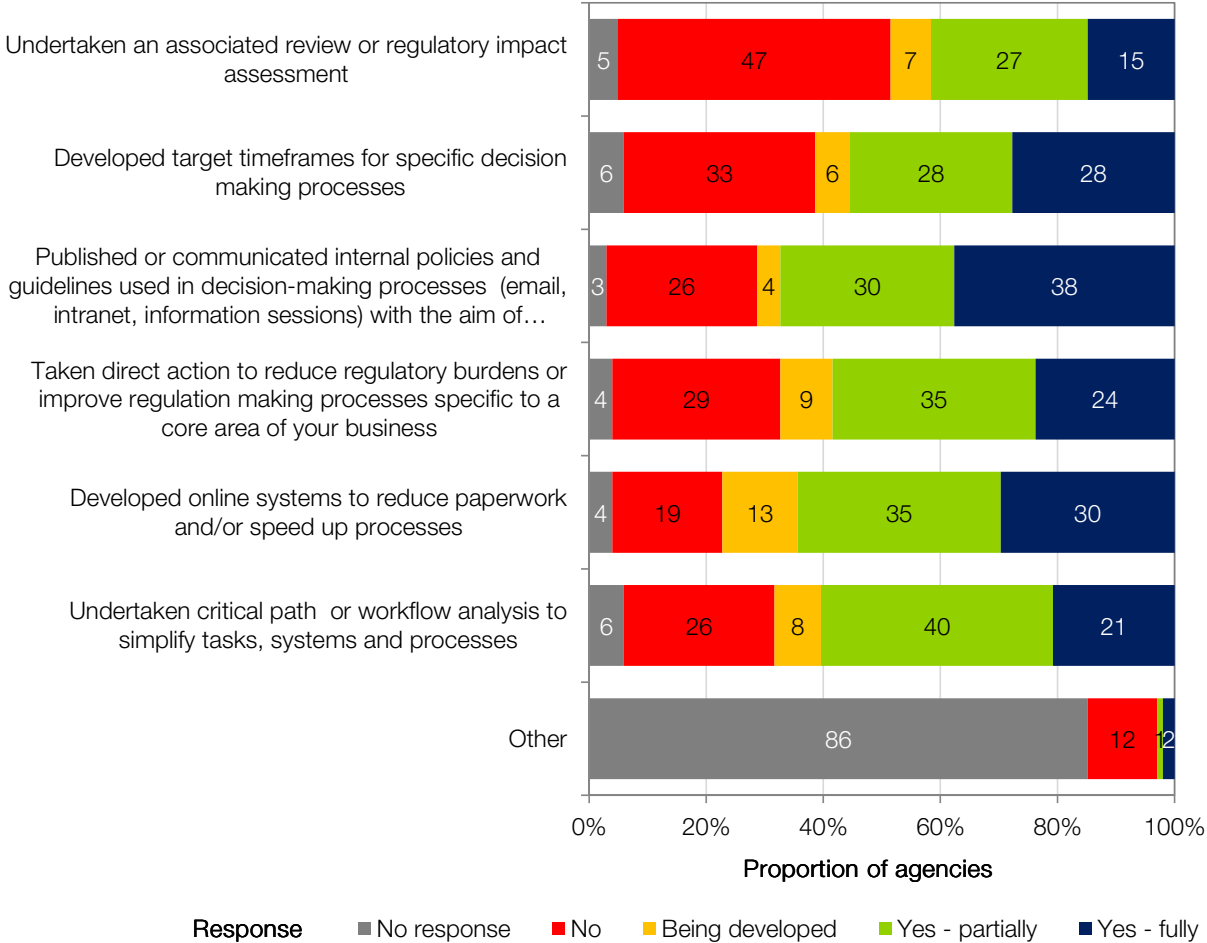
The Commission understands it can often be difficult for agencies to connect strategies and activities directly to measurable outcomes, particularly where there can be a lag in tangible results. The very high percentage of agencies achieving high levels of maturity in their systems is encouraging. The use of better data and more sophisticated approaches to developing relevant and reliable indicators of achievement are essential to continuous improvement.

# Red tape reduction, regulatory reform and business process improvement

'Red tape' refers to the compliance burden and associated costs to business and the community resulting from government regulations, departmental policies and rulings and other requirements. The Department of Treasury supports specific red tape reduction initiatives designed to limit the regulatory 'footprint' established through legislation and regulation. The red tape reduction initiatives across the sector aim to reduce this burden and improve overall efficiency consistent with broader principles of administration and management.

When proposing new regulations, in the form of primary or subordinate legislation, agencies must assess the potential impact on stakeholders, including business, consumers and the economy to ensure the compliance measures are flexible and not unnecessarily onerous.

Figure 3.4 shows the types of initiatives that were being implemented to support the government's policy objective to reduce red tape and improve business processes. The use of online systems to generate efficiencies was the most common method being developed or employed by agencies to reduce red tape. Eighty-four per cent of agencies have either fully or partially implemented any one strategy to reduce red tape.



**Figure 3.4 Agencies' progress towards implementing red-tape reduction initiatives, 2011/12 (Source AAS)**

Information collected through CEO performance agreements also identifies initiatives related to contributing the broad aims of red tape reduction. Red tape reduction has been included in CEO performance agreements as a sector wide initiative for the last two financial years.

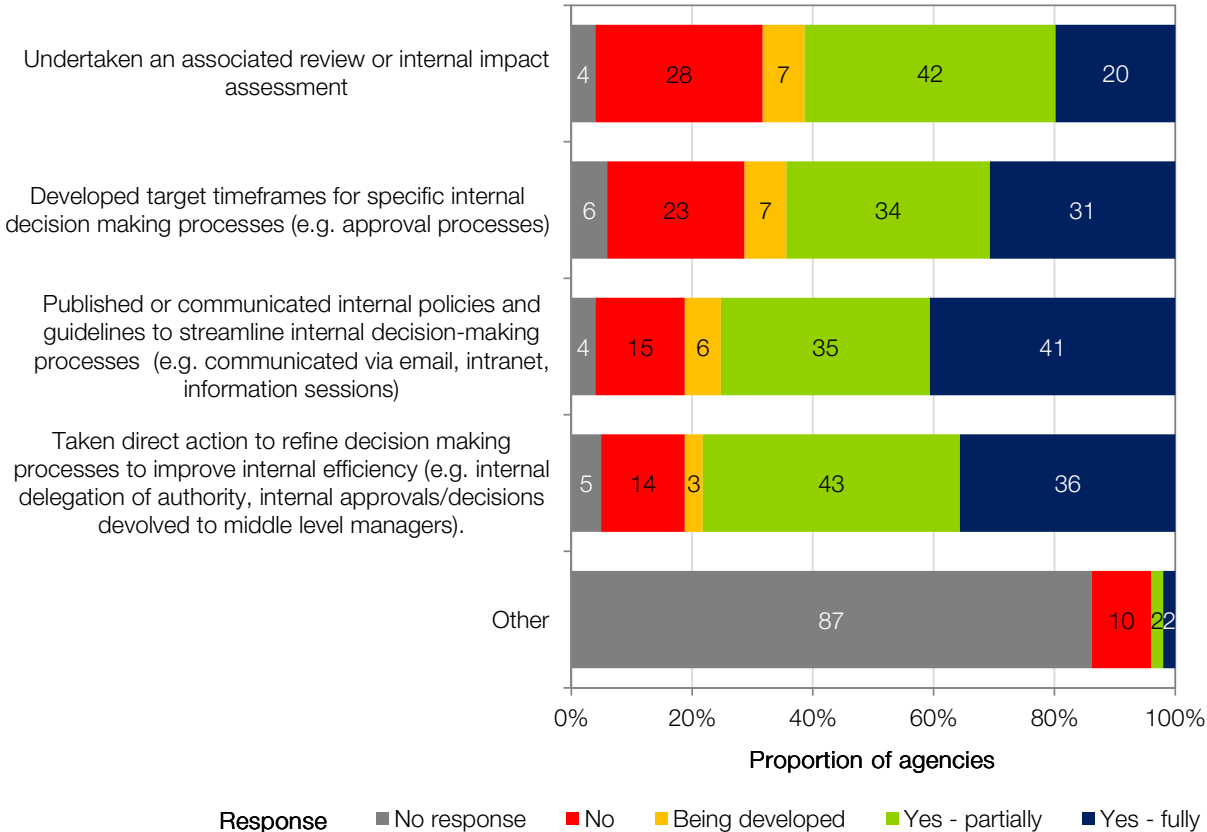
In responding to this requirement in 2011/12, 62 CEOs identified 119 red tape reduction initiatives. Table 3.1 provides a breakdown of the types of initiatives identified. There has been a significant increase in ‘Other’ initiatives in 2011/12 (up from 12 in 2010/11 to 61 in 2011/12). More than 80% of these initiatives relate to the decommissioning activities of the Office of Shared Services.

**Table 3.1 Red tape reduction initiatives reported by 62 CEOs employed under section 45 of the PSM Act, 2011/12 (Source CEO performance agreements)**

Initiative category	No. of initiatives established in agreements	% of total initiatives
Regulatory impact assessment	2	1.4%
Reviews	21	14.9%
Process change	40	28.4%
Reduction planning	17	12.1%
Other	61	50.8%

The streamlining of internal operational processes with the objective of increasing responsiveness to the general community showed slightly better results than red tape reduction initiatives (Figure 3.5).

These results suggest that agencies need to focus on reviewing the administration of services and programs to continually improve the timeliness of processes and decision making.



**Figure 3.5 Profile of agency initiatives being implemented to streamline internal operational processes, 2011/12 (Source AAS)**

# Financial management

The general principles of public administration outlined in section 7 of the PSM Act require proper standards of financial management and accounting to be maintained at all times. These principles are aligned to the requirements of the *Financial Management Act 2006*, Treasurer's Instructions (TIs) and related guidelines and standards.

There are a number of central agencies involved in the setting of financial policies and in the oversight of financial management functions:

- The Department of Treasury is responsible for interpretation of accounting standards, policies and the *Strategic asset management framework*.
- The Department of Finance is responsible for procurement and major works.
- The OAG oversees accounting and financial performance of agencies.
- The Commission seeks to complement central agency oversight reporting by using the AAS to examine the maturity of agencies' financial management systems, comparing this with agency financial management information reported under the *Financial Management Act 2006*.



## Processes to monitor financial performance

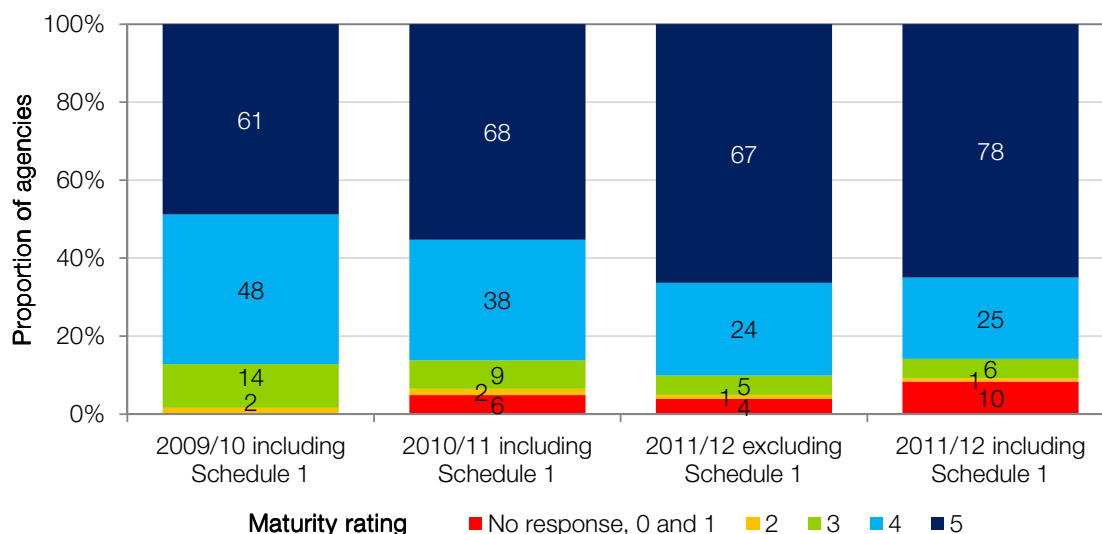
Treasurer's Instructions set minimum requirements to be met on core financial management matters, including accounting for revenue, expenditure, assets, standards of reporting and such other matters necessary to ensure good financial management and governance. As TIs are expressed in terms of control objectives rather than prescribed techniques or procedures, agencies have flexibility in how they are applied.

All public sector agencies have their financial statements audited annually by the OAG. However, effective financial control and governance requires agencies to monitor their finances throughout the year.

To assess the level of maturity of agencies' financial management systems and processes in 2012, the AAS asked agencies to rate their maturity on a scale of 0 to 5 against the statement: 'Structured processes are in place to monitor and audit financial performance, including the proper recording and reporting of financial transactions, against budget and key strategic goals, both at executive level as well as by an independent audit committee'.

The average maturity rating of 4.5 for financial systems reflects well developed and implemented financial management and accounting controls across the sector. This year 91 agencies (90%) rated their performance in this area at 4 or 5. A rating of 4 and higher indicates that measures to ensure financial accountability are part of standard business practice, financial performance in relation to strategic goals is assessable, internal audits are a routine activity and external audits occur. Notably, 67 agencies rated themselves at 5, indicating that financial performance in relation to strategic goals is also a routine business item for the majority of agencies.

Figure 3.6 highlights consistent improvement in maturity ratings, a positive outcome for the sector as it provides the wider community with the assurance that public money is managed effectively and efficiently.



**Figure 3.6 Maturity of agencies' structured processes to monitor and audit financial performance, 2009/10 to 2011/12 (Source AAS)**



## Budget management

The *Financial Management Act 2006* requires agencies to effectively manage the administration of public finances and report accurately and consistently.

Annual State Budget statements contain the estimated and actual financial performance information and targets for those agencies that operate primarily with parliamentary appropriation funding. The statements are presented on an accrual accounting basis and disclose the cost of providing government services. For public sector agencies, the majority of costs incurred relate to employee wages, supplies and services, interest and grants.

One of the general principles of public administration and management is that resources are to be deployed to ensure their most effective and efficient use. The Commission has undertaken an analysis to compare budget management outcomes as reflected by budget variance relative to the size of an agency.

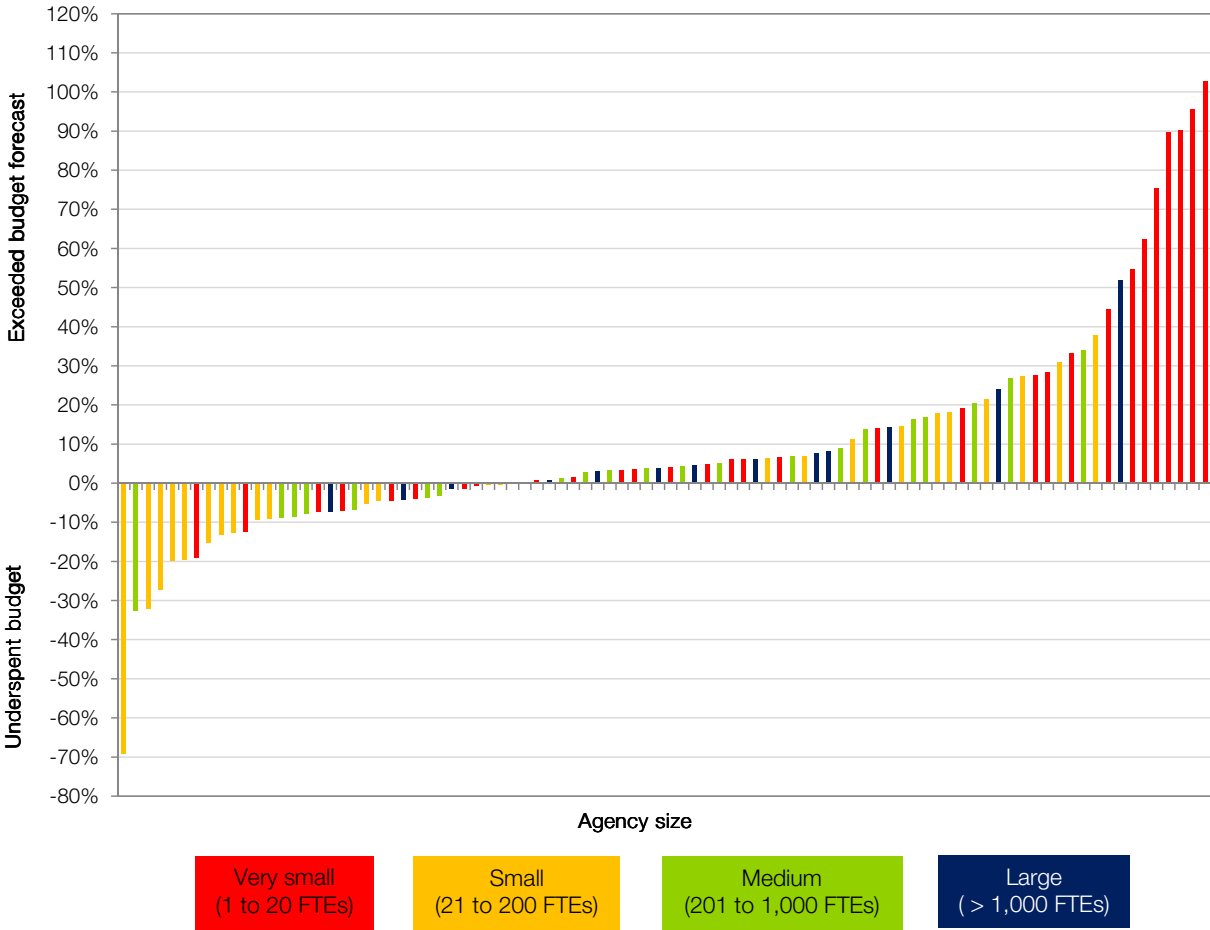
The sample consisted of 90 public sector agencies in the general government sector as defined by the Department of Treasury. This included 31 very small agencies, 24 small agencies, 21 medium agencies and 14 large agencies. The variance is based on the budgeted financial position compared with actual total cost of services for the 2011/12 financial year, as lodged with the Department of Treasury.



Results show that actual expenditure of almost half of the agencies examined (45.6%) was either 10% more or less than budgeted for 2011/12:

- Medium and large agencies performed better than small agencies in forecasting their budget and subsequently managing their expenditure (actual total cost of services) with most (71.4%) expending within +/- 10% of their budget for the 2011/12 financial year.
- Less than half (43.6%) of very small and small agencies' expenditure was within +/- 10% of their budget.

Figure 3.7 provides a snapshot of the 90 agencies sorted by the level of budget variance and colour coded by size category.

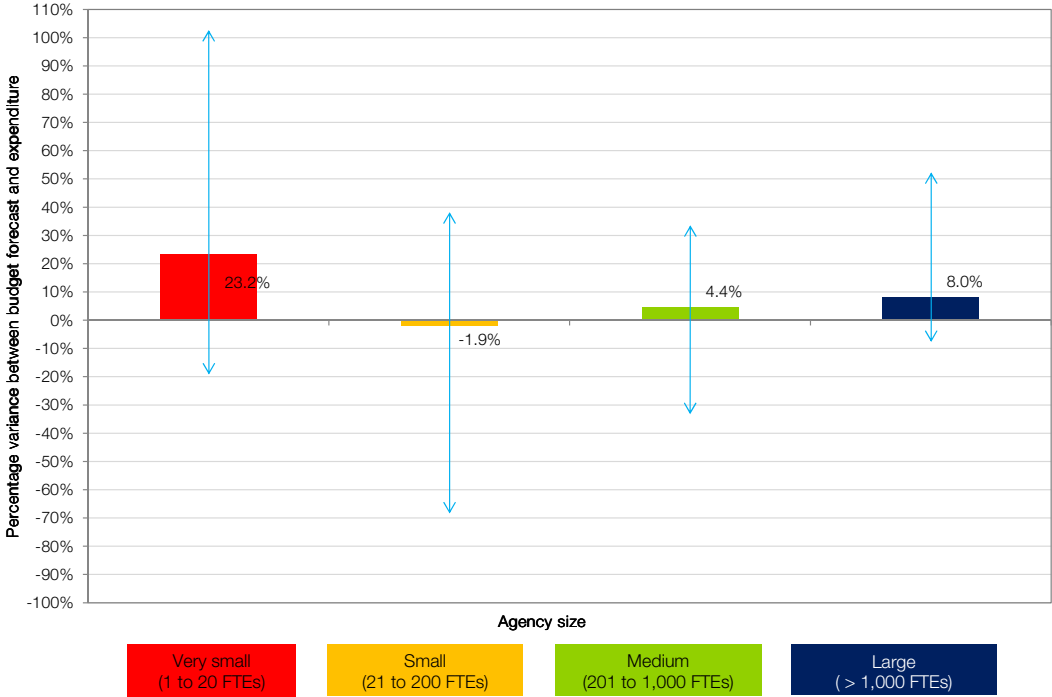


**Figure 3.7** Percentage variance between budgeted and actual cost of services for 90 agencies, 2011/12 (Source Budget Statements)

The relationship between agencies' size and budget variance is also highlighted in Figure 3.8, which illustrates the full range of variance as well as the average variance by size category:

- Very small agencies experienced the largest average variance of 23.2%.
- Small agencies experienced the lowest average variance of -1.9% under budget. However, the range in variance was second highest (106.8%).
- Medium and large agencies experienced modest average variances at 4.4% and 8.0% respectively. The range for medium (66.8%) and large agencies (59.2%) was also modest compared with very small (121.9%) and small agencies (106.8%).

This information reinforces the importance of ensuring adequate agency systems and management training that incorporates financial and budget management. Smaller agencies are encouraged to consider further training for employees involved in budget forecasting and management to improve their capacity in this area.



**Figure 3.8 Average and range in percentage variance between budgeted and actual cost of services for 90 agencies, 2011/12 (Source Budget Statements)**

2011/12 AAS results together with information presented in the Department of Treasury's Budget Statements indicate the following agencies have performed strongly with respect to managing expenditure within budget:

- Commissioner of Main Roads
- Department of Training and Workforce Development
- Economic Regulation Authority.

# Risk management systems

Sound risk management practices support an agency's level of responsiveness and ability to provide continuity of services. To be effective, risk management needs to be integrated into the planning and management of an organisation across all levels, including strategic, operational and project areas.

The Insurance Commission of Western Australia, through its RiskCover division, supports and facilitates good practice risk management arrangements in the sector and provides advice to government on matters relating to risk management.

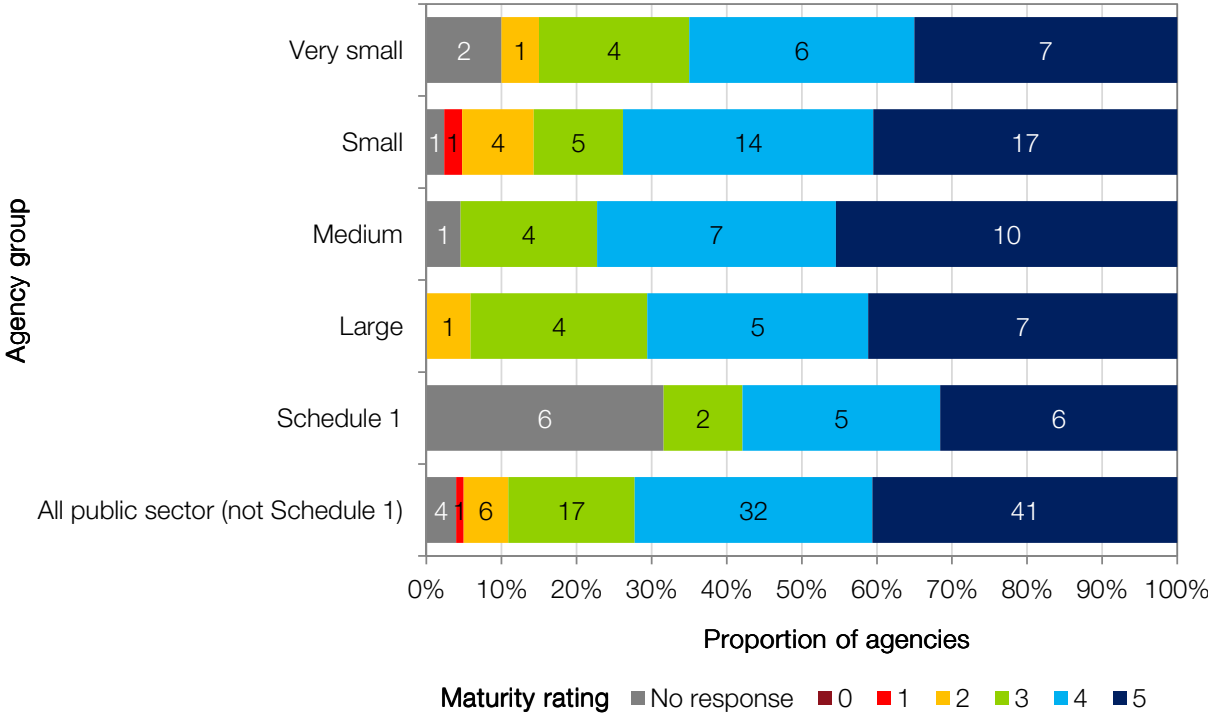
The AAS asked agencies to rate the maturity of their risk management regimes against the statement: 'Policies, practices and processes exist for the governance and management of material risks. This includes all aspects of the organisation's business ranging from reputational, financial or physical to occupational safety and health'.



The responses, while generally positive, indicate a lower level of systems maturity when compared with the other aspects of governance covered in this report. As shown in Figure 3.9, 73 agencies (72%) were systematically implementing policies and processes and therefore rated at 4 or higher. A score of 4 indicates agencies have a risk management framework that encompasses:

- Risk is centrally owned and managed, and its nature is well understood.
- Risks to the agency are identified and quantified, and response plans are developed and implemented.
- Practices in relation to risk escalation are clearly defined.
- Periodic re-assessment of risks and the risk management environment is undertaken.

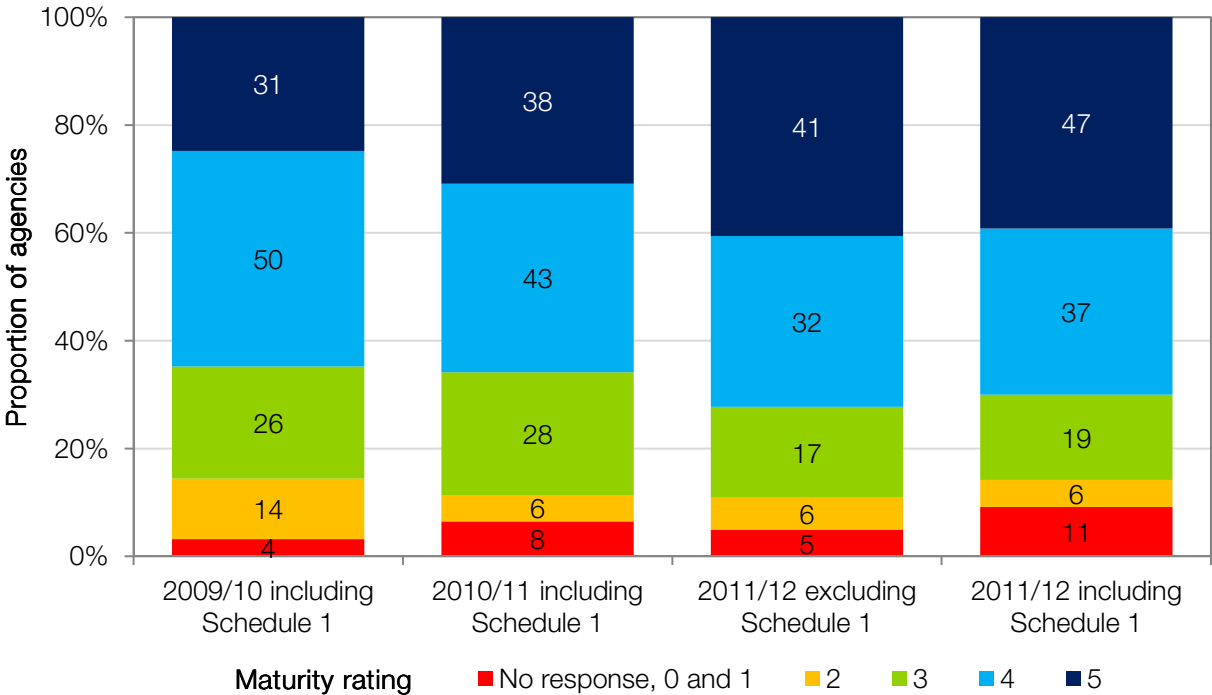
There were 24 agencies (24%) that rated themselves at 3 or lower, indicating that they either did not have a policy or process for risk management, or implementation of the policies and procedures was largely left to line management. Four agencies did not respond to this question.



**Figure 3.9 Maturity of agencies’ policies, practices and processes for the governance and management of material risks, 2011/12 (Source AAS)**

The proportion of agencies with a maturity rating lower than 3 has decreased over the last two years while the proportion of agencies that rated their performance at 5 has increased for the third consecutive year (Figure 3.10). This indicates that the maturity of agency risk management policies is continuing to improve.

The sector is responding well to the need to improve risk management, with two-thirds of agencies actively managing and documenting their risk processes. However, 28 agencies do not have documented risk processes in place. Agencies are encouraged to continue to develop and implement response plans to identify and manage risks, especially those agencies which do not have documented risk management processes in place.



**Figure 3.10 Maturity of agencies’ policies, practices and processes for the governance and management of material risks, 2009/10 to 2011/12 (Source AAS)**

# Information management

Managing information in a public sector agency includes managing communication flows to responsible ministers, internal records, and information about clients and private individuals.

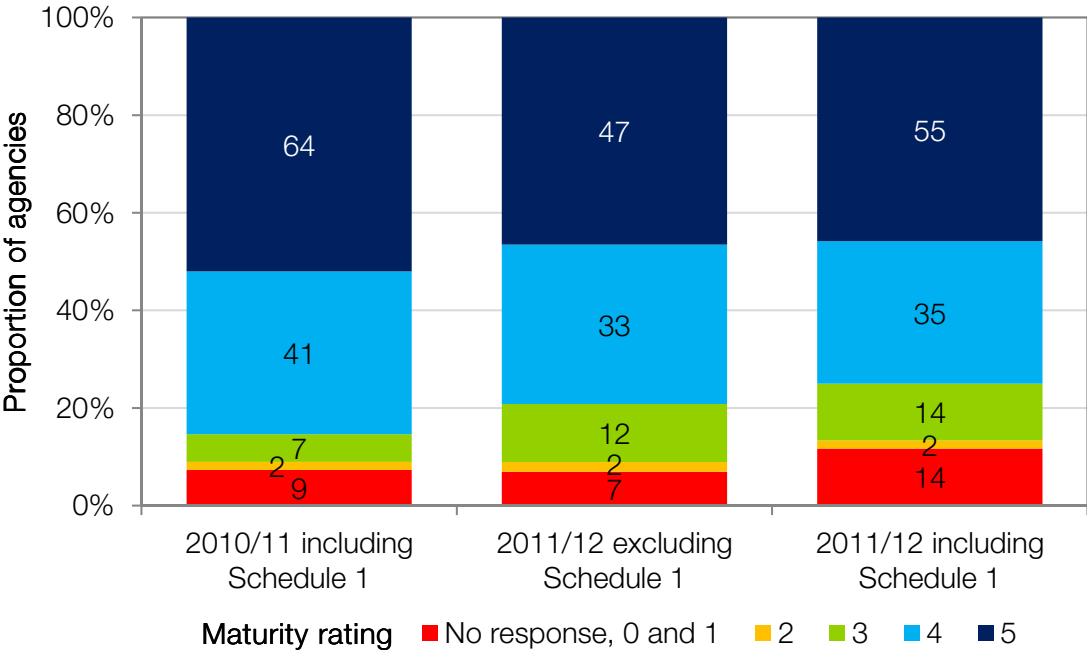
## **Communication with ministers and parliamentary representatives**

Section 74 of the PSM Act requires a minister to establish protocols that set out the nature of communication arrangements to be maintained between the minister's office and each portfolio agency. The *Commissioner's Circular 2009-10: Communication arrangements between ministers and agencies* provides direction to agencies on these arrangements. A range of other compliance instruments regulate the management of other types of information.

The AAS asked agencies to rate their agency's performance against the following statement: 'Processes exist to manage communication and other interaction between ministers and other parliamentary representatives and the organisation'.

For this question the overall maturity rating for the public sector in 2012 was 4.1 (excluding Schedule 1 PSM Act authorities) and 3.9 (including Schedule 1 PSM Act authorities), both lower than the previous year (4.3 including Schedule 1 PSM Act authorities). Figure 3.11 shows that 79% of CEOs (80) reported their agency had a maturity rating of 4 or higher. Of these, 47% (47) rated themselves at 5, indicating that their processes were fully integrated in accordance with the needs of the organisation, reviewed regularly and that overall staff confidence in the process was high.

For an agency to be rated at level 4, their communication agreement needs to address issues such as responsiveness, accessibility of key staff or information. Agencies must also have a means to determine the extent to which their Minister is satisfied that communication is being managed effectively. To be assessed at maturity level 5 the agreement needs to be an integral part of business performance monitoring and improvement processes. Agency staff also need to have a clear understanding of applicable processes and adhere to them. Figure 3.11 depicts how agencies have changed their ratings in this area over the last two years.



**Figure 3.11 Maturity of agencies’ processes to manage communication and other interaction with ministers and other parliamentary representatives, 2011/12 (Source AAS)**

### Communication within agencies

Effective communication within an agency assists efficient management, effective service delivery, and a shared commitment to government priorities. Results from the EPS provide some indication of the effectiveness of internal communication within public sector agencies.

Of the 7536 employees who responded to the EPS in 2011/12, 67% agreed that communication between senior management and employees was effective, and 81% of respondents agreed that immediate supervisors made use of appropriate communication skills. This result is similar to previous years, suggesting internal communication mechanisms within the sector are being used appropriately and that the lines of communication are effective.



## Website management

A considerable amount of information provided by the public sector is now being accessed through the internet on a range of devices and platforms, including social media. Website management ensures websites deliver on their business objectives and that website expenditure is spent effectively.

In the 2011/12 reporting period, 101 public sector agencies reported on their website management. Agency responses identified approximately \$21 million was invested in 2011/12 across 477 active websites. Of the active websites, 17 were identified as new websites and 28 were websites redeveloped during 2011/12.

Although not directly comparable to previous years, these figures show a continual decrease in the number of current websites and a slowing in the rate of growth of new websites. A total of 33 websites were reported as being decommissioned in 2011/12, an increase of 11 compared with the previous year. This data suggest agencies are taking a more proactive approach to reviewing and rationalising the number of websites they operate and maintain.

Overall, the data suggests good governance and active management of website information by agencies is occurring. Of the 17 new websites established, nine (53%) have a business plan aligned to the website governance framework while seven (25%) have plans which reflect this framework. This is an improvement on previous years.

Monitoring, analysis and evaluation of websites allows agencies to track how users interact with their websites, ensuring business objectives and user expectations are met. Data collected in 2011/12 indicates a significant improvement in this area, with 270 websites (56%) being monitored and analysed regularly and 120 websites (26%) being monitored occasionally.

The Department of Finance has responsibility for sector wide ICT issues which includes the Website Governance Framework (WGF) set out under *Commissioner's Circular 2009-02*, and which incorporates the Web Accessibility project and *Commissioner's Circular 2011-04 – Social media guidelines for the WA Public Sector*.

# Web accessibility project

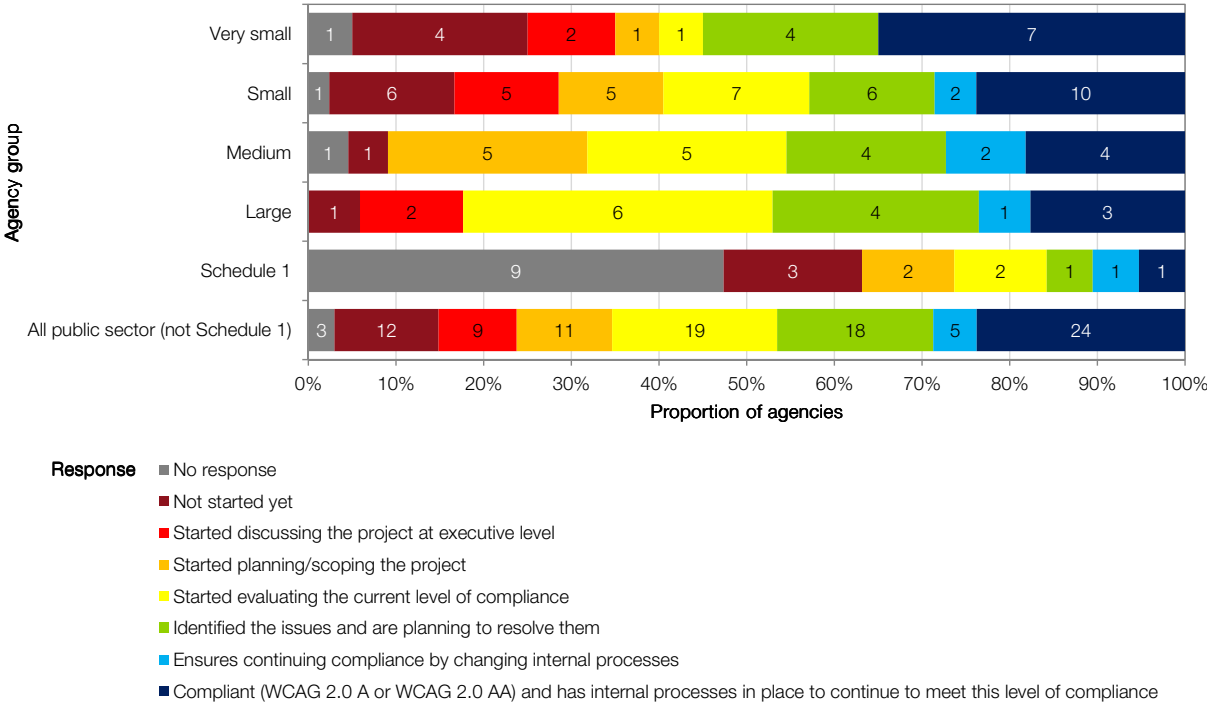
Websites need to be developed to meet website accessibility standards and cater to a broad range of needs.

Provision of equitable access to website content for people with disabilities is a requirement under the *Disability Discrimination Act 1992* (Commonwealth). All public sector entities are required to ensure their websites meet web accessibility requirements and are compliant with the current international website accessibility standards WCAG2.0 level A (minimum) or AA (preferred) by 31 December 2013.

Based on the data collected, of the 101 agencies surveyed:

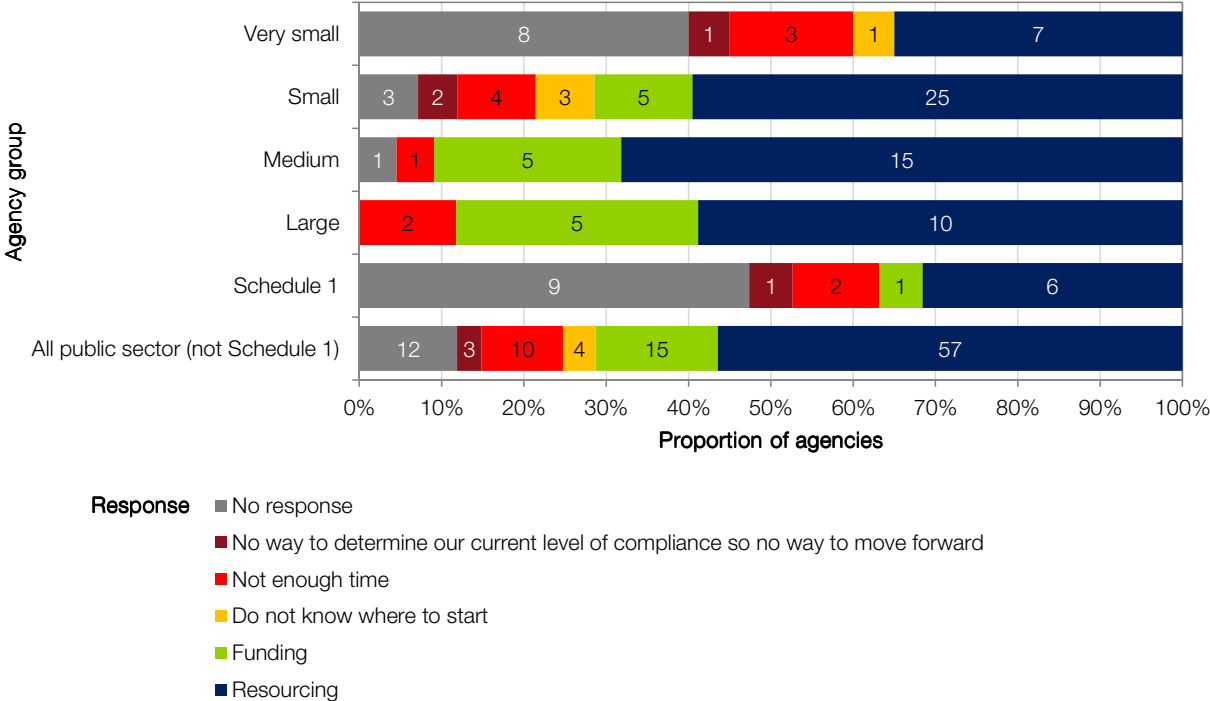
- 24 reported they have met the requirements and are compliant with the current web accessibility standard of WCAG2.0 level A or level AA.
- 48 agencies have commenced the second, third or final phase (planning evaluating, identifying and resolving).
- 20 agencies are still in the first phase (started discussing the project at executive level and started planning and scoping the project).
- 12 agencies are yet to start the project.
- 3 agencies did not respond to the survey.

This information should only be taken as an indication of the number of agencies that are working on the web accessibility project as an agency may have multiple websites but only some websites may be compliant. Figure 3.12 provides a breakdown of agencies' current website accessibility levels.



**Figure 3.12 Agencies' progress towards meeting website accessibility standards, 2011/12 (Source AAS)**

As shown in Figure 3.13, more than half of public sector agencies (56%) identified a lack of resources to be the biggest challenge faced by agencies in meeting web accessibility requirements. A lack of funding was also identified as a challenge by 15 agencies (15%).



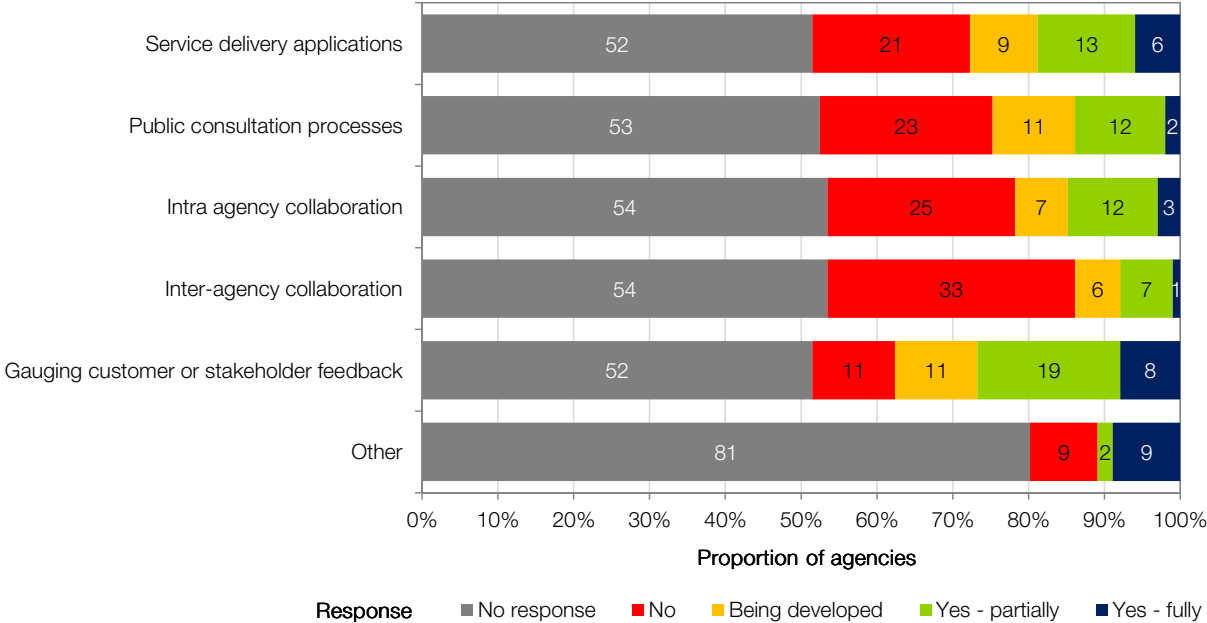
**Figure 3.13 Issues facing agencies in meeting web accessibility requirements, 2011/12 (Source AAS)**

In addition, more than half of agencies (53%) have identified that an evaluation methodology and a whole-of-government reporting process may assist them in meeting the web accessibility requirements.

# Social media

Social media is an effective communication tool and provides a platform for online interaction with others while creating content – such as discussions, videos and photos. However, agencies need to be mindful of the integrity risks associated with the use of social media and ensure their practices are consistent with *Commissioner’s Circular 2011-04: Social media guidelines for the WA public sector*.

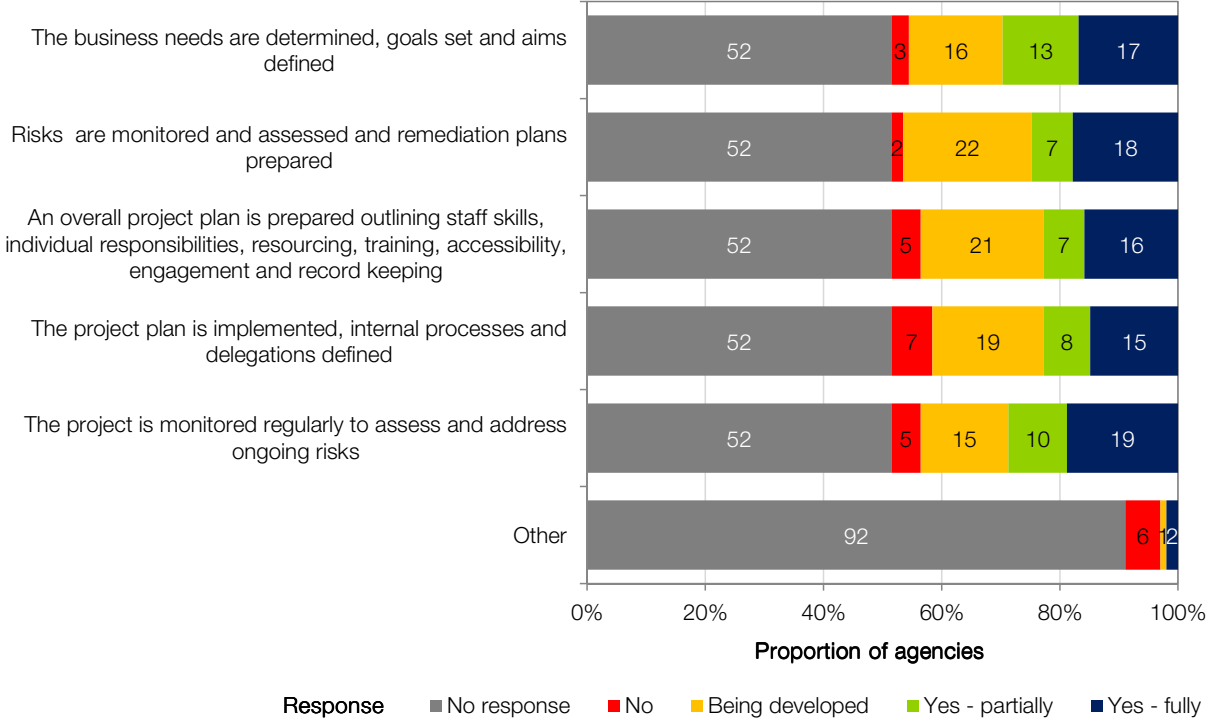
In 2011/12, 50 of 101 public sector agencies (50%) reported they had designed, developed or implemented social media strategies. Of those, most are in the development stage, with only a small percentage having fully implemented the tools required to support social media initiatives. Figure 3.14 provides a breakdown of the areas targeted by the social media strategies being developed or implemented to date.



**Figure 3.14 Agencies’ implementation of social media strategies, 2011/12 (Source AAS)**

Of the 50 agencies that indicated they had commenced implementing a social media strategy, 13 agencies had fully implemented all five of the good practice principles outlined in the *Social media guidelines for the WA public sector*.

Figure 3.15 shows the extent to which agencies have implemented social media guidelines.



**Figure 3.15 Agencies' progress towards implementing social media guidelines, 2011/12 (Source AAS)**

## Case study

### Delivering more efficient and customer focused services

The Department of Commerce embraces a range of web based technologies, including social media, to deliver better services to its customers.

**Streamlining services for the not-for-profit sector:** The department developed and implemented an online system that is taking the management of information related to incorporated associations (such as social, political, recreational or voluntary services, or clubs) from a paper-based environment towards a more efficient and cost effective online environment.

'AssociationsOnline', implemented in late 2011, allows incorporated associations to manage their information, submit online applications and check registration status, update information such as the association rules (Constitution) or purchase a Certificate of Incorporation. It provides 24/7 access to information resulting in reduced customer enquiries and departmental costs. Improved workflows allow the department to efficiently manage transactions, while quality has improved due to better controls. Importantly, the system has been designed in anticipation of proposed legislative changes which will require associations to annually update their status, rather than only upon registration or changes to rules.

With a steady increase in use of the system (14% at June 2012 increasing to 25% by September 2012) the effect it will have on reducing workloads is already apparent. The project has also had wider departmental benefits and has driven improvements to the electronic records management system.

**Improving science and innovation investment outcomes:** A new online tool is assisting the department to evaluate applications for funding under the WA Innovation Development Schemes. Prior to implementation, applicants were required to submit business cases which could vary widely in content and rigour. The new system is easy to access and provides a methodology aligned to internationally accepted norms, assisting applicants to clearly define the expected benefits of their proposal. It also provides an objective and transparent basis for investment recommendations to government and delivers significant efficiency gains to the department.

**Consumer rights at their fingertips:** In December 2011, the department developed and launched iShopWA, a smart phone application (app) for WA consumers. The launch was part of a collaborative effort with the Australian Competition and Consumer Commission and other jurisdictions to raise awareness of the new Australian Consumer Law (ACL)<sup>18</sup> prior to the busy Christmas period.

iShopWA, available free through iTunes, provides consumers, traders and other businesses with easy access to their legal rights and obligations under the new legislation. It also allows consumers to directly contribute to the department's compliance activities, and addresses growing issues relating to consumer use of group buying and gift cards<sup>19</sup>, and illegal returns policies commonly displayed in retail outlets. Using the app, consumers can store photos of receipts and set reminders for pick-up dates for lay-bys or expiry dates for warranties, gift vouchers or online coupons. Consumers can also email photos of illegal 'no refund' shop signs to the department for action.

Early indications are that illegal sign reports are on the increase with double the number received in the first six months compared with the previous 12 months. One month after launch, almost 2000 users had downloaded the app, equalling the distribution rate normally achieved using hard copy brochures over a six month period. Future legislative changes can easily be delivered direct to users through the app, keeping consumers up to date with their rights.

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18 The ACL is a single, national law concerning consumer protection and fair trading, which applies in the same way in each State and Territory. The full text of the ACL is set out in Schedule 2 of the *Competition and Consumer Act 2010* (Commonwealth).

19 Concerns relating to the use of gift cards were first raised in June 2011 by the COAG Legislative and Governance Forum on Consumer Affairs and identified through Department of Commerce analysis of consumer complaints and enquiries.



# Records management

The management of information and effective recordkeeping are important elements of administrative governance and underpin transparency and accountability, particularly through the accurate recording of communications that have led to significant decisions.

The *State Records Act 2000* (the Records Act) was enacted primarily to strengthen accountability and transparency in recordkeeping practices and promote best practice in records management by state and local government agencies in WA. The Records Act empowers the State Records Commission to establish principles and standards to govern recordkeeping by government organisations, produce guidelines outlining the requirements for government organisations' recordkeeping plans, and to inquire into breaches or possible breaches of the Records Act.

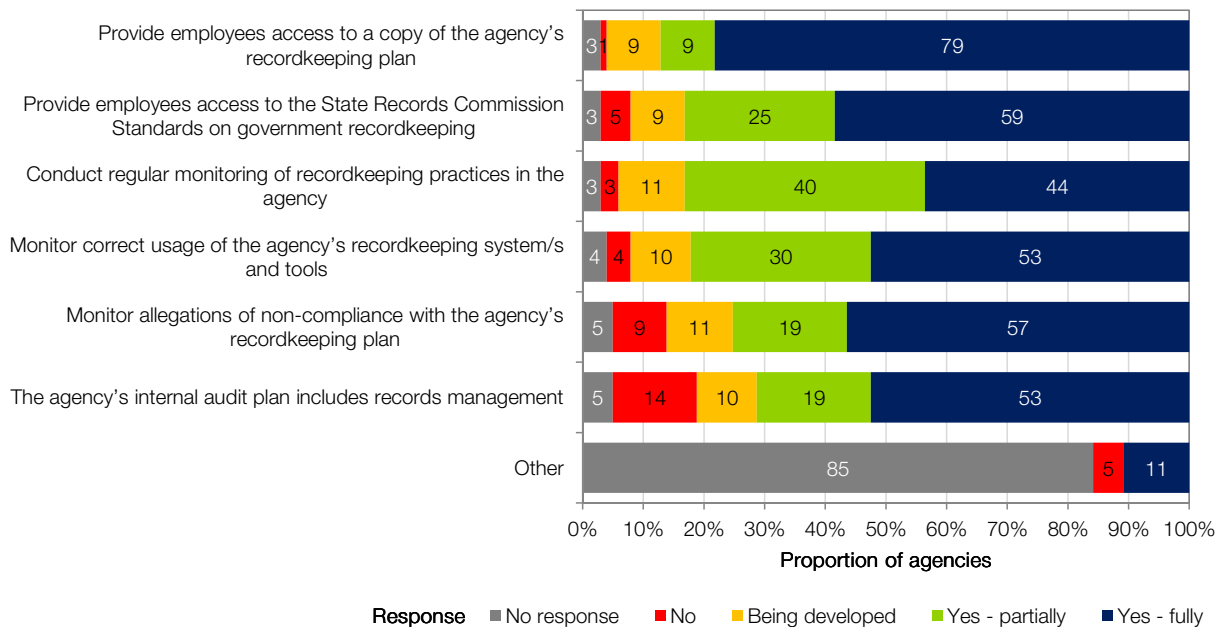




As shown in Figure 3.16:

- A considerable proportion of agencies either partially or fully monitored correct usage of the agency's recordkeeping systems and tools (83%); conducted regular monitoring of recordkeeping practices in the agency (84%); and provided employee access to a copy of the agency's recordkeeping plan (88%).
- There has been an increase in monitoring of allegations of non-compliance with the agency's recordkeeping plan across the sector, up to 57% in 2011/12 (from 41% in 2010/11).

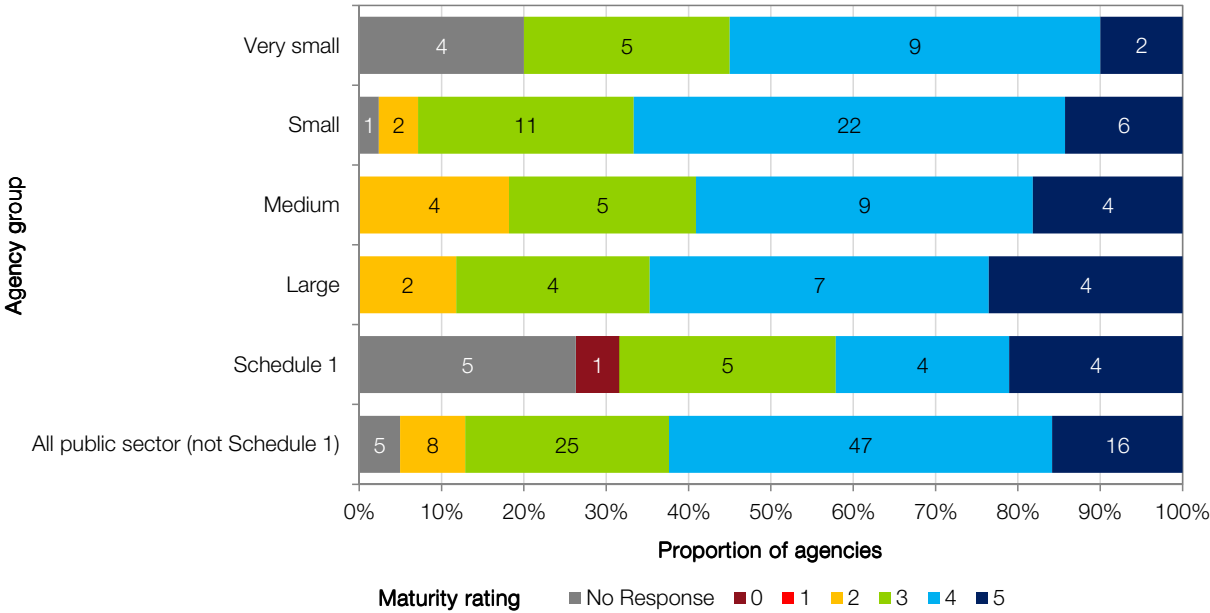
These results show a trend of continual improvement in relation to the proportion of agencies taking action to ensure compliance with, and raise awareness of, recordkeeping requirements.



**Figure 3.16 Measures undertaken by agencies to ensure compliance with the State Records Act 2000, 2011/12 (Source AAS)**

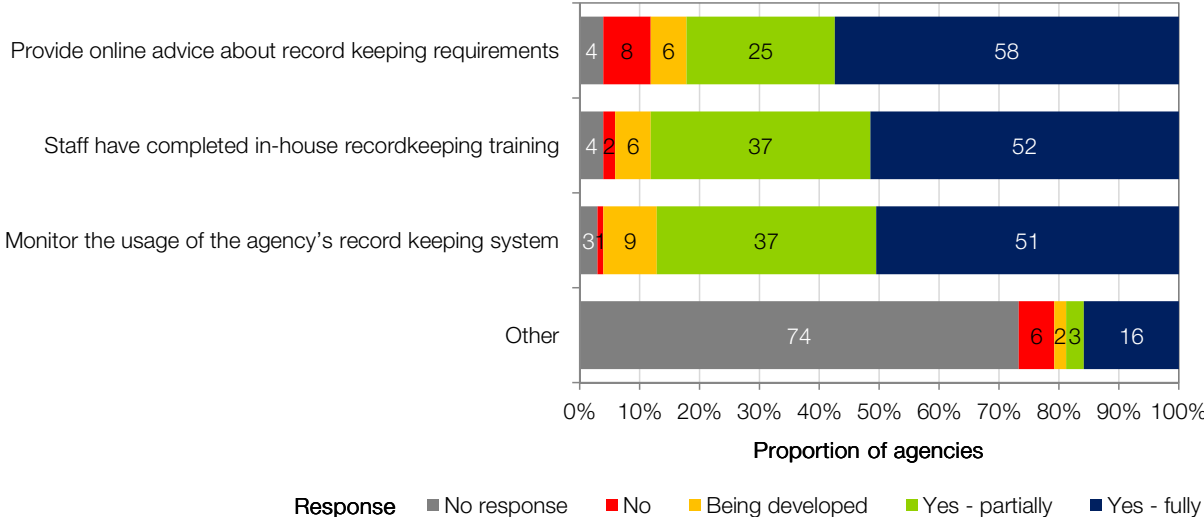
The AAS asked agencies to rate the maturity of systems that support the Records Act and their recordkeeping plan (Figure 3.17). The overall maturity rating was 3.6 (excluding Schedule 1 authorities). For comparative purposes the maturity rating in 2011/12 including Schedule 1 authorities was 3.5, marginally lower from 3.6 in 2010/11.

Sixty-two agencies (62%) were systematically implementing strategies and initiatives to support the Records Act and their recordkeeping plan, and thus achieved a maturity rating of 4. Sixteen agencies (16%) achieved a maturity rating of 5, indicating that they were regularly reviewing the implementation process.



**Figure 3.17 Maturity of agencies' systems to support the State Records Act 2000, 2011/12 (Source AAS)**

The AAS asked agencies to indicate what measures had been adopted to advise staff about the requirements of the Records Act and to build staff capacity in records management. As shown in Figure 3.18, most agencies (88%) had partially or fully conducted in-house training on recordkeeping. This included 100% of large agencies, 91% of medium agencies, 93% of small agencies and 65% of very small agencies. Furthermore, 87% of agencies monitored the usage of the agency’s recordkeeping system. Three agencies indicated they had received allegations of non-compliance with the Records Act.



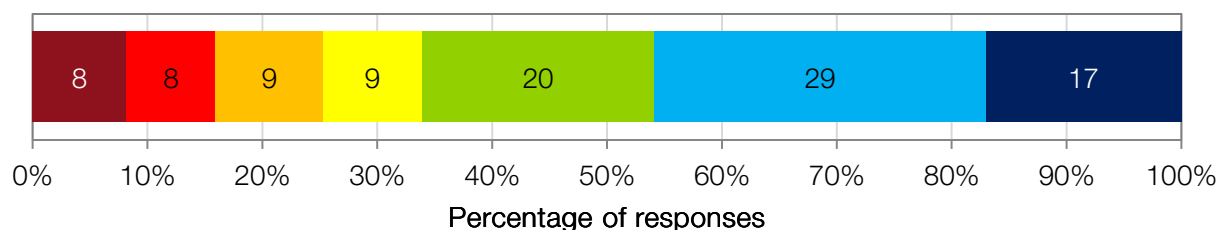
**Figure 3.18 Measures undertaken by agencies to advise staff about the requirements of the State Records Act 2000, 2010/11 (Source AAS)**

## Records management training

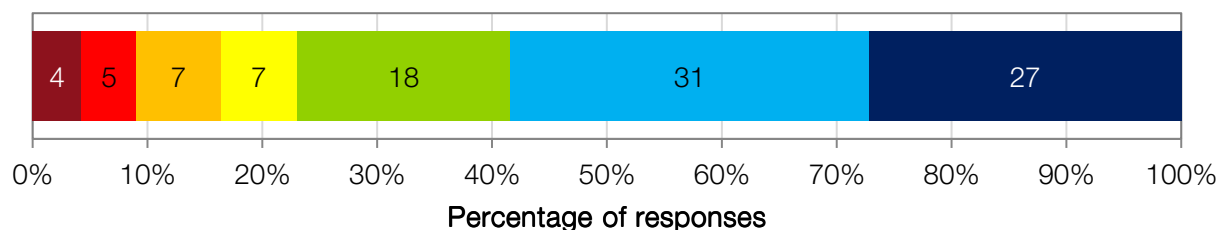
Agencies reported implementing a broad range of awareness raising strategies, and most employees in the EPS survey sample have a reasonable understanding of recordkeeping requirements. AAS data indicates 35 550 employees have completed records training over the last three years. Agencies are encouraged to ensure that all employees undertake records training.

## Employee perceptions about records management

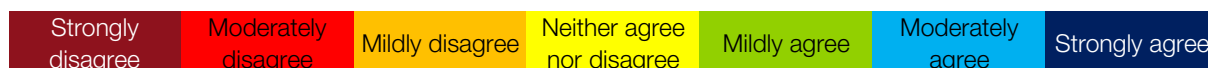
Of the 7536 public sector employees responding to the EPS in 2011/12, two-thirds (66%) agreed that their agencies supported and promoted good information management practices. Three-quarters of respondents (76%) agreed that they received appropriate training or had access to information that enabled them to meet recordkeeping responsibilities in their agencies.



**'Good information management practices are promoted and supported in your work area'**



**'You receive appropriate training or have access to information that enables you to meet your recordkeeping responsibilities'**



**Figure 3.19 Profile of employees' responses to statements on information management practices and recordkeeping responsibilities, 2011/12 (Source EPS)**

# Governance for boards and committees

The governance framework also applies to the administration of public sector boards and committees (hereafter referred to as ‘boards’). Governance principles and related supporting resources for boards are available on the Commission’s website. These principles are not mandated but have been developed as a general guide to overarching governance issues and can be applied flexibly depending on each board’s circumstances.

## Public sector boards

In terms of the roles they perform and the means by which they are established, government boards are as diverse as the public sector itself. Different types of boards include: governing bodies of SES and non-SES organisations; boards regulating a specific industry; policy and strategic ‘think tanks’; and boards that provide community and industry input to the management of local areas and projects. There are also boards of a judicial and quasi-judicial nature. Boards, particularly governing boards, fulfil a vital role in supporting the performance of the agencies they govern and their ability to meet required outcomes.

The Department of the Premier and Cabinet (DPC) maintains the [State Government Boards and Committees Register](#) (the register). During 2012, the Commission assisted the DPC with a review of boards and committees to be included on this register. As part of the review, the Commission surveyed all ministerial portfolios.

The Commission and other oversight bodies have reviewed or conducted inquiries into a number of circumstances and events relating to board governance arrangements. The outcomes of these reviews and inquiries indicate the need to improve the level of understanding and application of:

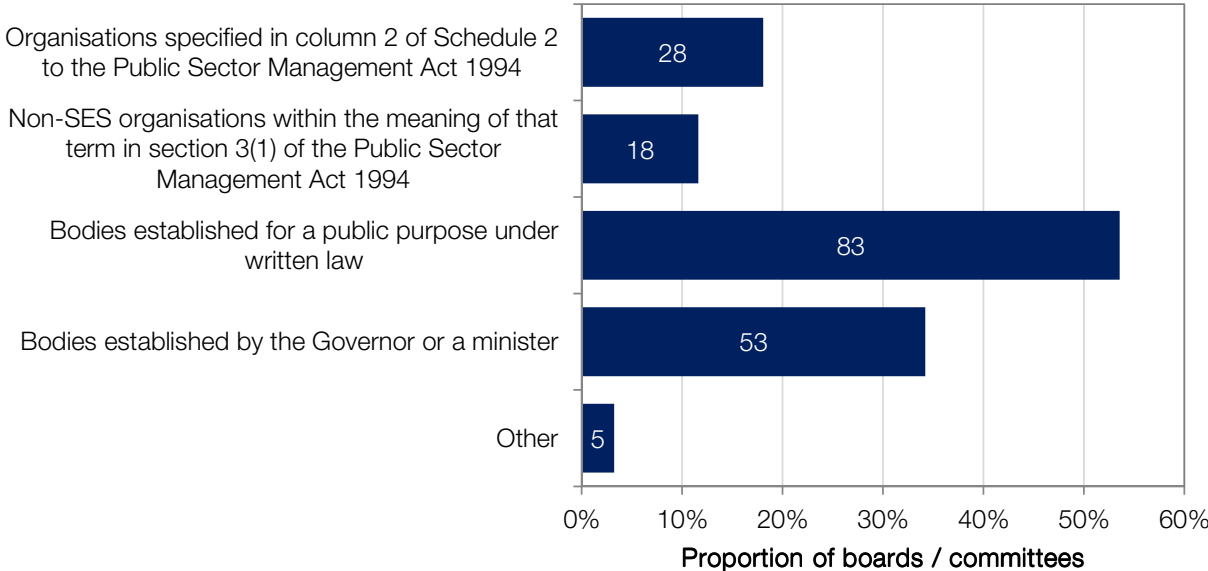
- clearly defined lines of authority, responsibility and accountability between the responsible minister, the board and the executive management of the agency governed by the board
- the public sector ethical framework, particularly the management of conflicts of interest and public interest considerations
- the role and responsibilities of board members
- core legislative accountability requirements.

In addition to providing advice, the Commission is developing a training program to assist boards in improving their governance capability.

## Annual board and committee survey

The inaugural ABCS was based on the Commission’s ‘Good governance guide for boards and committees’. The elements of board governance examined included dynamics within boards, adequacy of board structure, the level of scrutiny and oversight in decision making, completion of AEDM training and level of diversity on boards.

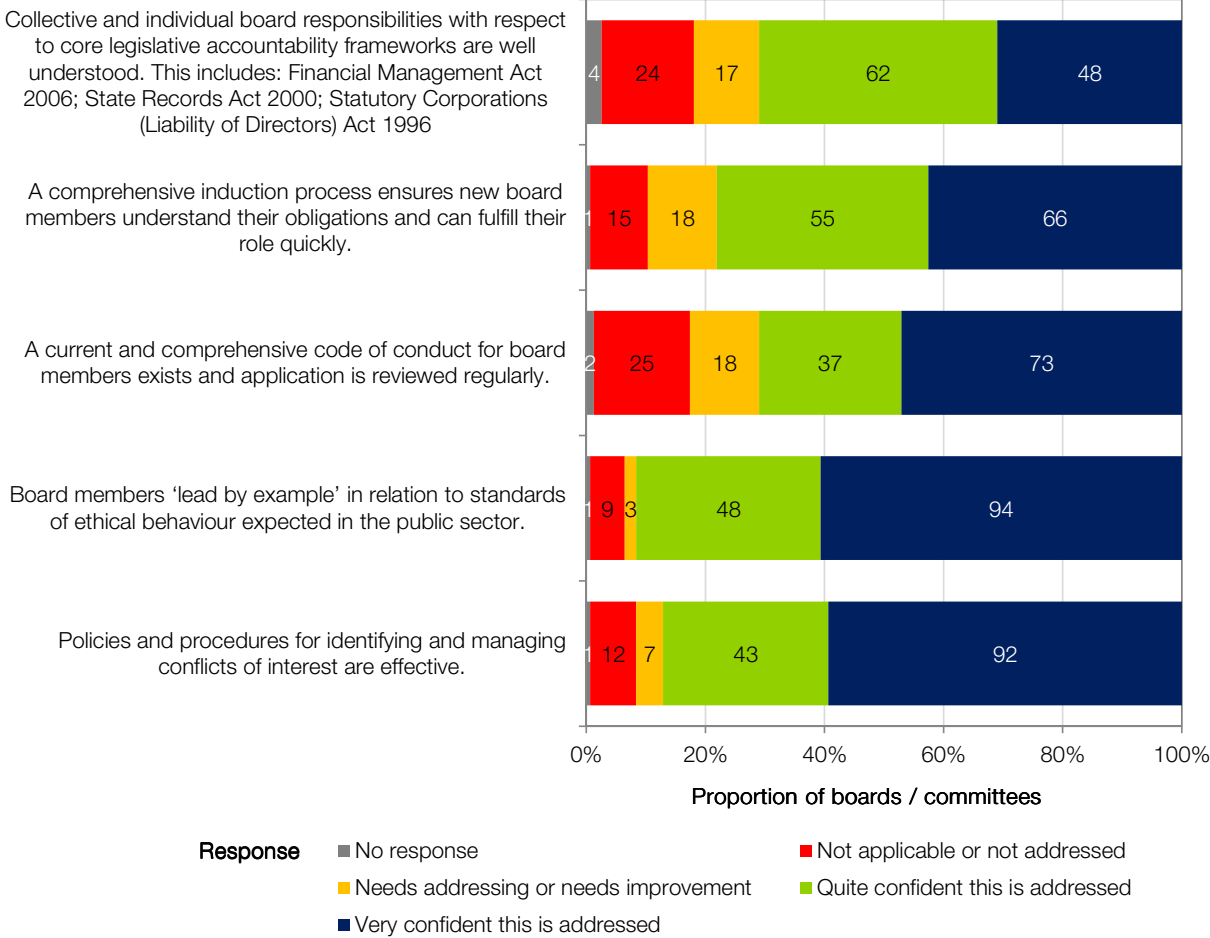
The survey was sent to 360 boards which were listed on the draft register and had at least one paid member. Of these, 184 completed surveys were returned. The final sample did not include 28 of these surveys as the board’s legislative basis was not clearly established. Figure 3.20 shows the mechanism by which boards participating in the ABCS were established. Refer to ‘Appendix A – Public sector monitoring and evaluation framework’ and ‘Appendix D – List of agencies required to report under the PSM Act, PID Act and EO Act’ for further details on the sample of boards.



**Figure 3.20 Mechanism by which boards participating in the ABCS were established (Source ABCS)**

As shown in Figure 3.21, 31% of board chairpersons indicated they were very confident that individual board responsibilities with respect to core legislative accountability frameworks are well understood, with a further 40% quite confident of this. These frameworks include the *Financial Management Act 2006*; *Records Act*; *Statutory Corporations (Liability of Directors) Act 1996*; *PID Act* and *EO Act*. Similarly:

- 42% of boards were very confident and 35% were quite confident that their induction process helps members understand their obligations and fulfil their role quickly.
- 47% of boards were very confident and 24% were quite confident that their code of conduct is current and comprehensive.



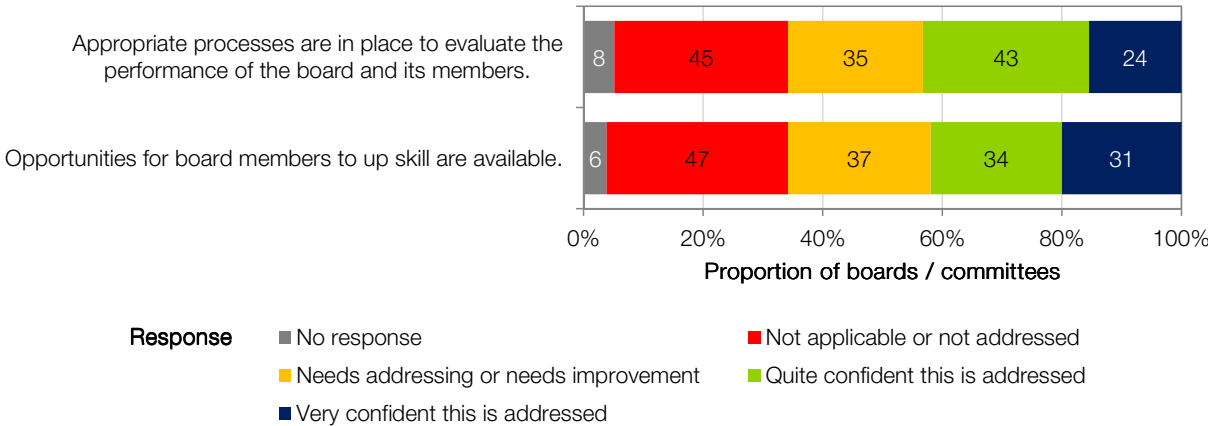
**Figure 3.21 Chairperson’s confidence that the responsibilities of board members are understood and enacted, 2011/12 (Source ABCS)**

It is important board members understand the public sector environment in which they operate. Accountability in the public sector has additional complexity compared with that operating in the private sector. Public sector board members need to be aware of these differences when thinking about conflicts of interest, in particular perceived and potential conflicts of interest.

There has been a commitment by boards to up-skill their members to understand the ethical framework in the public sector. In 2011/12, 56 boards indicated that one or more members undertook the Commission’s AEDM training. In line with the Commission’s commitment to AEDM training, it delivered training to an additional 18 boards in 2011/12 and 16 boards in 2010/11.

Results in relation to board governance are very encouraging, with 87% of boards confident that they have policies and procedures to identify and manage conflicts of interests effectively (Figure 3.21).

As shown in Figure 3.22, 24% of boards recognise they need to address further development opportunities for board members, while 22% of board chairs stated that processes used to evaluate board and board member performance need improving. However, boards noted they had limited resources to fund training.

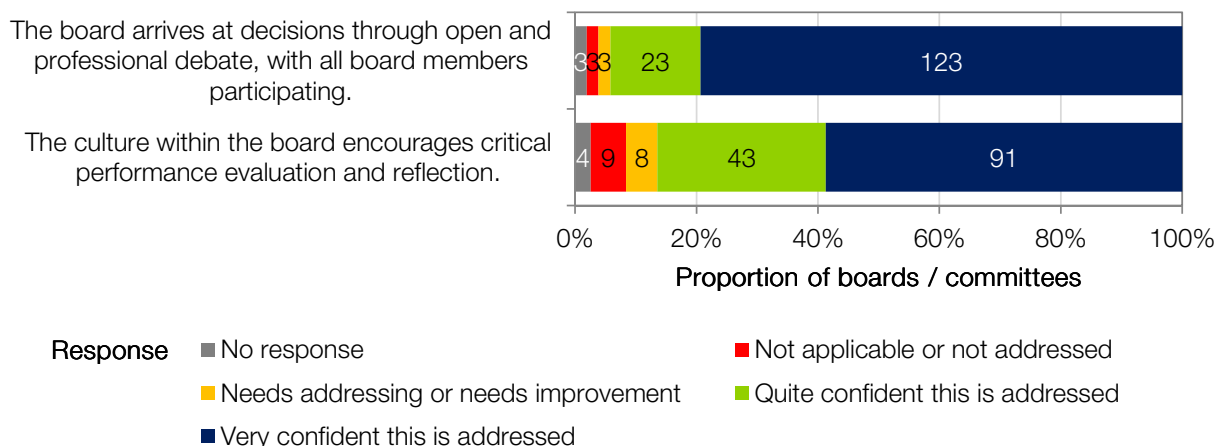


**Figure 3.22 Chairperson’s confidence that the board’s and board members’ ability to add value is consciously and continuously developed, 2011/12 (Source ABCS)**

The systems and practices needed to support board governance arrangements may need to be reviewed over time as circumstances change. Boards are encouraged to monitor and review their systems, practices, and governance framework to ensure that those systems and practices remain relevant and current to the board’s situation. The Commission is developing a training program specifically designed to build the knowledge and capacity of boards in the area of governance.

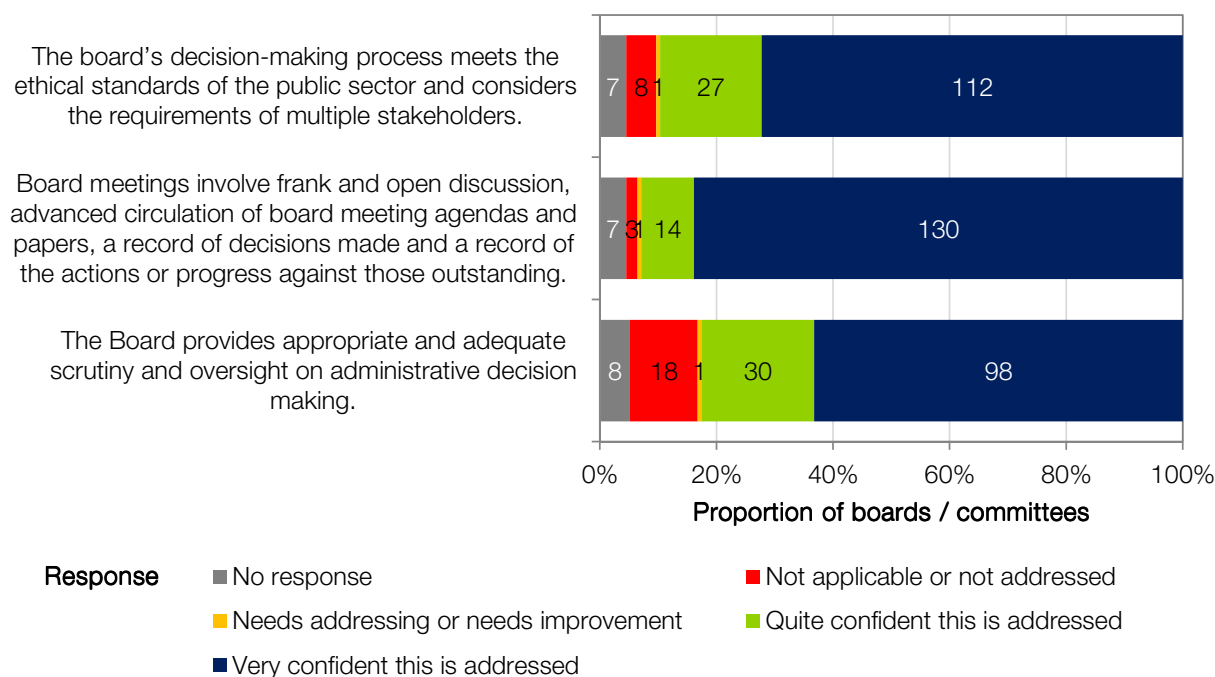
Key strengths highlighted in the survey and summarised in Figure 3.23 are that most chairpersons consider that they have effective board dynamics, with 94% confident that the board arrives at decisions through open and professional debate, while 86% indicated that their culture encourages critical performance evaluation and reflection.





**Figure 3.23 Chairperson’s confidence that the board’s dynamics are effective, 2011/12 (Source ABCS)**

As shown in Figure 3.24, 92% of chairpersons were confident that board meetings involve frank and open discussion and 82% indicated they provide adequate scrutiny and oversight on administrative decision making.



**Figure 3.24 Chairperson’s confidence that the board engages appropriately in accountable and ethical decision making, 2011/12 (Source ABCS)**

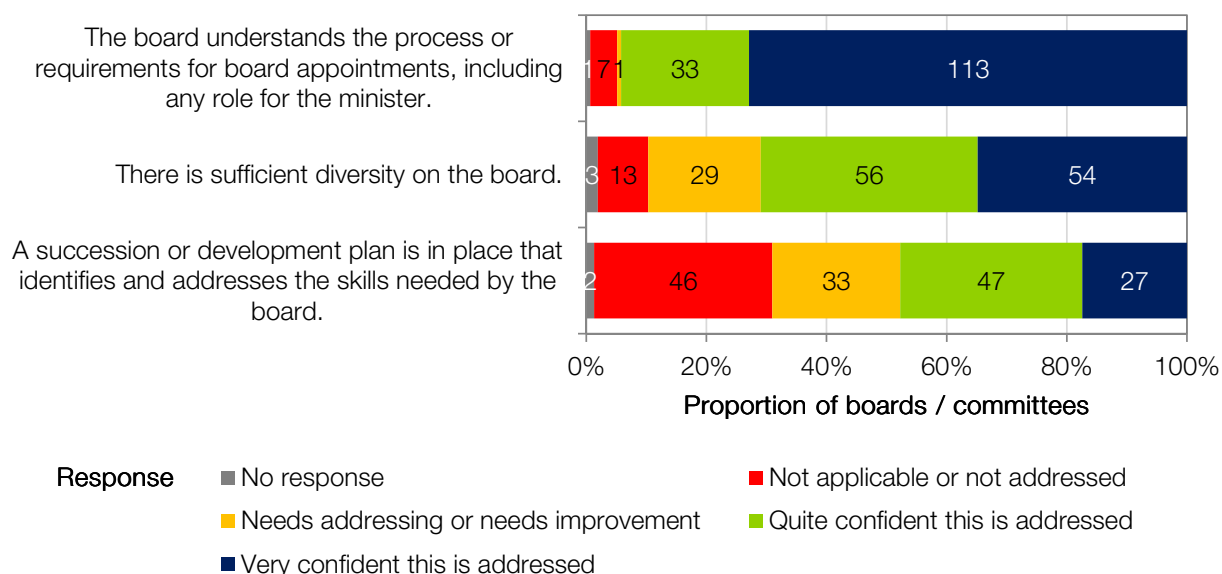
Public sector boards and committees are covered by section 139(3) of Part IX of the EO Act. The key objective of Part IX of the EO Act is to promote equal opportunity and diversity in the public sector. The Commission believes increasing the diversity of people serving boards brings varying voices, experiences and approaches to the decision making process.

Data provided by 151 of 156 board chairs on the diversity of their board members highlights excellent diversity within public sector boards. The results indicate that:

- 38.2% of board members are women (compared with 27.6% in the public sector SES).
- 4.0% of board members are Indigenous Australians (compared with 2.6% in the public sector workforce and 0.4% of the SES).
- 7.5% of board members are from a culturally diverse background (compared with 11.5% in the public sector workforce and 6.3% in the SES).
- 2.1% of board members have a disability (compared with 2.6% in the public sector workforce and 2.5% in the SES)

As summarised in Figure 3.25 below, 19% of boards indicated that they need to improve diversity on their board, and 21% indicated that they need to develop a succession plan or improve it to address the skills needed by the board.

Diversity information on the general public sector workforce is discussed in detail in the 'Workforce planning and leadership' section.



**Figure 3.25 Chairperson's confidence that the board is structured to fulfil the required role – board appointments, diversity and succession planning, 2011/12 (Source ABCS)**

The Commission supports diversity planning and workforce planning through its partnership with the Director of Equal Opportunity in Public Employment. Agencies with boards are encouraged to expand the scope of their diversity planning activities to include consideration of both the diversity profile and the level of cultural awareness that the board has about the needs and aspirations of diversity groups that are represented in their client communities.

# Key section findings

- The majority of agencies have well established processes for strategic and operational planning, and the reporting of performance indicators.
- Agencies have shown consistent improvement in their ability to monitor and audit financial performance.
- The proportion of agencies managing and documenting their risk management processes increased. Agencies are encouraged to continue to develop and implement plans to identify and manage risks especially those agencies that do not have documented risk processes in place.
- There has been significant improvement in the level of monitoring, analysis and evaluation of agency websites being undertaken.
- The proportion of agencies that have taken actions to comply with, and raise awareness of the *State Records Act 2000* requirements is high and continues to improve.
- Of the public sector boards surveyed in the ABCS, the majority reported that they have effective, open and professional decision making processes.
- Agencies that support boards are encouraged to assist those boards to build their governance capability.
- An increased focus on reducing the level of red tape and streamlining operational processes remains an area for improvement.

# Integrity and ethical conduct

Public sector employees must operate with integrity and maintain high standards of ethical conduct to ensure community confidence and trust in the sector. Conduct and integrity in the public sector are guided by the general principles of official conduct in section 9 of the PSM Act and the following principles contained in *Commissioner's Instruction No. 7 – Code of Ethics*:

- **Personal integrity** – We act with care and diligence and make decisions that are honest, fair, impartial, and timely, and consider all relevant information.
- **Relationships with others** – We treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare.
- **Accountability** – We use the resources of the state in a responsible and accountable manner that ensures the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

Agency codes of conduct and related policies must be consistent with these principles and address seven key areas relating to conduct and integrity<sup>20</sup>.

This section provides an overview of agency efforts to build and sustain integrity systems, including reporting processes and the promotion of ethical leadership. It also provides information on how agencies comply with the PID Act.

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<sup>20</sup> From 3 July 2012 a seventh area was added: reporting suspected breaches of the code. Prior to this there were six conduct areas.

## How the sector is maintaining a culture of ethics and integrity

Maintaining a workplace culture with strong ethics and integrity is part of the governance framework and is fundamental to good organisational performance. This section examines key elements that contribute to ensuring an ethical workplace culture:

- having an agency code of conduct which defines and sets expected standards of conduct for all employees within the agency
- raising awareness about those expected standards of conduct and promoting an active dialogue about integrity issues and risks
- ensuring that leaders embody and promote integrity
- encouraging employees to report conduct which does not comply with ethical codes
- taking appropriate action where there is suspected non-compliance with ethical codes and conduct requirements.

Information about the extent to which these elements are in place and operating effectively draws on responses to questions in the AAS and EPS, as well as observations from consulting activities undertaken by the Commission.



## Agency codes of conduct

In 2012, 91% of agencies reported having a code of conduct that clearly articulates expected standards of conduct and integrity in their workplaces. Seven agencies did not respond. Two small agencies indicated that they did not have a code of conduct.

Similarly, 90% of agencies indicated their code of conduct reflects the current public sector *Code of Ethics*. Two small agencies indicated that their code does not reflect the current *Code of Ethics*, and eight agencies did not respond to the question. The Commission will follow up with these agencies and provide assistance where needed to ensure this requirement is addressed.

Agency codes of conduct should address the seven key areas of conduct as outlined in *Commissioner's Instruction No. 8 – Codes of conduct and integrity training*<sup>21</sup>. Figure 4.1 shows the priorities for agencies are managing confidential information, conflicts of interest, personal behaviour, fraudulent and corrupt behaviour and procurement. More than 90% of agencies considered these issues highly important and included them in their codes of conduct and associated policies.

The offer and provision of gifts and benefits to public sector employees is covered in more than 90% of agency codes. This indicates that agencies are addressing these types of risks, which were the subject of specific investigations and reviews recently undertaken by the CCC<sup>22</sup> and the OAG<sup>23</sup>.

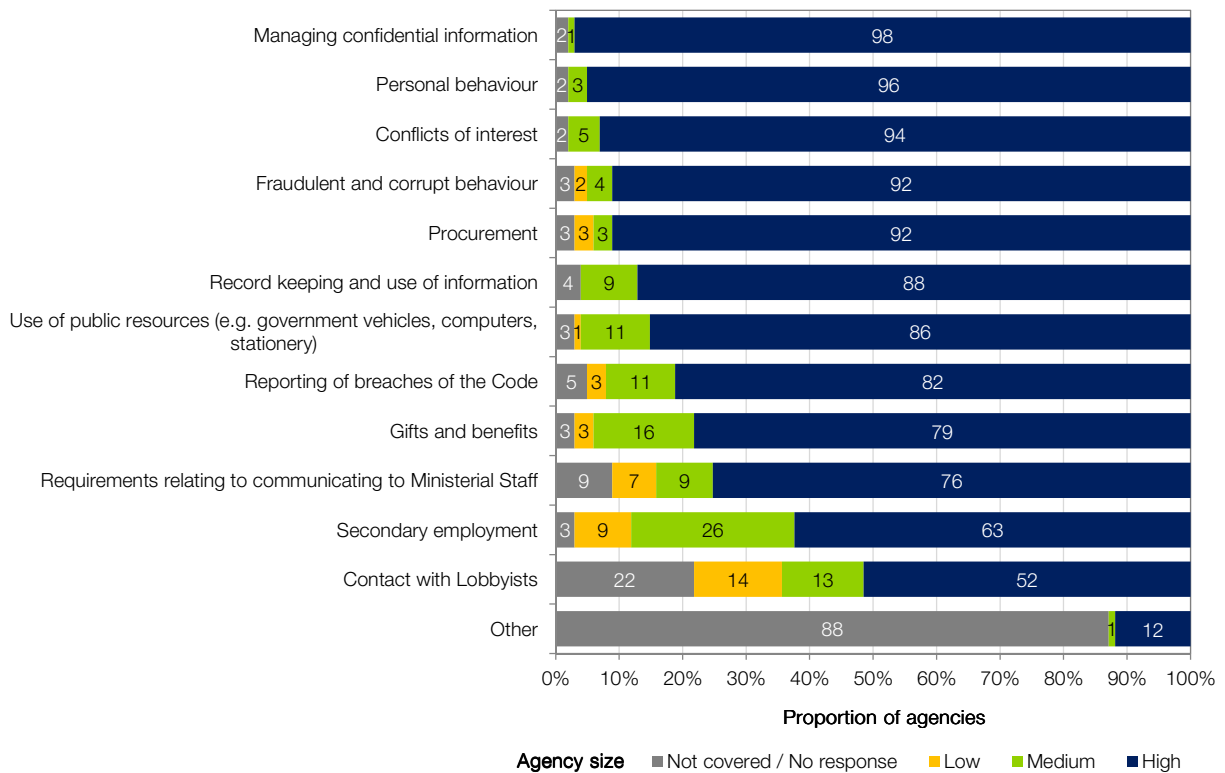
The Commission provides consulting support to agencies developing and revising codes of conduct and is acting on the results of the AAS to target its support and monitoring role.

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21 *Commissioner's Instruction No. 8 – Codes of conduct and integrity training* has been in place since 3 July 2012. Among other obligations, this instruction establishes the requirement for public sector bodies to develop their own code of conduct. *Commissioner's Instruction No. 8* replaced *Commissioner's Circular 2009-08*, which was in place from February 2008. Under this circular, all public sector agencies were required to develop, implement and promote a code of conduct and ensure compliance with their codes of conduct.

22 CCC 2011, *Report on the investigation of alleged public sector misconduct in relation to the purchase of toner cartridges in exchange for gifts outside government procurement policies and arrangements*

23 OAG 2011, *Second public sector performance report 2011 – Use of ICT contractors in government – acceptance of gifts and benefits by public officers in the Department of Health (7/2011)*



**Figure 4.1 Conduct and integrity issues covered in agency codes and/or associated policies by importance, 2011/12 (Source AAS)**

### Raising awareness of expected standards of conduct

Communicating and raising employees’ awareness of the expected standards of conduct is a key success factor in creating and sustaining an ethical culture.

Information collected in 2012 indicates that public sector agencies are continuing to use a range of communication methods to ensure employees are familiar with the public sector *Code of Ethics* and their code of conduct.

The most frequently used approaches to raise employee awareness of ethical codes were written information during induction (92%) and provision of this information interactively or face-to-face (81%). Providing information to employees during the course of their employment was done less frequently, which is a continuing trend from previous years. This suggests that there is a potential benefit to agencies implementing initiatives that enforce expected behaviours throughout an employee’s service in an agency, such as articles on the intranet, newsletters or other communications from the CEO.

## Employee perceptions of ethical codes, policies and procedures

Results from the EPS showed that:

- 70% of respondents were familiar with the *Code of Ethics*.
- 84% of respondents were familiar with their own agency's code of conduct.
- 66% of respondents agreed their agency had policies and procedures to assist employees in managing conflicts of interest.
- 81% of respondents agreed confidential information is only disclosed to appropriate people.
- 69% of respondents were aware their agency had policies or procedures in place regarding receiving and giving gifts.
- 61% of respondents disagreed that decisions about purchasing are influenced by favouritism, gifts or incentives.

These figures indicate a high level of employee awareness of conduct requirements and associated policies and procedures.

## Accountable and ethical decision making training

AEDM training increases employees' knowledge and awareness of ethical and integrity issues. It is a requirement under *Commissioner's Instruction No. 8 – Codes of conduct and integrity training* for public sector bodies to provide this training for their employees using a common curriculum developed by the Commission. A strong and visible commitment to AEDM training by agencies has a practical as well as a symbolic value in demonstrating leadership and in communicating expected standards of conduct.

AEDM training material is arranged under seven modules, mirroring the seven conduct areas in *Commissioner's Instruction No. 8 – Codes of conduct and integrity training* and the Commission's *Conduct guide*. Agencies are encouraged to adapt the material to suit their operating environment using realistic scenarios to illustrate key integrity risks for their business and the ethical challenges employees may encounter.

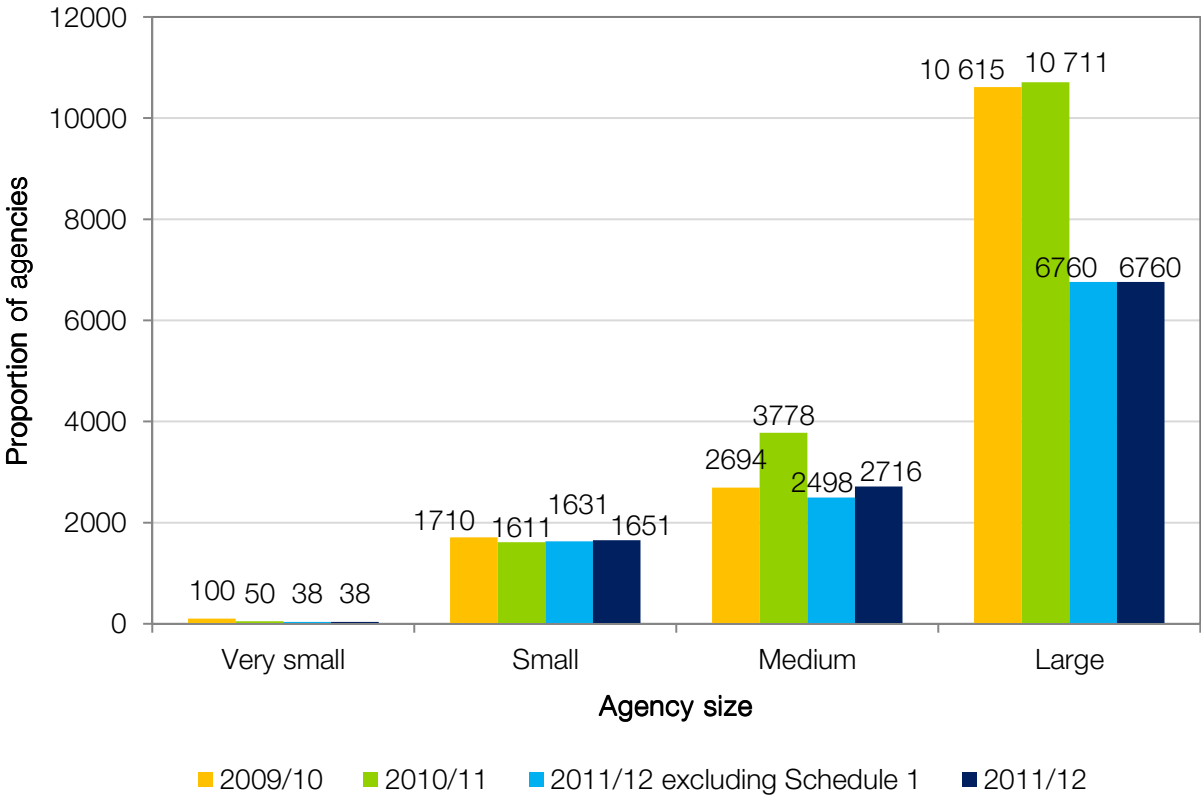
The AEDM program continues to be a priority for the Commission to inform and educate employees about ethical requirements in the public sector. In 2011/12, the program was reviewed and resulted in two changes. Firstly, the 'conflict of interest' module was updated to include an emphasis on the risks associated with the acceptance of gifts and benefits. Secondly, a new module on 'the reporting of wrongdoing' was included to ensure agencies are aware of and actively address their specific integrity issues.



In 2011/12, the Commission delivered the program to:

- 7 new CEOs and DGs, taking the total number of agency heads trained in ethical decision making to 132
- 98 ministerial staff across all ministerial offices
- 278 regional employees across a range of agencies
- 1179 public sector employees based in a range of metropolitan agencies.

The cumulative number of employees (including those in Schedule 1 PSM Act agencies) trained in AEDM over the last three years has increased, with agencies reporting that 1930 AEDM training sessions have taken place and 11 165 employees have attended the training in 2011/12. Since the collection of this data commenced in 2009/10, 42 434 employees have been trained in AEDM (Figure 4.2).



**Figure 4.2** Number of AEDM participants, 2009/10 to 2011/12 (Source AAS)

Online training data available to the Commission indicates a steady uptake in the roll out of online delivery models for the AEDM training program and a significant increase in the number of employees enrolled in online AEDM training over 2011/2012. While the Commission expects to report more fully on this information next year, the growth in the use of online training is supported by Department of Finance data on the CUA indicating expenditure on AEDM training has increased over the last three years as shown in Table 4.1.

**Table 4.1 Agency expenditure on AEDM training under the CUA contract, 2009/10 to 2011/12 (Source Department of Finance)**

Year	2009/10	2010/11	2011/12
Expenditure	\$132,893	\$209,103	\$312,646

Preliminary observations from a review undertaken by the Commission into how agencies promote integrity indicate agencies should:

- give consideration to refresher programs for staff that undertook training when the program was first introduced
- review case study material used by agencies to ensure ongoing relevance
- consider the benefits and risks of providing AEDM training solely in an online format.

Some agencies may find it economical to deliver the training online, but interaction is an important element of the program. Agencies using online delivery are encouraged to include interactive prompts in the program and supplement the training with face-to-face debrief sessions and discussion of scenarios at a branch and team level.

The majority (718) of agency corporate executive members have participated in AEDM training, including:

- 69% of corporate executive members in very small agencies
- 87% of corporate executive members in small agencies
- 100% of corporate executive members in medium agencies
- 100% of corporate executive members in large agencies.

The Commission will assist smaller agencies to work towards meeting the requirements and to ensure all corporate executive members have participated in the training.

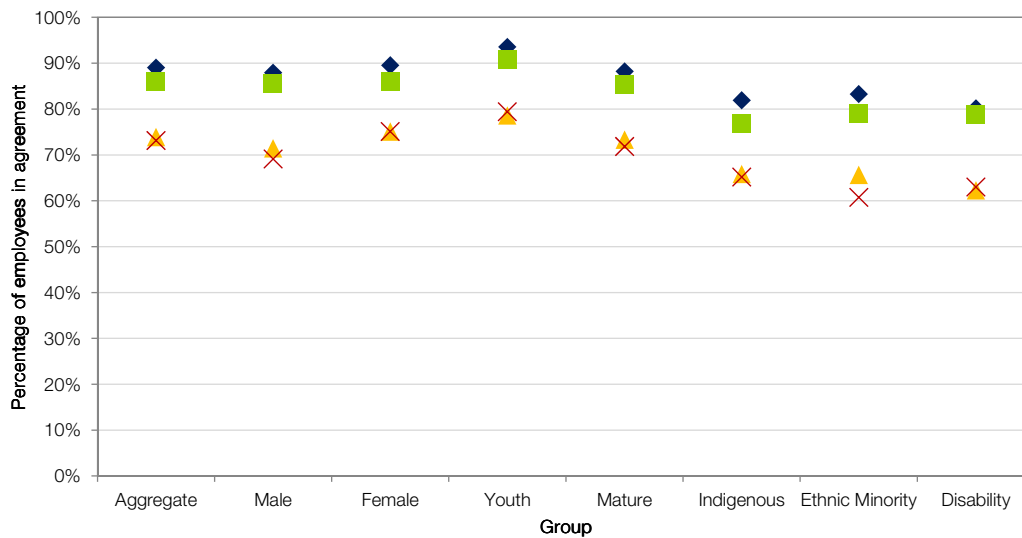
Strong ethical leadership is essential to maintaining a value-based culture. The modelling of ethical behaviour by leaders has been shown to influence employee behaviour and can be a powerful deterrent to unethical behaviour.

The behaviour of public sector leaders continues to come under increasing public scrutiny. AAS results show that two-thirds (66%) of CEOs indicated their agencies provided managers/supervisors with information or training about their role in upholding ethical principles, the *Code of Ethics*, and their agency's code of conduct. Agencies should consider using a range of approaches to strengthen ethical leadership, such as providing more training, leaders inviting 360 degree feedback from their employees to test their perceptions of leadership styles and ethical behaviour, or mentoring and coaching to guide leaders in the development of ethical approaches.

## Employee perceptions about ethical leadership

Figure 4.3 highlights that public sector employees have very positive perceptions of ethical behaviour demonstrated by their leaders. The figure indicates that perceptions of ethical behaviour vary between different demographic and diversity groups. Key results include:

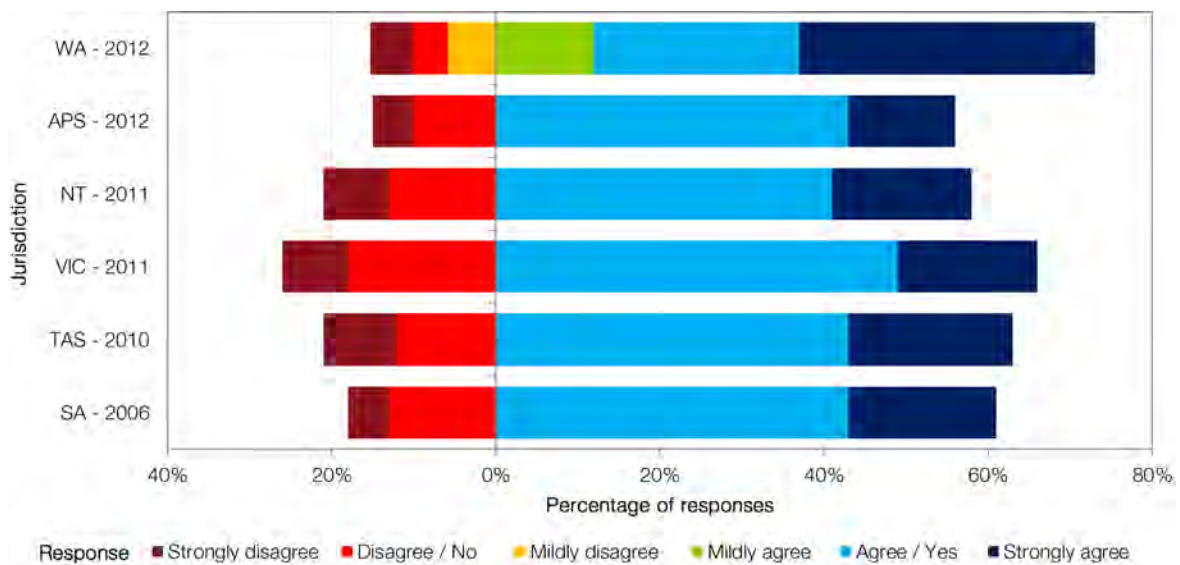
- 73% of employees agreed that senior managers lead by example in ethical behaviour, which compares favourably with other Australian jurisdictions (Figure 4.4).
- 86% of respondents agreed their agency actively encourages ethical behaviour by all its employees. This also compares very favourably with other Australian jurisdictions (Figure 4.5).
- 75% of respondents also agreed their agency promotes management practices and processes that create and sustain a culture of integrity.
- 85% of respondents agreed their immediate supervisor demonstrates honesty and integrity.
- 89% of respondents agreed their immediate supervisor treats them with respect.



**EPS question**

- ◆ You are treated with respect by your immediate supervisor
- Your agency actively encourages ethical behaviour by all of its employees
- ▲ Your agency promotes management practices and processes that create and sustain a culture of integrity
- ✕ Senior managers in your agency lead by example in ethical behaviour

**Figure 4.3 Employee perceptions with respect to key ethical and integrity questions, 2011/12 (Source EPS)**

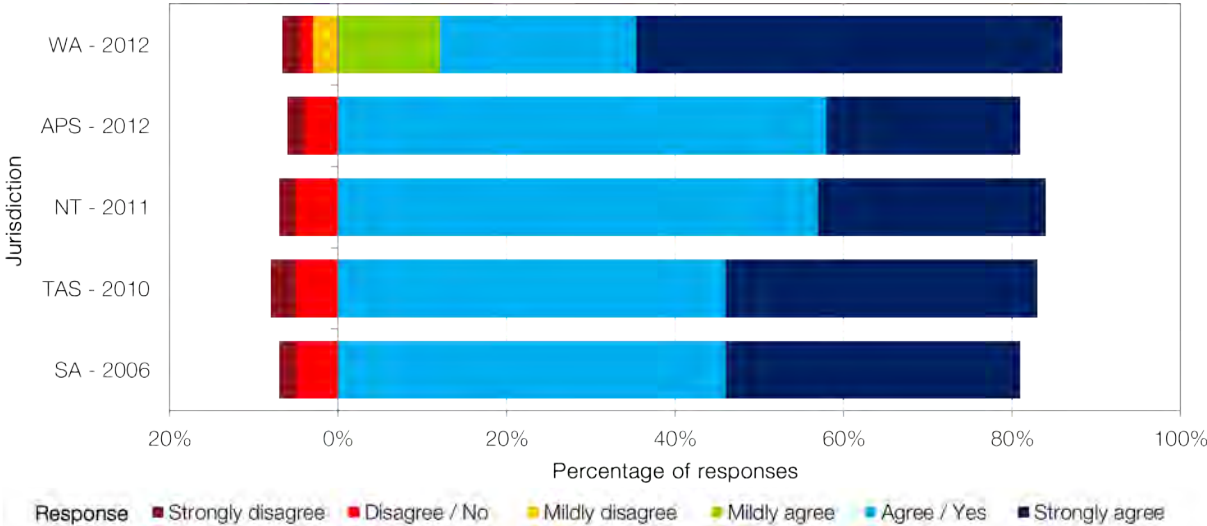


**Note:** Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

**Figure 4.4 Percentage of WA public sector employees who agreed that senior managers lead by example in ethical behaviour compared with other Australian jurisdictions (Source see Appendix A 24)**

24 These benchmarking questions have been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

The positive perceptions in the EPS data on ethical leadership and behaviour compare favorably with results from other jurisdictions (Figure 4.4 and Figure 4.5). This suggests that AEDM and other strategies being implemented to support ethical behaviour are effective.



Note: Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

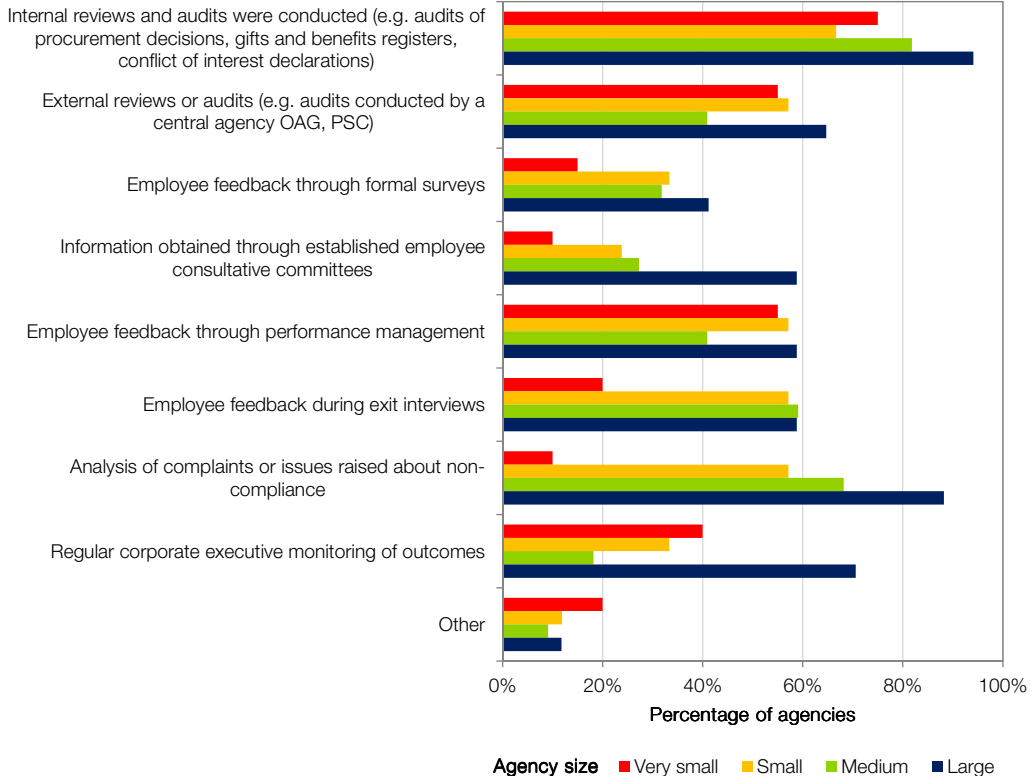
**Figure 4.5 Percentage of WA public sector employees who agreed their agency actively encourages ethical behaviour by all its employees compared with other Australian jurisdictions (Source see Appendix A<sup>25</sup>)**

25 As per previous footnote.

# Monitoring ethical conduct and compliance with codes

Agencies are encouraged to monitor the level of employee compliance with ethical codes using a range of strategies. Examples of such strategies include culture climate surveys, targeted exit interviews or focus group exercises, analysis of case-specific data from disciplinary matters and conducting audits on inappropriate use of government equipment and services (e.g. internet, vehicles, and credit cards). This enables agencies to be informed of the ethical health of the organisation and take action as appropriate.

Figure 4.6 indicates ‘internal reviews and audits’ were the most popular method, used by 76% of agencies. The AAS did not examine the breadth and scope of this audit activity but the Commission is encouraged that integrity culture outcomes are considered valid and relevant for internal audit.



**Figure 4.6 Methods used by agencies of different sizes to assess compliance with ethical codes, 2011/12 (Source AAS)**

While agencies use a number of methods to monitor compliance with ethical codes, they reported using a smaller range of mechanisms to assess how employees demonstrate and consistently apply the values articulated in the code of conduct.

The most common measure agencies use to assess employees' application of values is to include it in performance assessments (used by 47% of agencies).

Agencies that are using performance assessments to determine the application of values by employees need to ensure that performance processes are being undertaken regularly (i.e. at least annually) to be effective.

## **Employee perceptions about their colleagues' compliance with ethical codes**

Employee perceptions about the achievement of a high integrity culture were very positive, particularly in response to questions (included for the first time) about their co-workers' conduct and behaviour. Approximately 90% of employees agreed:

- they are treated with respect by other employees in their agency
- their co-workers demonstrate honesty and integrity in their workplace
- employees in their workplace behave ethically, professionally and fairly when making decisions that affect their clients and customers.

These results suggest that the work that has been done by agencies is effective in building a culture that strongly supports the upholding of integrity and acting in the public interest.

# Reporting unethical conduct

Part of building a strong culture of integrity within an organisation involves ensuring:

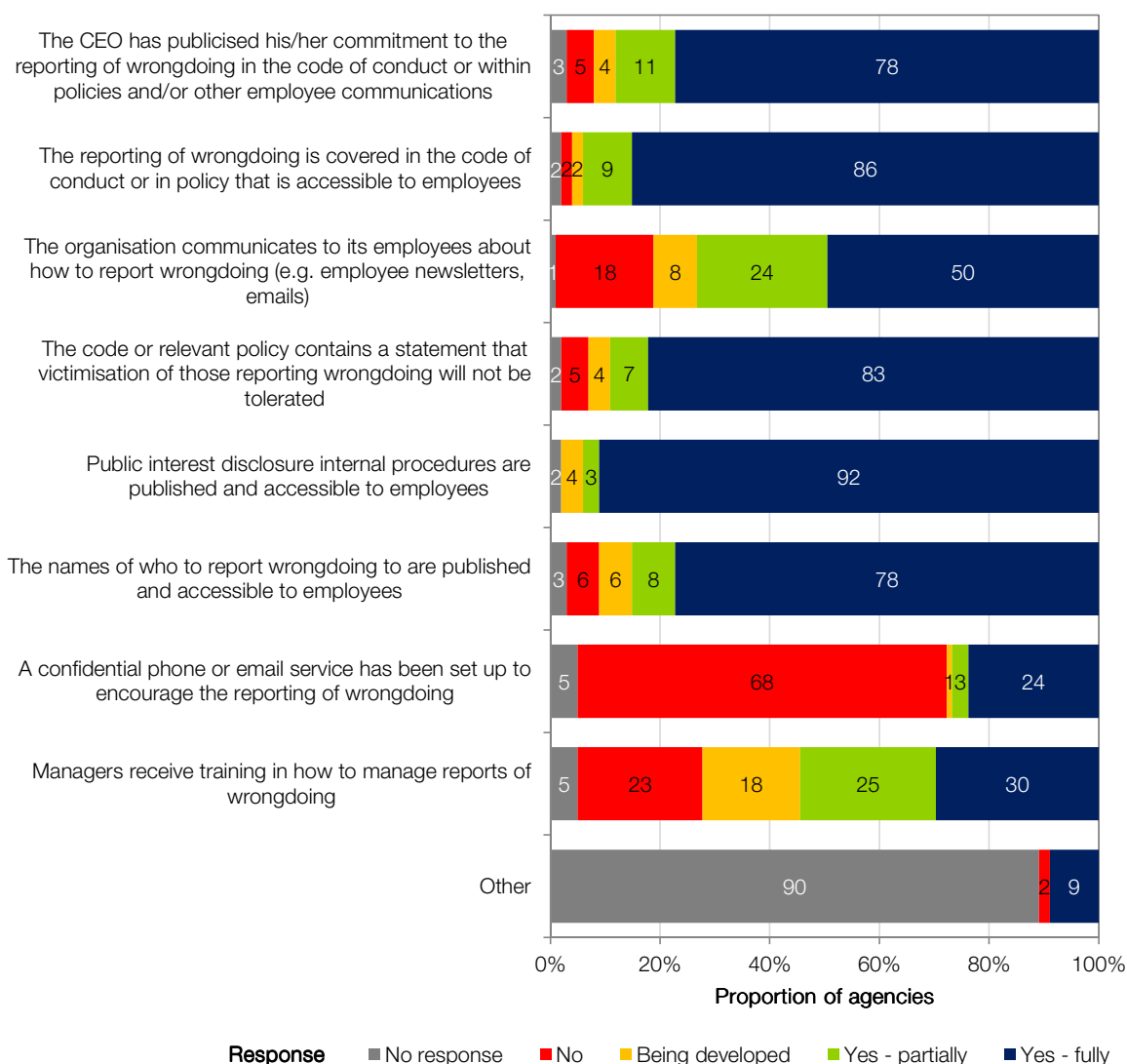
- employees are confident that avenues for reporting perceived wrongdoing are accessible
- confidentiality is maintained
- appropriate action is taken (and seen to be taken) when allegations are sustained.

The reporting of unethical conduct or wrongdoing occurs along a continuum. At the lower end, employees may report perceived wrongdoing to their line manager to be addressed informally, encouraging greater awareness of expected standards of conduct and practice improvement. At the more serious end, under section 28 of the *Corruption and Crime Commission Act 2003* the principal officer of a notifying authority has an obligation to notify the CCC in writing of any suspicions of misconduct that have reasonable grounds.

In response to the question about strategies in place to encourage employee reporting of wrongdoing (Figure 4.7), more than three-quarters of agencies have:

- published their CEO's commitment to the reporting of wrongdoing in their codes of conduct or related policies (reinforcing the link between ethical leadership and an ethical culture)
- included the reporting of wrongdoing in their codes of conduct or related policies
- published the names of who to report wrongdoing to
- expressed in their codes or related policies that victimisation of those who report wrongdoing will not be tolerated.





**Figure 4.7 Methods used by agencies to encourage employee reporting of wrongdoing, 2011/12 (Source AAS)**

*Commissioner’s Instruction No. 8 – Codes of conduct and integrity training*, introduced in July 2012, specifies ‘reporting suspected breaches of the code’ as an aspect of conduct management that needs to be included in an agency’s code of conduct. Figure 4.7 shows this is included either partially or fully in the majority of agency codes (95%) and that three-quarters of agencies use communication such as emails and newsletter to inform employees how to report wrongdoing.

Just over half of agencies (54%) trained managers in how to manage reports of wrongdoing. In agencies where managers are the first point of contact for reporting wrongdoing, it is important that they are trained or made aware of an agency’s processes in relation to the management of these issues. The Commission offers training for agencies in PSM Act disciplinary processes and provides advice and assistance to agencies on these matters as required.

## Employee knowledge and confidence in reporting unethical conduct

The majority of agencies have strategies to encourage the reporting of wrongdoing, with EPS results indicating that:

- 77% of respondents were aware their agency had policies and procedures in place for reporting unethical behaviour, workplace bullying and misconduct.
- 73% were aware of their agency's conduct and discipline processes
- 44% indicated they are confident in their agency's conduct and discipline processes.
- 41% of respondents agreed people who report unethical behaviour in the workplace are protected from victimisation and harassment (33% indicated they did not know or the question did not apply to them).

If systems for responding to specific cases are to be effective in supporting a high integrity culture, staff must have confidence that the agency will respond appropriately to allegations and report possible breaches of ethical codes. The Commission is working with agencies to build confidence in reporting wrongdoing. This is discussed in detail later in this section.

## Employee perceptions on unethical behaviour

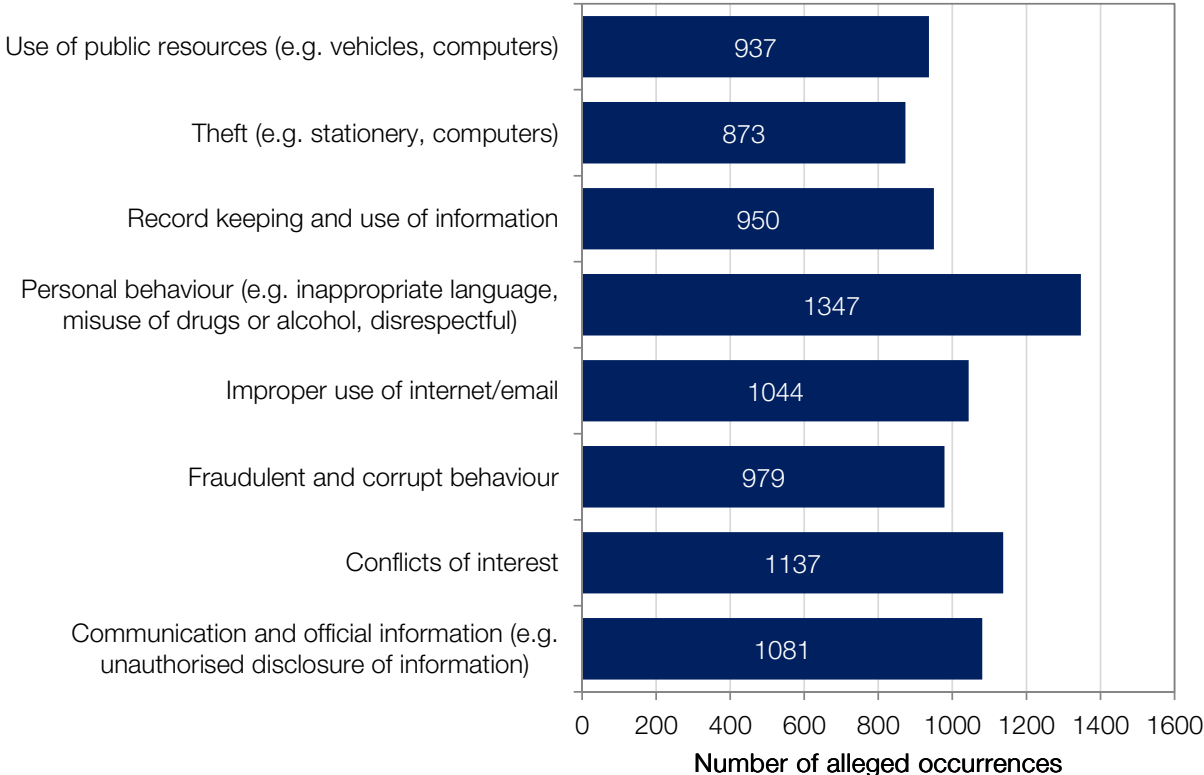
The EPS asked employees if they were aware of an occurrence of unethical behaviour in their workplace in the past 12 months. In considering this data it is important to note the possibility of multiple reporting of a single incident. If a number of employees are aware of a high profile case in an agency it is likely that this will lead to over-reporting through employee opinion surveys.

In this context, the responses were as follows:

- 7453 employees responded to the question.
- 23% of respondents (1733 employees) indicated they believed there had been an occurrence of unethical behaviour in their workplace in the past 12 months.
- Of those, 23% always reported it, and 35% reported it sometimes.

Figure 4.8 shows that there were:

- 1347 alleged occurrences relating to personal behaviour
- 1137 alleged occurrences relating to conflicts of interest
- 1081 alleged occurrences relating to communication and official information.



**Figure 4.8 Perceived occurrences of unethical behaviour, by conduct category, 2011/12 (Source EPS)**

# Assessing allegations of wrongdoing and misconduct

The processes that agencies use to receive and assess allegations of wrongdoing vary. The purpose of the assessment is to determine whether the matter should be dealt with as a suspected breach of discipline, an alternative approach, such as dealing with the issue through another mechanism (such as a grievance process), should occur, or that no action should be taken.

The Commission's view with respect to managing these issues is that there is not a single ideal model which all public sector agencies should use. Devolved, centralised and shared responsibility models each have their strengths and weaknesses and each is suited to different types of agencies. The size, professional profile, operational and industrial environments of the agency, and the extent of geographic distribution are all important factors to consider.

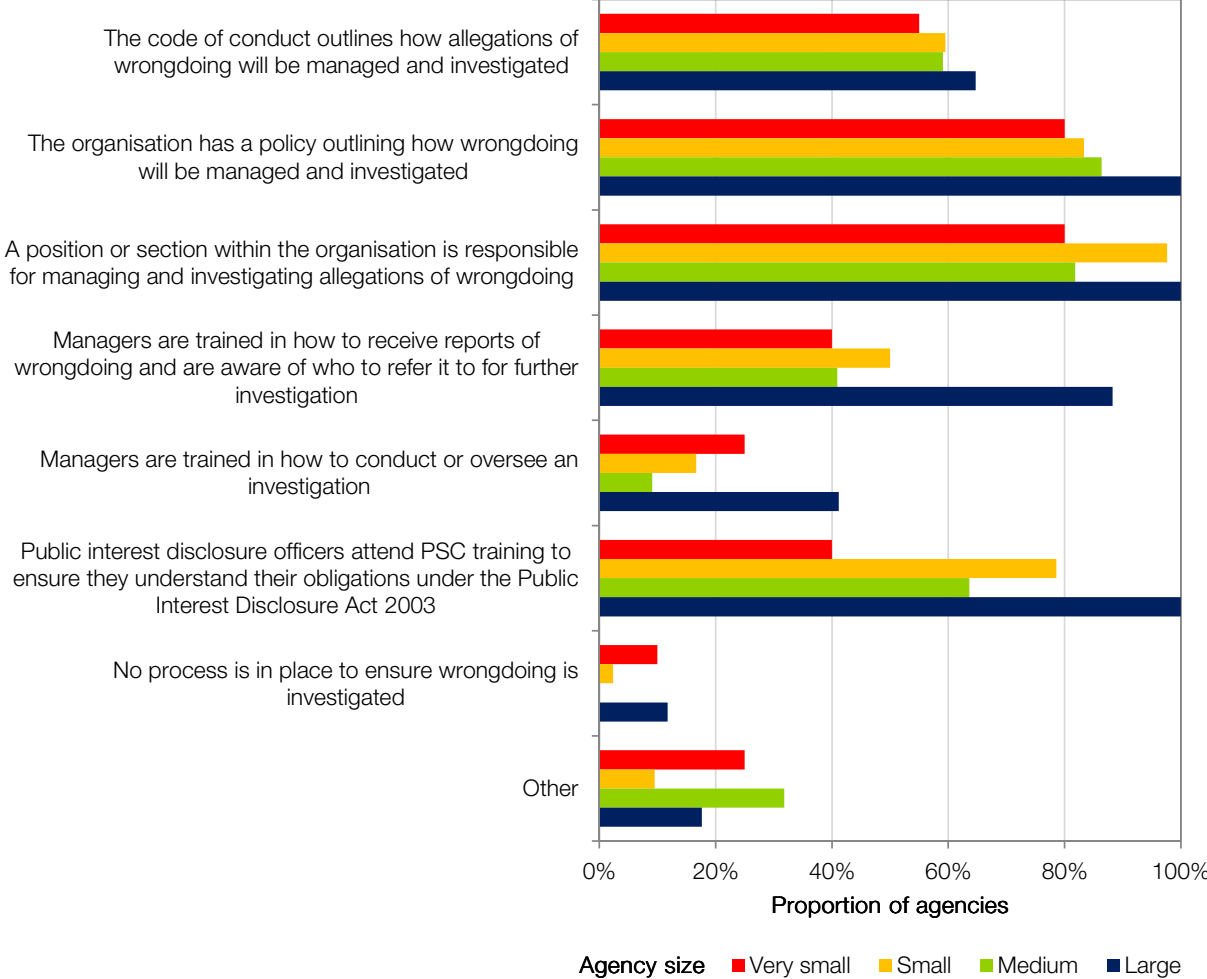
Whichever model is adopted, successful implementation requires:

- a strong commitment to act on allegations and suspicions of misconduct or wrongdoing
- policies and procedures that are accessible, easy to understand, clear, and include information about the accountabilities and responsibilities of staff, managers and officers with specific roles
- well understood relationships between related processes, and well understood triggers for initiating those processes—for instance, discipline, grievance and substandard performance management processes.
- officers with specific responsibilities to have the required skills and resources to undertake their role
- employees to have confidence in the overall framework and in the extent to which rights and responsibilities are respected
- strong organisational capacity to manage these issues, and effective and consistent communication to all levels of the organisation
- a strategic approach to the development of whole of agency misconduct management policies and processes<sup>26</sup>.

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<sup>26</sup> CCC 2010, *Report on the investigation of alleged public sector misconduct by employees of the Department for Planning and Infrastructure in relation to the inspection, licensing and registration of motor vehicles*

Figure 4.9 shows the methods used by agencies to ensure allegations of wrongdoing are investigated. Most agencies (91%) have a position or section responsible for managing and investigating allegations of wrongdoing, while 86% have a policy (which may include their code of conduct) outlining how wrongdoing will be managed and investigated.



**Figure 4.9 Methods used by agencies to ensure wrongdoing is investigated, and where appropriate, action taken, 2011/12 (Source AAS)**

# Managing discipline in the public sector

The way in which disciplinary issues and their consequences are managed can influence community confidence in the public sector. It is therefore in the public interest to ensure that allegations of breaches of discipline are properly managed.

Breaches of discipline as defined in section 80 of the PSM Act can arise from disobeying or disregarding a lawful order; contravening conduct provisions in any relevant Act; committing an act of misconduct; being negligent or careless in the performance of duties; or through committing an act of victimisation as it is defined under the PID Act.

For those employees to whom the provisions of the PSM Act apply, the processes and procedures must be consistent with legislative provisions set out in Part 5 of the PSM Act and the requirements of the Commissioner's instructions relating to discipline of current and past employees.

For other employees, the provisions that apply vary and may be contained within a statute, industrial instrument or common law. Regardless of the provisions that apply, the *Discipline Standard*, one of the 'Public sector standards in human resource management', applies to all disciplinary processes undertaken in the public sector. The *Discipline Standard* sets out the minimum requirements of merit, equity and probity for disciplinary processes.

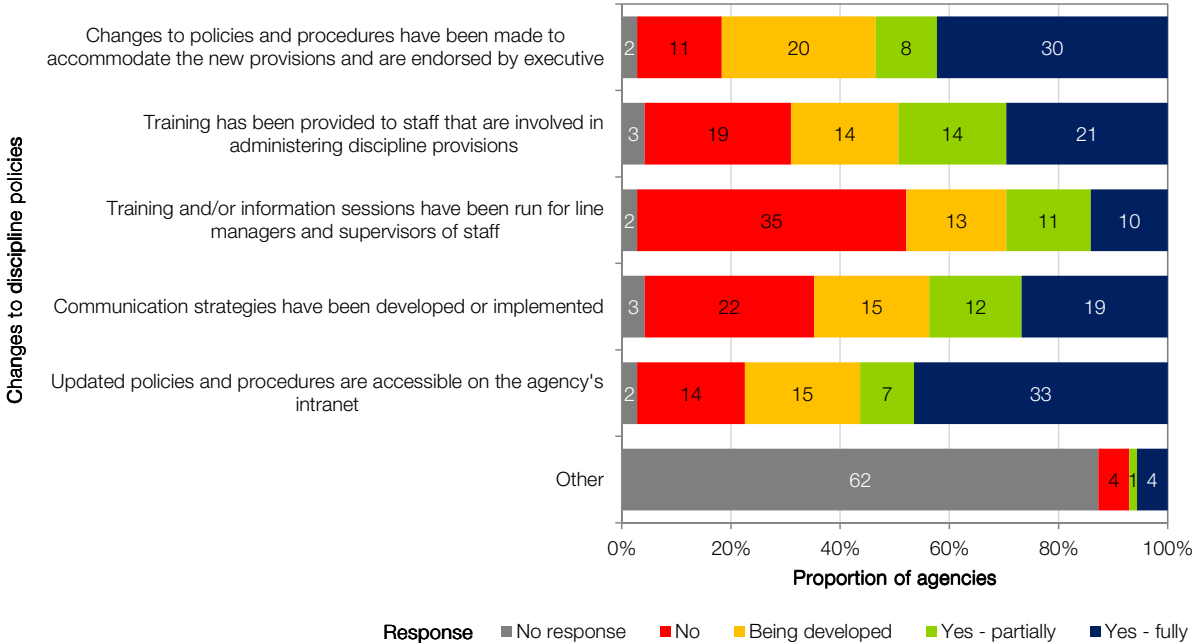
# Agency procedures for dealing with discipline

Robust policies and procedures enable CEOs to assess allegations and to deal with breaches of discipline or misconduct consistently, efficiently and fairly. A clearly defined policy and procedure:

- promotes equity in decision making, including consideration of materiality and proportionality; and the application of sanctions
- sends a clear message that misconduct is not tolerated and that employees engaging in inappropriate behaviour will be held accountable for their actions
- provides certainty for those involved as to the process to be undertaken and reduces the risk of mismanagement of processes
- assists in maintaining public confidence and trust in the operations of the public sector.

Each agency may formulate its own discipline policies and procedures providing they are consistent with higher level statutory and industrial requirements.

As set out in Figure 4.10, (81%) of the agencies that responded that they needed to comply with the Commissioner’s Instruction had either revised their policies and procedures or are in the process of doing so.



**Figure 4.10 Number and proportion of agencies that have developed, implemented and communicated disciplinary policies and procedures, 2011/12 (Source AAS)**

Nearly two-thirds (64%) of large agencies have policies and procedures endorsed by the CEO and implemented, or in progress (21%). Considerable progress has also been made for other agency size groups with 88% of very small and small agencies, and 73% of medium agencies, having made changes to policies and procedures to accommodate the new provisions.

## Building capability in managing discipline

Irrespective of the model and framework in place for managing discipline, those responsible for managing disciplinary processes need a thorough understanding of the legal requirements and the obligations of all parties to ensure the integrity of the system. The Commission notes that agencies are taking action to build employee awareness and internal capability to effectively and efficiently manage disciplinary matters. AAS results show that:

- 35% of agencies have trained those involved in administering disciplinary processes, and a further 14% are in the process of doing so.
- Updated policies and procedures are accessible to staff in 40% of all agencies, while almost one-third of agencies (31%) have partially or fully developed or implemented communication strategies.
- More can be done by agencies in providing training and information sessions for line managers and supervisors of staff, with only one-fifth of agencies (21%) either partially or fully implementing training at this stage.

The Commission considers training of managers and supervisors is particularly important in agencies where responsibility for addressing minor discipline issues is devolved to the supervisor level to address before they escalate. Just over half of all large agencies (57%) have taken action to increase their capability for administering disciplinary processes. There is evidence however, that more work in this area could be done given that:

- 70% of all agencies are yet to train managers and supervisors, and more than half (51%) are yet to train staff who administer disciplinary processes.
- Approximately one-third of agencies (31%) are yet to commence developing a communication strategy to increase awareness of disciplinary processes.

The Commission has been working closely with agencies to improve the sector's capability to manage discipline matters. This has included the development of comprehensive guidelines and the provision of one-on-one advice and assistance to agencies on the application of PSM Act disciplinary processes. Training for agency HR practitioners on PSM Act disciplinary procedures is delivered several times a year and forms part of the curriculum for the 'Foundations of government human resources' (FoGHR) program.



## Employee perceptions of discipline processes

The efforts of agencies and the Commission are evident in the high level of employee awareness of the *Discipline Standard* and agency policy and procedures over the past three years. The EPS asked employees about their knowledge of their agency's policies and procedures and the *Discipline Standard*. Responses in 2011/12 indicate high levels of awareness:

- 73% of respondents said their agency has a policy and procedure for discipline investigations.
- 89% of respondents are aware that standards for discipline exist in the public sector (includes redeployment and termination standards).

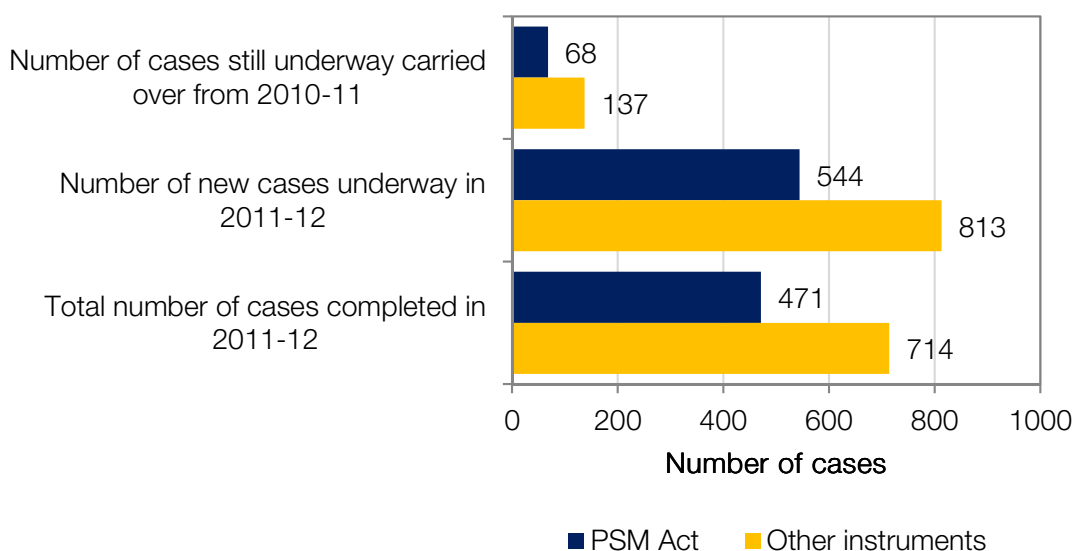


## Discipline investigations

In previous years (2009/10 and 2010/11), the AAS only sought data on disciplinary matters that were dealt with under the PSM Act. This year the survey question was expanded to capture all disciplinary matters regardless of the statutory basis on which they were managed.

As shown in Figure 4.11, there were 1562 allegations of breaches of discipline and of misconduct (including breaches of agency codes of conduct, or the *Code of Ethics*) followed up and investigated during the reporting period<sup>27</sup>. Of these:

- 612 were investigations under the PSM Act (39%)
- 950 were investigations under other instruments (61%).



**Figure 4.11 Cases of discipline and misconduct followed up as a breach of discipline, 2011/12 (Source AAS)**

The number of investigations undertaken by each agency varies widely, with more than 90% of investigations undertaken in large agencies.

- Over one-third (545) were investigated under the PSM Act and almost two-thirds of matters (924) were investigated under other instruments.
- On average, each large agency undertook around 85 investigations during the reporting period, compared with an average of less than one investigation for each other agency.
- When the number of discipline cases is put in the context of discipline cases per 100 employees the incident rate is lower for large agencies than smaller agencies.

<sup>27</sup> A comparison to disciplinary data for 2010/11 has not been made due to reporting anomalies for that reporting period.

## Outcomes of investigations

This year, the AAS sought information on areas of the *Code of Ethics* and agency codes of conduct that were breached. In 2011/12, a total of 1199 investigations were undertaken with 653 (54%) found to have been substantiated. The breakdown across the principles of the *Code of Ethics* is as follows<sup>28</sup>:

- **Personal integrity** (44% of all substantiated breaches)  
Acting with care and diligence and making decisions that are honest, fair, impartial, and timely, and consider all relevant information.
- **Accountability** (7% of all substantiated breaches)  
Using resources of the state in a responsible and accountable manner.
- **Relationships with others** (38% of all substantiated breaches)  
Treating people with respect, courtesy and sensitivity and recognising their interests, rights, safety and welfare.

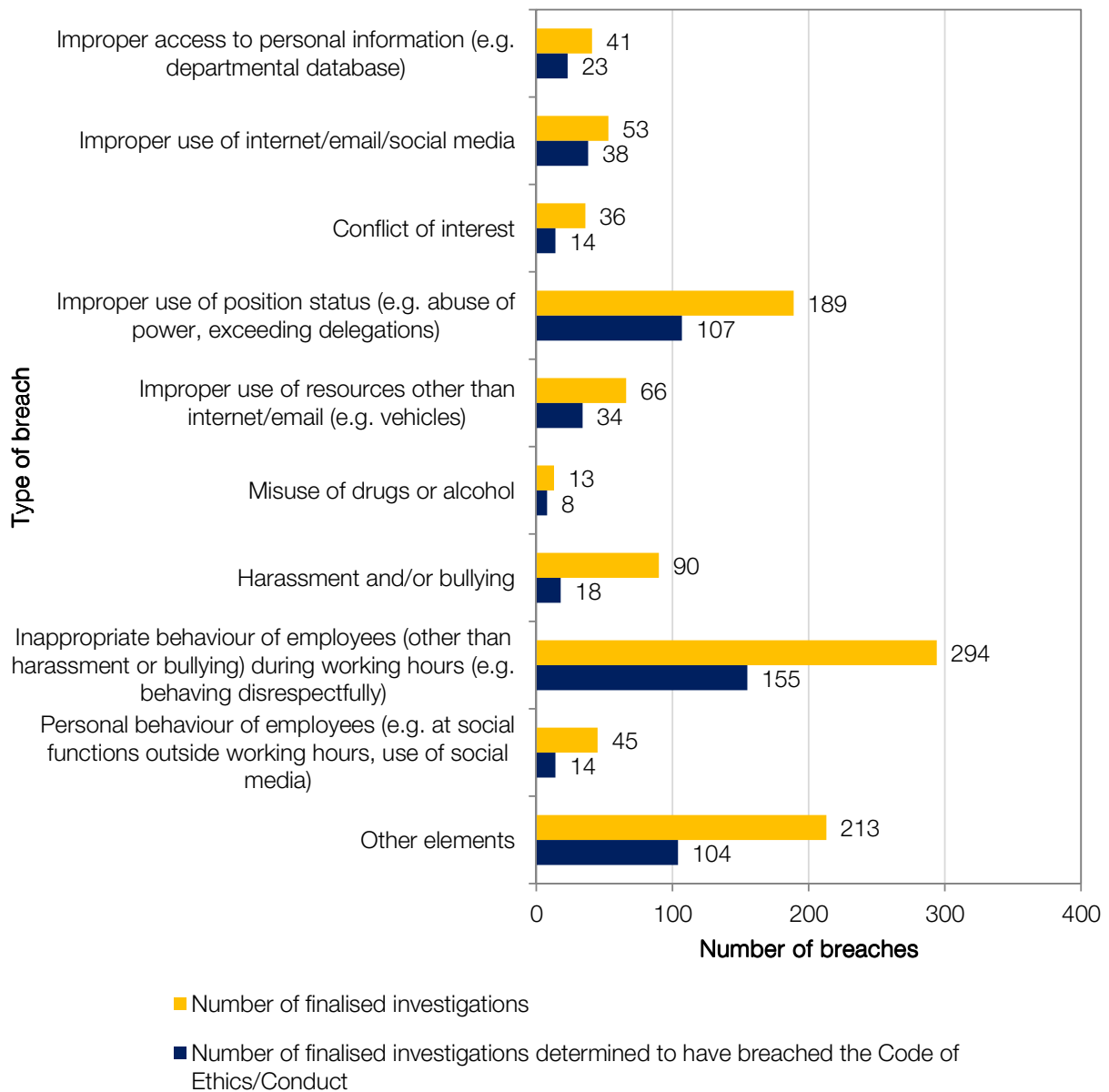
As shown in Figure 4.12, the highest number of substantiated breaches of agency codes of conduct related to inappropriate behaviour of employees (other than bullying and harassment) during working hours, which accounted for 31% of all breaches.

The least number of discipline investigations and substantiated breaches related to conflicts of interest (2%). The Commission has actively been raising awareness and assisting agencies in the management of conflicts of interest. The majority of agencies (88%) have specifically addressed this in their code of conduct and associated policies.

It should be emphasised that the existence of a conflict of interest in a matter is not, of itself, a breach of the *Code of Ethics*. Rather a potential breach of the *Code of Ethics* occurs when the conflict is not properly managed or there is a deliberate attempt to obtain a private benefit.

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<sup>28</sup> Agencies advised that 11% of breaches related to 'Other elements'

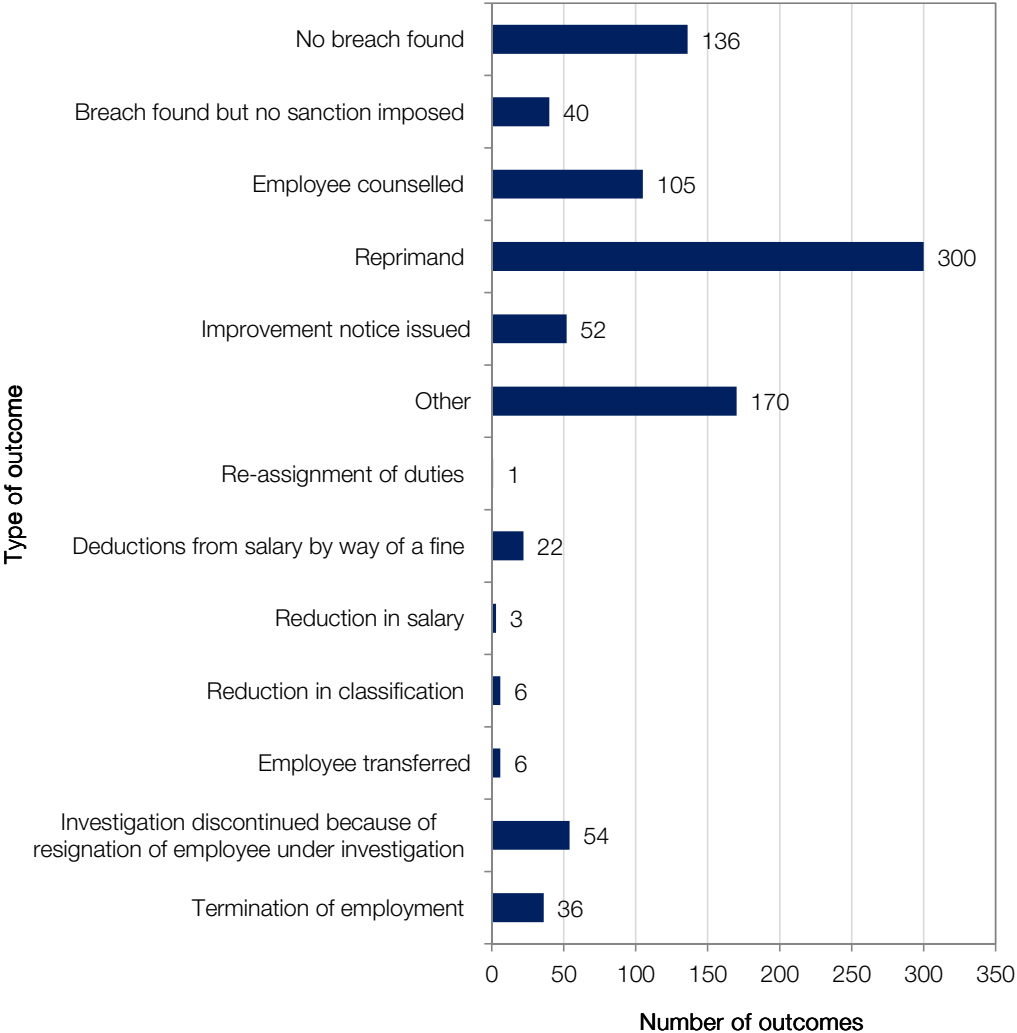


**Figure 4.12** Number of finalised discipline investigations by type of breach and the proportion which were substantiated in 2011/12 (Source AAS)

As shown in Figure 4.13:

- The most common outcome of completed investigations was a reprimand issued to the employee (32%).
- The use of greater flexibilities provided in the revised PSM Act provisions is evident in the outcomes of almost a quarter of investigations (24%).
- The application of sanctions (in the form of a fine, classification or salary reduction, transfer or duty reassignment, or termination of employment) was the least likely outcome (8%).

CEOs also have discretion to continue a disciplinary process after an employee resigns, provided the circumstances are exceptional and it is in the public interest to do so. In 6% of cases, agencies discontinued investigations because the employee involved resigned while the investigation was underway.



**Figure 4.13 Outcomes of disciplinary investigations for 2011/12 (Source AAS)<sup>29</sup>**

<sup>29</sup> More than one outcome may apply to a single case (e.g. an investigation may recommend that an employee be fined as well as undergo counselling). The majority of ‘others’ outcomes were reported by the Department of Health (147 cases) as ‘unknown’.

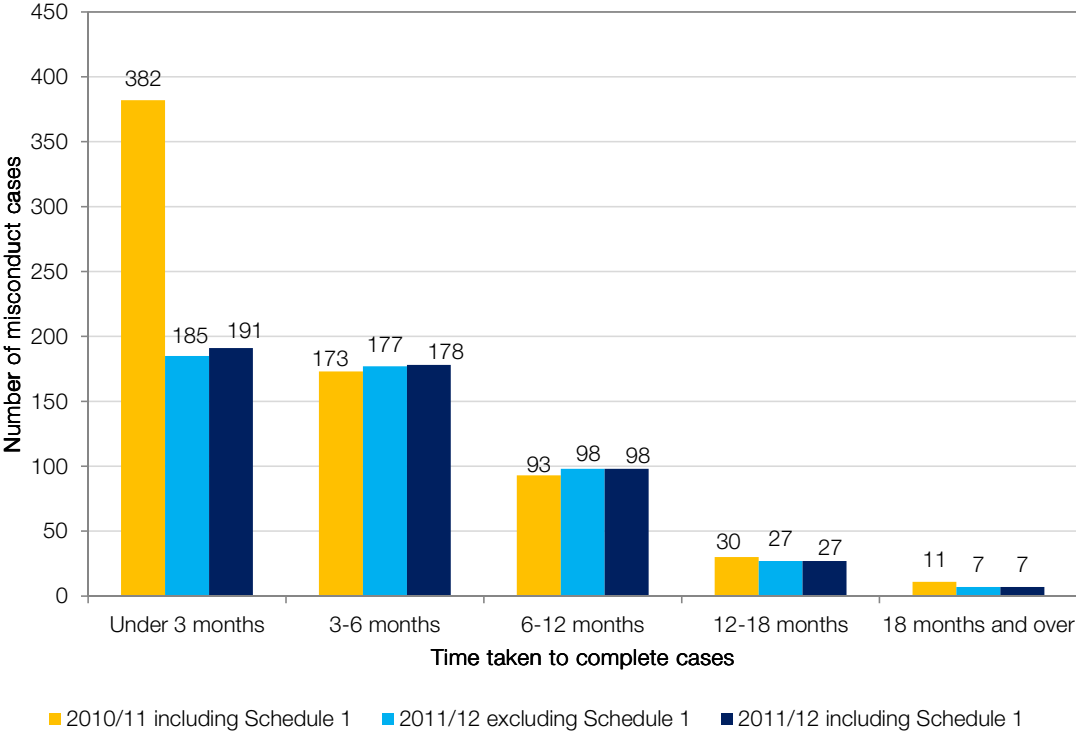
## Time to complete disciplinary investigations

It is in the interests of both the agency and the employee that disciplinary matters are resolved as quickly as possible. The conduct of an investigation can be affected by a range of factors including:

- the nature and seriousness of the alleged misconduct
- the availability of those involved in the investigation
- the level of risk and complexity in the environment in which the misconduct occurs
- statutory or other mandatory requirements that trigger complex and time consuming processes.

This is the first report where the new PSM Act disciplinary provisions were in effect for the full reporting period. The revised process simplified a three stage approach to a single process and provided greater flexibility to tailor responses according to the seriousness of the matter.

Figure 4.14 outlines the number of investigations completed within different timeframes. Allegations must be dealt with as thoroughly as the circumstances warrant and the duration of an investigation should not of itself be considered a reliable indicator of the efficiency of an agency’s discipline or misconduct management processes.



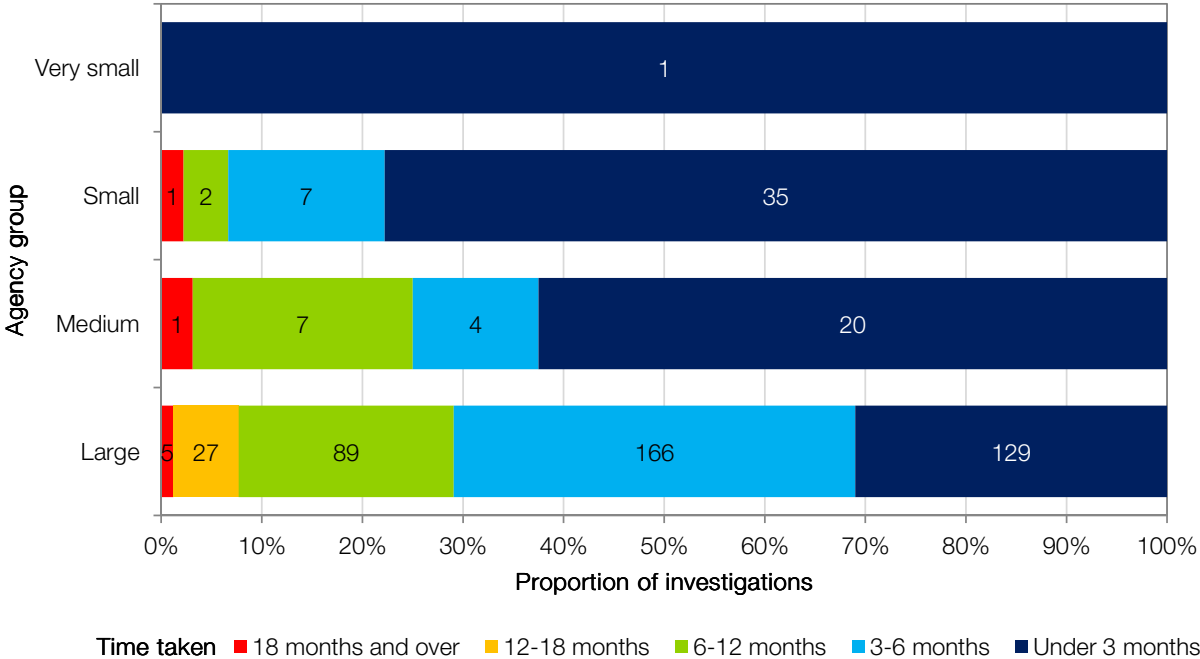
**Figure 4.14** Number of discipline investigations finalised within specific time periods, 2011/12 (Source AAS)

The majority of agencies (81%) have systems in place that allow them to report on the duration of investigations. However, the Commission notes that 35% of large agencies, which deal with the majority of disciplinary matters, are unable to report on the duration of investigations. Agencies should improve their systems to ensure they can monitor and report on all aspects of disciplinary investigations.

In general, for those agencies that were able to report on duration, the majority of investigations were completed promptly and within reasonable timeframes. Almost three-quarters of all investigations (73%) were completed in less than six months, compared with 81% last year.

As shown in Figure 4.15, large agencies had a higher proportion of cases of longer duration than other agencies:

- Large agencies completed 30% of their investigations in less than three months, compared with an average of 82% for medium and smaller agencies.
- Of the investigations that took longer than six months to complete, almost all (93%) were in large agencies.



**Figure 4.15 Proportion of discipline investigations finalised within specific time periods by agencies of different sizes, 2011/12 (Source AAS)**

# Observations emerging through cases referred to the Commission

A recurring theme in matters assessed by the Commission in 2011/12 is that accountable and ethical decision making is not just about participation in a training session, but is about applying AEDM principles in everyday decision making and in dealing with colleagues and employees.

For agencies, it is considered essential that ethical leadership is practically demonstrated at all levels and that there is an open and regular dialogue at the team level about integrity and conduct issues; the organisation's professional standards; and expectations of staff.

Actual cases and hypothetical scenarios involving significant fraud and corruption are relevant but most conduct issues considered by the Commission have arisen as a result of poor judgement and a failure to consider the fundamental questions:

- Am I doing the right thing (under applicable policies and laws and in the public interest)?
- How will my actions impact on others?
- How will others perceive my actions and decision making?
- Do I need to talk to someone else about this?



# Public interest disclosure

The *Public Interest Disclosure Act 2003* (PID Act) facilitates the disclosure of public interest information and provides protection for those who report wrongdoing. An overview of the operation of the PID Act is provided at 'Appendix C – Public Interest Disclosure Act 2003'.

The Commissioner has obligations under the PID Act to:

- prepare guidelines on internal procedures relating to the functions of a proper authority and ensure all authorities have copies of these guidelines
- establish a code setting out the minimum standards to be complied with by a person to whom a disclosure can be made
- monitor public authorities' compliance with the PID Act and code
- provide assistance for public authorities to comply with the PID Act and code
- report to parliament on the compliance and non-compliance with the PID Act and code and the performance of his obligations under the PID Act.

This section of the report satisfies the requirement for the Commissioner to report annually to parliament under section 22 of the PID Act.

## **How the Commission promotes compliance with the PID Act**

The PID Act requires the Commissioner to prepare guidelines on internal procedures for public authorities. These guidelines were first developed and introduced in 2003 and are available on the Commission's website.

The Commission has also developed a range of products that are available in hard copy and online formats. These products have been designed to provide guidance to public authorities and potential disclosers.

The Commission also assists agencies to comply with the PID Act through the provision of training to those who are designated to receive disclosures and a consultancy service accessed through the Commission's advisory line.

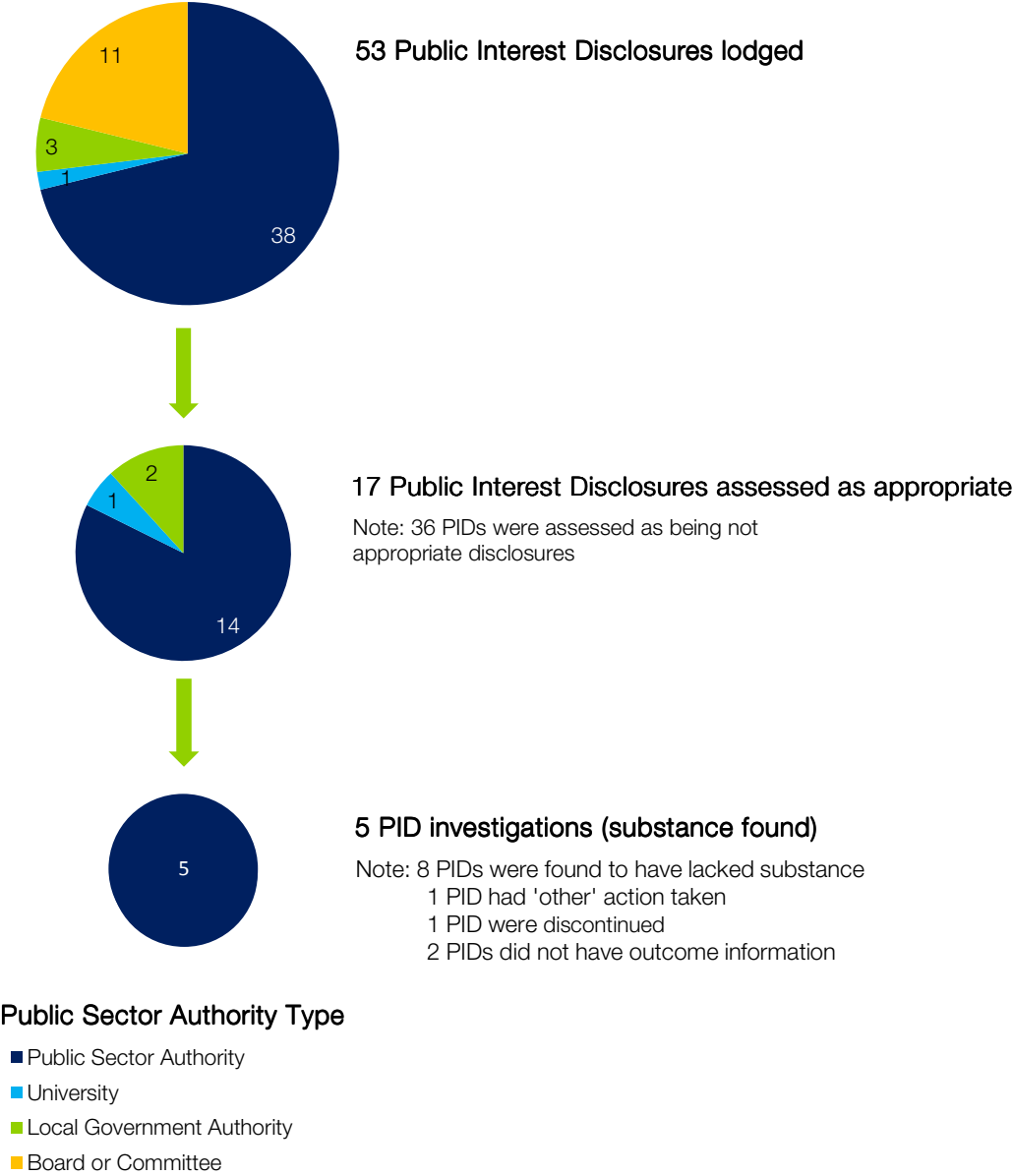
The Evidence and Public Interest Disclosure Legislation Amendment Bill 2012 was before parliament during the reporting period. In anticipation of the significant changes arising from the impending amendments to the PID Act the Commission's training program for PID officers was suspended until the bill was passed.

During this time the Commission integrated PID information into its general sessions delivered to regional authorities, and provided consultancy and advisory services to PID officers and potential disclosers. The Commission has now commenced updating its guidelines, training program and products to reflect the recent legislative changes.

# PIDs reported to the Commission in 2011/12

Under the PID Act principal executive officers are required to provide annual information to the Commissioner about PIDs received.

Figure 4.16 provides an overview of PIDs received by agencies and public authorities reported to the Commission in 2011/12.



**Figure 4.16 Overview of PIDs received by public authorities including investigation phases and assessment outcomes, 2011/12 (Source PID registers)**

In 2011/12, 17 disclosures were reported to the Commission via confidential PID registers. Table 4.2 outlines the total number of PIDs received by proper authorities since the PID Act commenced in 2003.

Issues raised under the PID Act represent a very small proportion of all public sector conduct matters. The number of disclosures for public authorities for this reporting year increased to 17 appropriate disclosures (up from 12 disclosures in 2010/11) with 36 matters assessed as not being appropriate disclosures of public interest information.

The number of matters being assessed as not being appropriate disclosures highlights the need for agencies to ensure that information about the PID process is accessible and well understood by potential disclosers and line managers.

**Table 4.2 Public interest disclosures reported to agencies or other proper authorities, 2003/04 to 2011/12 (Source AAS and PID registers)**

Proper authority to whom disclosures were made	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12
PID officers	16	15	3	13	2	6	14	11	13
Other proper authorities	10	8	7	1	2	7	4	1	4
<b>TOTAL</b>	<b>26</b>	<b>23</b>	<b>10</b>	<b>14</b>	<b>4</b>	<b>13</b>	<b>18</b>	<b>12</b>	<b>17</b>

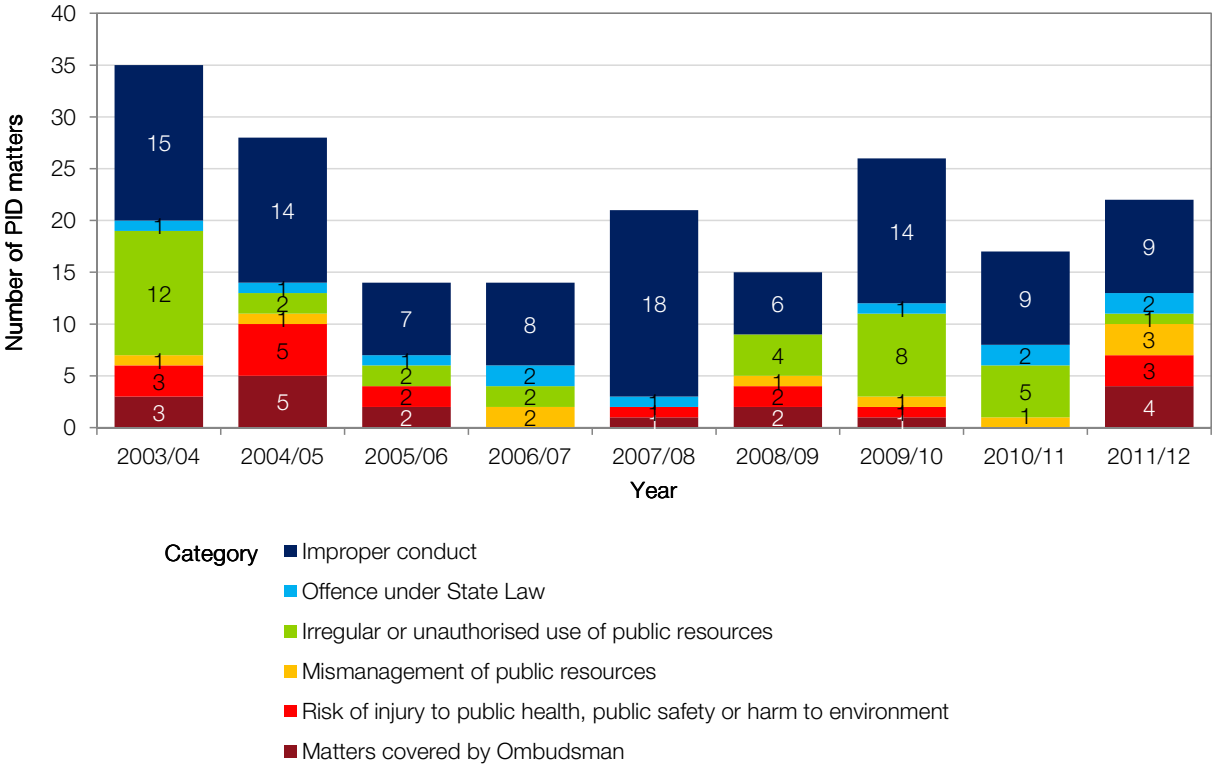
The discloser in the majority of PID cases in 2011/12 was a current employee of the relevant public authority, followed by members of the public. Table 4.3 shows a five year comparison of the source of PIDs.

**Table 4.3 Number of public interest disclosures by source of disclosure, 2007/08 to 2011/12 (Source AAS and PID registers)**

Source of disclosure	2007/08		2008/09		2009/10		2010/11		2011/12	
	PID officer	Other proper authority	PID officer	Other proper authority	PID officer	Other proper authority	PID officer	Other proper authority	PID officer	Other proper authority
Current employee of authority	4	3	9	0	9	0	7	1	7	1
Past employee of authority	0	1	0	0	0	0	1	0	0	0
Member of public	0	2	1	1	1	0	1	1	2	2
Other	2	1	4	3	4	3	0	1	4	1
<b>TOTAL</b>	<b>6</b>	<b>7</b>	<b>14</b>	<b>4</b>	<b>14</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>13</b>	<b>4</b>

The categories of ‘public interest information’ covered in the PIDs lodged during 2011/12 showed a similar pattern to past reporting years. That is, the majority of disclosures involved the reporting of improper conduct. PIDs typically contain a number of matters that fall under more than one category of public interest information under the PID Act. In the 2011/12 reporting period, 22 different matters were reported through the 17 PIDs received.

Figure 4.17 shows the comparison of matters raised by category of public interest information since the 2003/04 reporting period.



**Figure 4.17 Public interest disclosures by category of public interest information from 2003/04 to 2011/12 (Source PID registers)**

### Public authorities surveyed about PID in 2011/12

All public authorities as defined under the PID Act were surveyed through the AAS, including:

- 120 public sector agencies and authorities
- 140 local governments
- 4 public universities
- 156 public sector boards and committees that identified they were established under legislation or by the Governor or a minister.

## **Action taken by public authorities to comply with the PID Act**

Public authorities covered by the PID Act must have at least one position within their organisation designated as a 'proper authority' (generally referred to as a PID officer) to accept and assess PIDs. Authorities were asked if they had a PID officer/s and the results were:

- 114 public sector agencies and authorities (95%) identified they had a PID officer/s, two did not, and four did not respond.
- 133 local governments (95%) identified they had a PID officer/s, five did not, and two did not respond.
- All four surveyed universities (100%) identified they had a PID officer/s.
- 108 public sector boards and committees (70%) identified they had a PID officer/s, 43 did not, and five did not respond.

This represents an overall average of 85% of all public authorities that have a PID officer. During the next year the Commission will follow up with authorities that do not have a PID officer to ensure that they understand and meet this requirement.

The details of approximately 450 designated PID officers are published on the Commission's online PID contact directory, which assists people considering making a disclosure to identify a PID officer or proper authority with which to lodge their PID.

## **Public authorities preparing and publishing internal procedures**

Under the PID Act, public authorities must prepare and publish internal procedures relating to the authority's obligations under the PID Act. This assists employees, officers, contractors and clients to understand the authority's processes for reporting wrongdoing. The results from the AAS in regards to the preparation and publishing of internal procedures were:

- 106 (88%) public sector agencies and authorities had published internal procedures, nine did not, and five did not respond.
- 104 (74%) local governments had published internal procedures, 31 did not, and five did not respond.
- All four (100%) surveyed universities had published internal procedures.
- 87 (56%) of public sector boards and committees had published internal procedures, 60 did not, and nine did not respond.

During the next twelve months, the Commission will be reissuing the guidelines to all relevant authorities in anticipation of amendments to the PID Act being proclaimed.

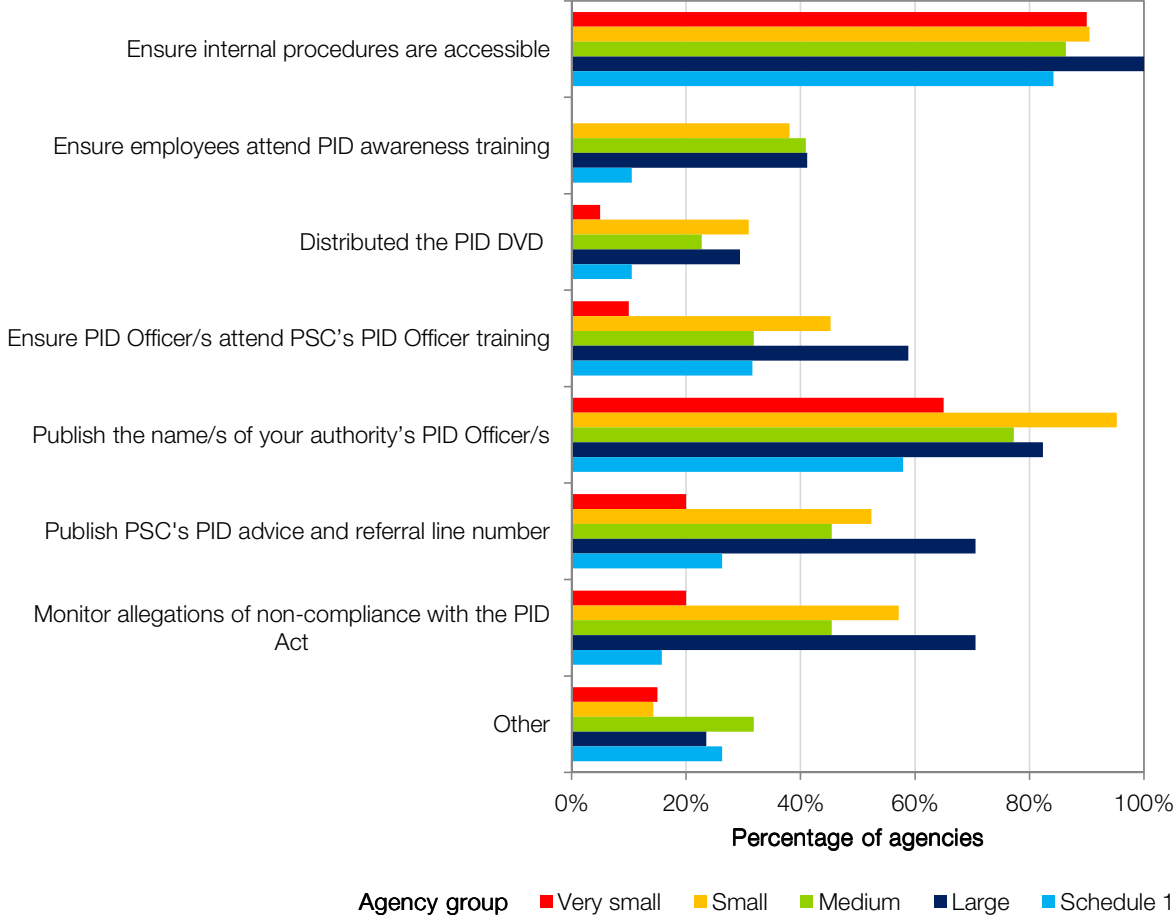
**Measures used by public authorities to ensure compliance with the PID Act**

There are a number of common measures that public authorities have implemented to ensure that information about the PID procedures are accessible to employees. Figure 4.18 shows the most commonly adopted measures were:

- 89% ensured their internal procedures were accessible to employees.
- 44% published the Commission’s PID advice and referral line numbers.
- 78% published the names of the authority’s PID officer/s.
- 44% monitored allegations.

The least commonly used measures by public authorities were distribution of the PID DVD (21%) and ensuring employees attended PID awareness training (27%).

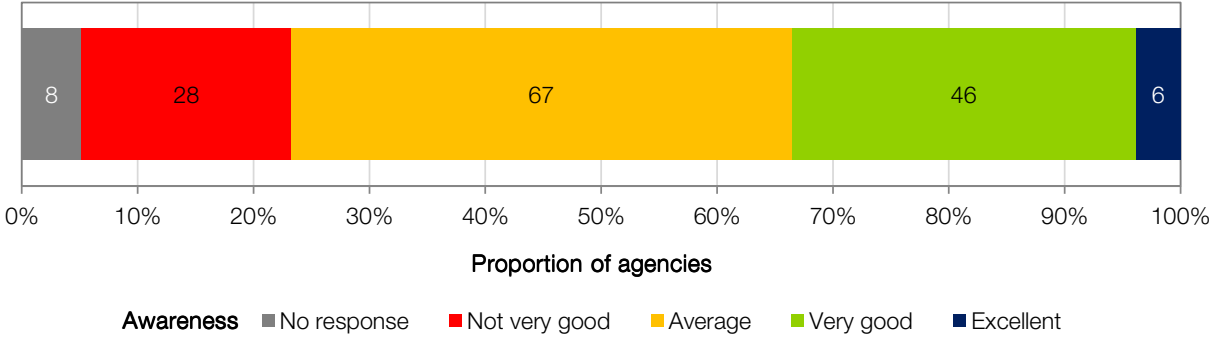
In the next year the Commission will update and release new products to assist agencies to raise the awareness of PID.



**Figure 4.18 Measures used by public sector agencies and authorities to ensure they comply with the PID Act, 2011/12 (Source AAS)**

# Public sector board and committee awareness of the PID Act

Public sector boards and committees were asked specifically in 2011/12 about their awareness of the PID Act with 76% rating themselves as either excellent, very good or average (Figure 4.19). PID officers of boards attend PID training provided by the Commission.

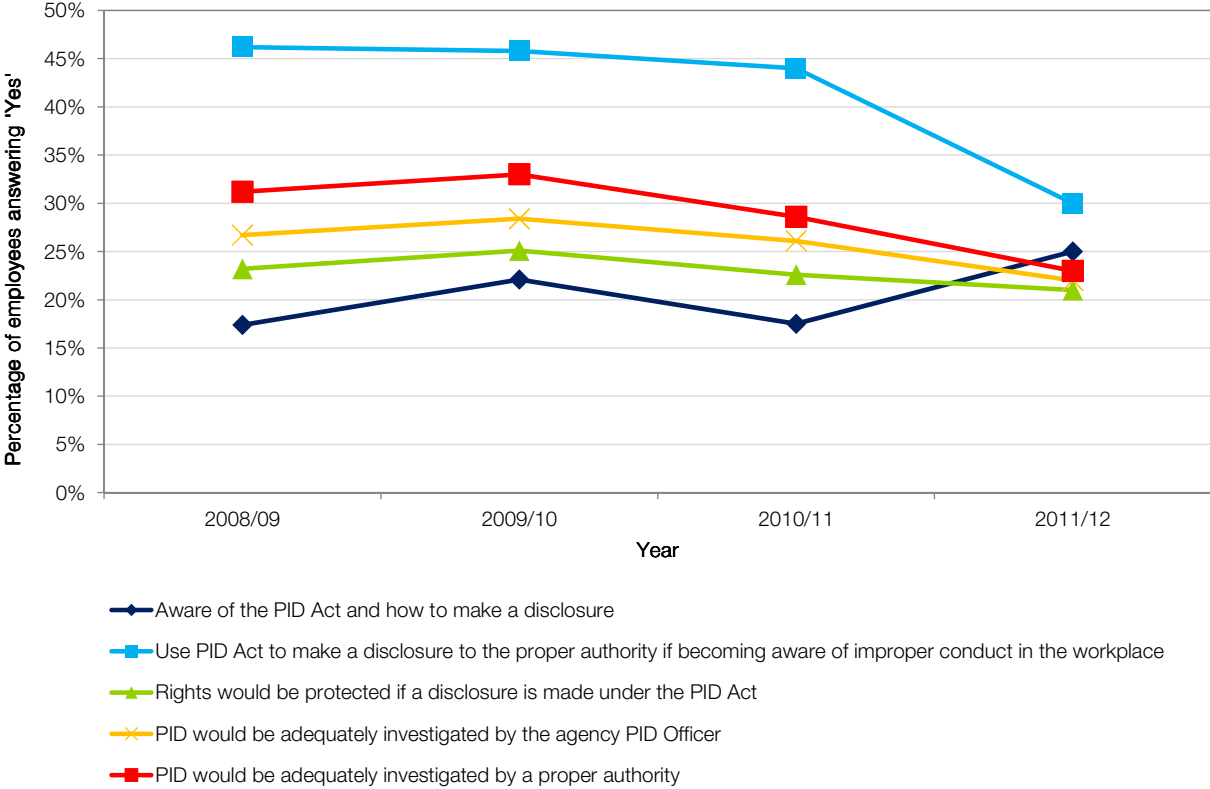


**Figure 4.19 Chairperson’s assessment of board and committee members’ overall awareness of the PID Act (Source ABCS)**



# Employee awareness and confidence in using the PID Act

Figure 4.20 shows employee awareness levels of the PID process.



**Note:** For 2011/12, employees answered 'Always' instead of 'Yes'

**Figure 4.20 Employee awareness of, and confidence in, using the PID Act and processes to make a disclosure, 2008/09 to 2011/12 (Source EPS)**

There has been a moderate increase in employee awareness of PID processes for 2011/12 but that the overall level of employee awareness (25%) is not high. EPS results show that:

- 25% of employees were aware of the PID Act and how to make a disclosure, an increase of 8% on last year’s data.
- More managers (37%) were aware of the PID Act and how to make a PID than non-managers (26%).
- 39% of employees said they were not aware of the PID Act or know how to make a disclosure, compared with 42% in 2010/11.
- 36% of employees said they did not know about the PID Act or how to go about making a PID, but would know where to go to find out more information. This has increased by 2% compared with 34% in last year’s reporting period.

Employees' level of confidence in PID processes remained relatively low with survey results from the EPS indicating that:

- 30% of respondents were willing to make a disclosure to the proper authority (if they became aware of improper conduct in the workplace).
- 21% of employees felt confident that their rights would be protected if they made a disclosure, compared with 37% in 2010/11.
- 52% of respondents did not know if their rights would be protected.
- 22% of respondents said they felt confident that their disclosure would be investigated adequately by the agency's PID officer, while 56% said that they were unsure.

Public authorities are responsible for raising employee awareness and understanding of the PID process and this employee data suggests more could be done in this area. The Commission is currently updating the range of products available to assist public authorities to raise the employee awareness of PID processes and will follow up with those agencies where employee awareness and confidence were low.

## Monitoring activities

Table 4.4 sets out the additional activities that the Commissioner monitors in relation to compliance with the PID Act.

**Table 4.4 Additional PID Act monitoring requirements, 2011/12 (Source PID registers)**

Requirement		PID officer/authority response
Notification to discloser	Where an appropriate disclosure is made, a proper authority is to notify the discloser within three months after the disclosure is made of the action taken, or proposed to be taken, in relation to the disclosure (section 10 of the PID Act).	All disclosers (11) were advised within this timeframe in this reporting period. <sup>(a)</sup>
Final report	When an investigation is complete, proper authorities must provide a final report to a discloser who has requested a report (section 10 of the PID Act).	All public authorities (6) advised final reports had been provided and no issues of non-provision of reports were raised with the Commissioner in this reporting period. <sup>(a)</sup>
Confidentiality	The identity of the informant and the subject of the disclosure can only be revealed in certain circumstances (section 16 of the PID Act).	Public authorities revealed the identity of informant/s in two instances. In one PID consent was obtained from the discloser, while in another, the discloser/s identity was revealed on grounds of natural justice.
Detrimental action or victimisation	A discloser can seek remedies for acts or victimisation through a proceeding in tort or under the <i>Equal Opportunity Act 1984</i> (section 15 of the PID Act).	In this reporting period, public authorities reported that no claims of detrimental action or victimisation were made.

(a) The number of cases assessed for compliance does not add up to the total number of PIDs received (17). This is because assessment of compliance has only been undertaken where the complainant's identity was not anonymous, the disclosure had not been referred to the Ombudsman or the matter had not been finalised.

# Key section findings

- There is a high level of agency compliance with the requirement to have a code of conduct that reflects the public sector *Code of Ethics*.
- Agencies have been proactive in addressing areas they perceive to be high risk integrity issues in their codes of conduct.
- The cumulative number of employees trained in the 'Accountable and ethical decision making' (AEDM) program has increased over the last three years with the majority of agency corporate executive members also trained in the program.
- A high proportion of agencies have implemented changes to their discipline policy and processes to reflect the revised PSM Act disciplinary provisions and are making use of the broader range of options available.
- Agencies are encouraged to implement improvements to disciplinary recording and reporting systems so that they can monitor and report on all aspects of disciplinary investigations.
- Agencies should ensure that all avenues for reporting allegations of wrongdoing are included in agency policies and procedures.
- Public authorities should utilise the range of products developed by the Commission to raise awareness of the PID process and the protections available under the legislation to increase the confidence level of employees in using this process.

# Workforce planning and leadership

Part of the Commissioner's role involves planning for the future management and operation of the sector (section 21A(c) PSM Act). This involves identifying potential future changes impacting on the sector and taking action so that the sector is well-equipped to deal with these as they occur. This role is shared with agency CEOs who have a separate and related obligation to ensure their agencies are equipped to meet the future needs of the community.

The challenges the sector faces together include replacing an ageing workforce, retaining knowledge, addressing potential skills shortages and keeping pace with technological changes. WA's growing population, increasing service expectations of the community and investment in regional areas are also resulting in greater demand on the sector. Initiatives to meet these challenges include planning for the future workforce, increasing diversity and building leadership capability.

Effectively planning the current and future workforce and anticipating future service delivery needs enable CEOs to keep up with changes, and to be proactive and well positioned to respond to emerging issues.

This section discusses progress made in workforce and diversity planning. It also outlines the context for leadership and explains why the development of leadership capability across the sector is crucial in positioning the sector for the future.



# Public sector workforce and diversity planning

Workforce planning in the public sector requires a systematic and strategic approach encompassing the collection and use of accurate workforce data, planning of workforce strategies and development of the workforce. It involves making informed and evidence-based decisions about business practices, organisational goals and community needs; and developing strategies to build and maintain a skilled, flexible and sustainable workforce.

Workforce and diversity planning in the WA public sector links a range of legislation and strategies, including:

- defined functions of CEOs under the PSM Act
- equal employment opportunity objectives and requirements under the EO Act
- *Strategic directions for the public sector workforce 2009–2014 (Strategic directions)*
- *Public Sector Commissioner's Circular 2011-02: Workforce planning and diversity in the public sector*
- DG/CEO performance agreements
- Department of Training and Workforce Development: *Skilling WA – a workforce development plan for Western Australia*
- the WA Government's *Aboriginal economic participation strategy 2012–2016*.

In May 2009, the Commission launched *Strategic directions*, identifying priority workforce issues for the WA public sector. Many agencies have since aligned their workforce initiatives to the six priorities of this strategy:

- attracting a skilled workforce
- retaining valued employees
- building the capacity of the public sector
- providing strategic leadership
- meeting regional needs
- ensuring an efficient and flexible public sector.

In February 2011, *Commissioner's Circular 2011-02: Workforce planning and diversity in the public sector* was released to encourage public sector agencies to develop and commence implementing workforce and diversity plans by 30 June 2012.

Agencies were also encouraged to integrate their existing equal employment opportunity management plans into their workforce and diversity plan (conditional to section 145 of the EO Act being met). Forty-eight agencies opted to develop an integrated plan.

## Workforce planning processes

Workforce plans now cover 99% of the public sector workforce, representing a headcount of 155 300 employees. The 2012 AAS asked agencies to rate the maturity of these workforce planning processes on a scale of 0 (no processes in place) to 5 (processes fully integrated). More detailed information on the ratings is provided in 'Appendix A – Public sector monitoring and evaluation framework' and on the Commission's website. However, as a general guide:

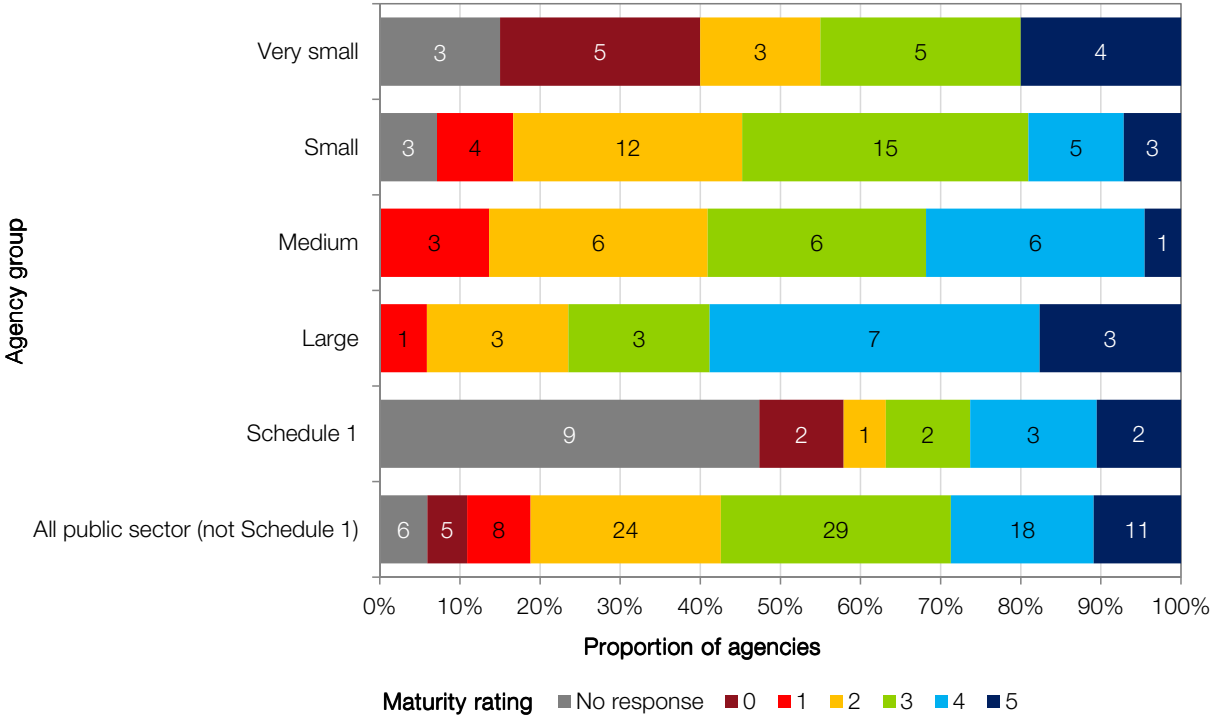
- A rating of 0, 1 or 2 indicates that there is no workforce plan in place or that the workforce plan has not yet been endorsed by the corporate executive.
- A rating of 3 indicates that there is an endorsed workforce plan being implemented but measures and monitoring are not yet in place.
- A rating of 4 or higher indicates that the workforce plan is being implemented and that there are measures and monitoring in place.

The distribution of responses for different size categories of agencies is shown in Figure 5.1.

The average maturity rating for the sector for strategic workforce planning in 2011/12 was 2.6, which was the same as 2010/11. Large agencies and medium agencies had average maturity ratings of 3.5 and 2.8 respectively, compared with small and very small agencies with average maturity ratings of 2.4 and 2.7 respectively. Apart from medium agencies, which remained the same, these ratings have all increased slightly compared with 2010/11, indicating considerable progress has been made in workforce planning across the sector over the last year.

In 2011/12, a total of 29 public sector agencies rated their performance in this area at 4 or 5. A significant improvement is that the agencies with a rating of 4 or 5 have a shared headcount of 120 227 employees, compared with 27 654 employees for 2010/11. This result is due to the Department of Education and the Department of Health (with a combined headcount of 95 584) increasing their maturity from 3 to 4. This is a significant outcome given the size and complexity of the workforce in these agencies.

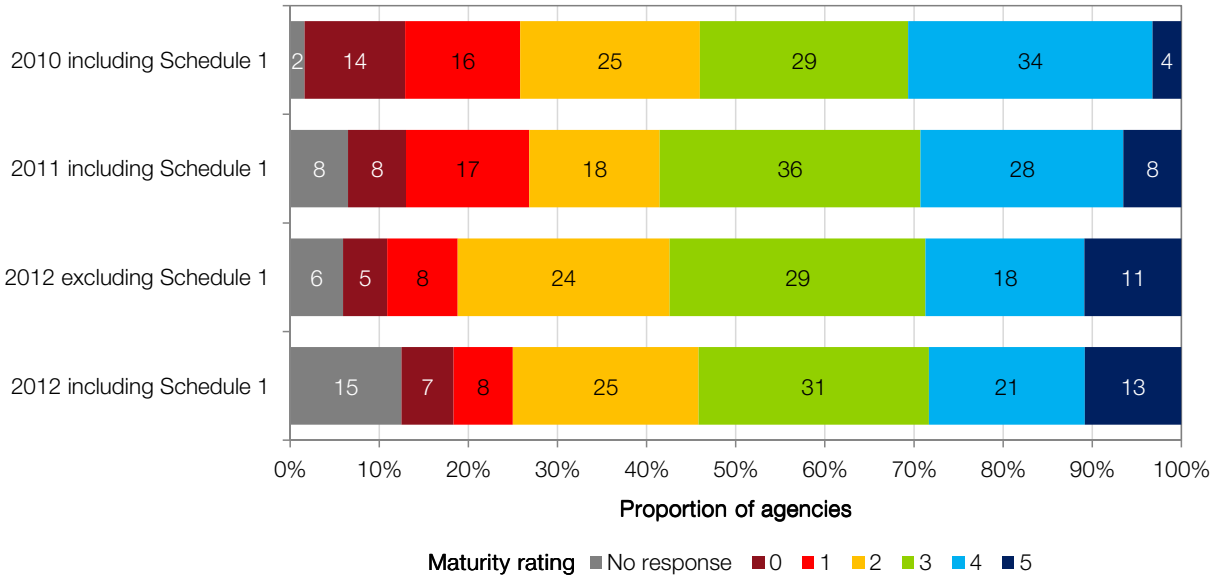
Twenty-nine agencies rated themselves at a maturity level of 3. Of the remaining 43 agencies, 37 rated themselves at 2 or lower and six did not respond to the statement. Of these 37 agencies, 30 were either very small or small. Twenty-four of the 37 agencies that rated themselves a 2 or lower had introduced some measures but these were not comprehensive or endorsed by the CEO. This type of result would be expected for smaller agencies as they are less likely to be affected by major workforce shifts and may not require detailed systems and plans. Therefore workforce planning can be treated at the level of individual succession planning in many of these cases.



**Figure 5.1 Maturity of agencies ‘Strategic Workforce Plans (including EEO initiatives) and/ or related policy which supports the organisation’s strategic goals’, 2011/12 (Source AAS)**



Progress from 2009/10 to 2011/12 in the maturity of strategic workforce planning across the public sector is depicted in Figure 5.2.



**Figure 5.2** Maturity of agencies ‘Strategic Workforce Plans (including EEO initiatives) and/or related policy which supports the organisation’s strategic goals’, 2010 and 2011 compared with 2012 (Source AAS)

### Commission activity in workforce planning

To support the development and implementation of agency workforce plans the Commission provides an advice and consultation service, an on-line workforce planning toolkit and other resources. It also conducts a range of workshops to support and assist agency workforce planning.

The Commission encourages agencies of all sizes to improve the maturity of their workforce planning, data quality and diversity improvement efforts by reviewing existing strategies, incorporating good practice approaches profiled in the Commission’s support resources and by expanding program evaluation and practices to consider workforce planning and compliance imperatives.

## Progress of workforce plans

Collaborative efforts between the Commission and key agencies ensured that workforce planning continued to be an ongoing priority, with significant work undertaken to address the priority areas in *Strategic directions*. The Commission noted the active engagement by agencies through participation in consultation forums and Commission programs designed to build capacity in this area. As indicated in Table 5.1, this has resulted in the development and implementation of 1145 new workforce initiatives since May 2009.

**Table 5.1 Summary of new initiatives implemented by agencies since the release of *Strategic directions* in 2009 (Source AAS)**

<i>Strategic directions</i> workforce priority	Number of new initiatives developed and implemented over 3 years	Proportion and number of agencies, and the most common initiative implemented
Retaining valued employees	340	71% of agencies (72) implemented an initial follow-up induction process to ensure that new employees have a meaningful transition into the agency and their role
Attracting a skilled workforce	240	69% of agencies (70) promoted flexible working arrangements to increase the attractiveness of the public sector as an employer
Ensuring an efficient and flexible public sector	172	49% of agencies (49) reviewed job descriptions and competencies to ensure they reflect current requirements
Providing strategic leadership	142	48% of agencies (48) encouraged development of agency leadership skills through leadership programs
Building public sector capacity	140	40% of agencies (40) established development programs that accelerate progress along the learning curve in key job roles
Meeting regional needs	111	23% of agencies (23) promoted targeted and cost-effective benefits to attract employees to regional and remote locations
<b>TOTAL</b>	<b>1145</b>	

Areas that offer potential for more integrated and active workforce planning include:

- further simplifying internal procedures to assist employees to undertake their work in more flexible ways
- working with industry and university sectors to develop partnerships
- investing in leadership development, particularly succession management programs
- implementing mentoring, coaching and succession programs
- considering flexible remuneration packages
- streamlining cadet, apprenticeship and graduate programs across the sector.

The Commission is working to support and broker partnerships between agencies to develop and promote active strategies, particularly in regional areas. Public sector agencies are encouraged to continue to collaborate with the Commission, and with other agencies, to improve the level and type of initiatives being implemented.

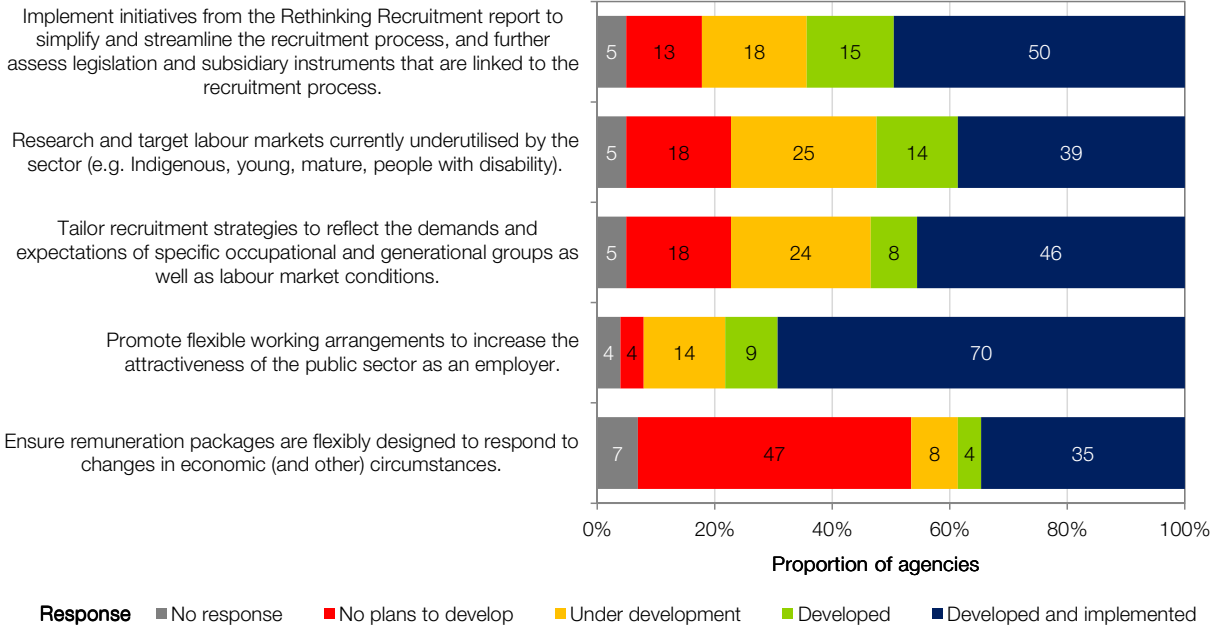


# Priority strategies in sector-wide workforce planning

Strategic directions highlights six priorities for enhancing workforce planning in the sector. A summary of actions and outcomes for each priority is outlined below.

## Priority 1: Attracting a skilled workforce

Attracting a skilled workforce is critical for the public sector to continue to provide quality services to the community. Increasing competition for employees across sectors has meant that public sector agencies need to think strategically about their respective competitive advantage in order to attract the workforce required.



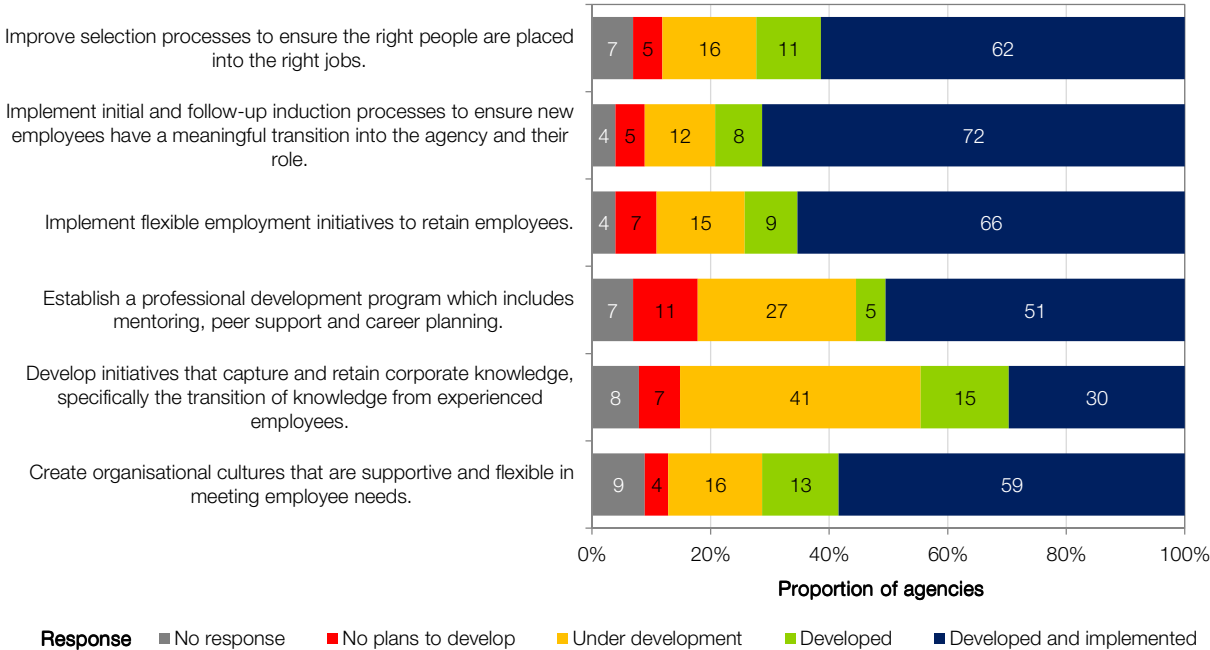
**Figure 5.3** Number and proportion of agencies developing strategies for attracting a skilled workforce, 2011/12 (Source AAS)

Significant progress has been made by agencies in developing and implementing a range of initiatives to attract a skilled workforce. Figure 5.3 shows the most commonly used strategies are promoting flexible working arrangements in more appealing advertisements and streamlining recruitment processes by reducing the requirement for applicants to prepare extensive written applications. Attraction and retention strategies that have not been extensively used by agencies include targeting underutilised labour markets, such as older workers and diversity groups, and tailoring recruitment strategies to attract specific occupational or generational groups. The Commission is working with agencies to encourage greater take-up of these strategies.

### Priority 2: Retaining valued employees

The public sector is tracking well in the development and implementation of retention strategies, particularly in relation to induction processes, flexible employment arrangements, tailoring of selection processes to specific agency needs (part of the reforms introduced after the amendments to the PSM Act in 2010) and creating supportive organisational cultures.

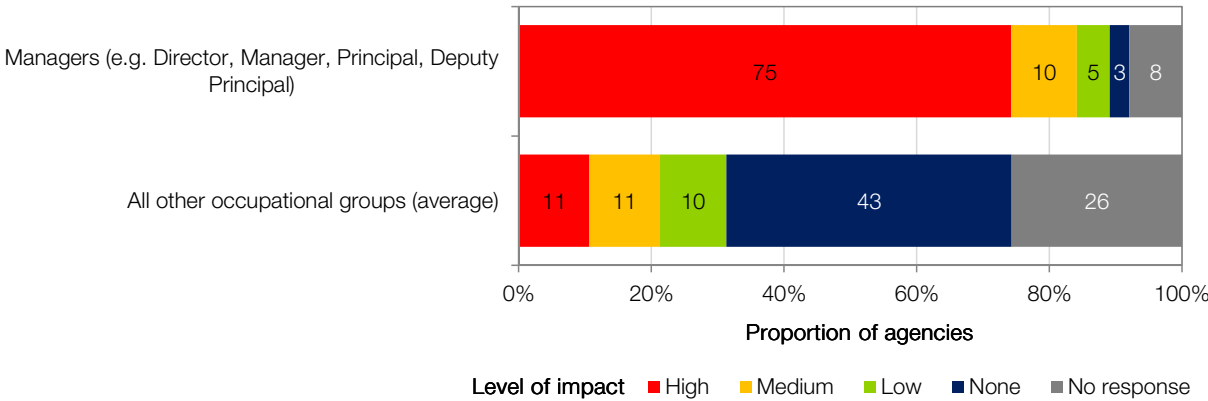
Figure 5.4 highlights agencies' stages of development relating to retaining valued employees.



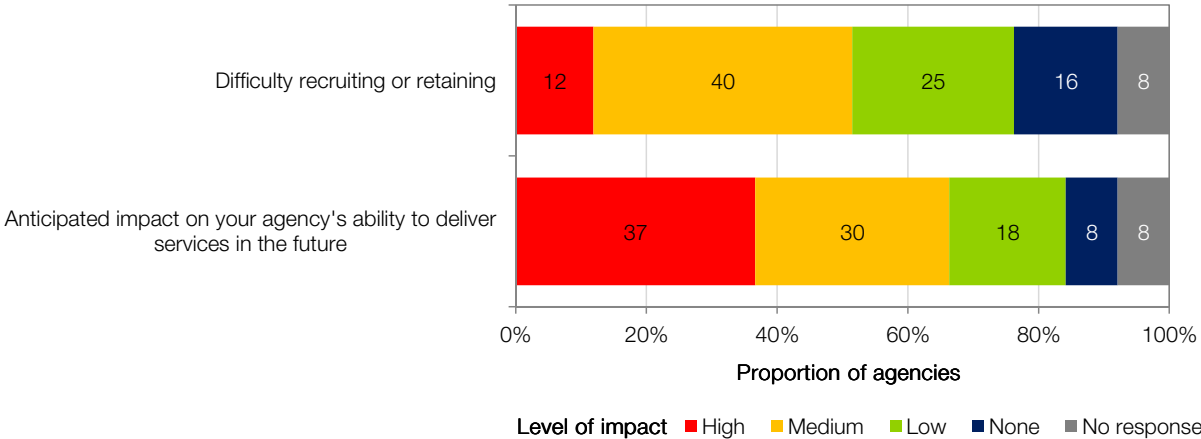
**Figure 5.4** Number and proportion of agencies developing strategies for retaining valued employees, 2011/12 (Source AAS)

As the public sector workforce ages and retires, retaining corporate knowledge becomes increasingly important. The development of strategies to retain corporate knowledge has commenced, with 30 agencies having developed and implemented such a strategy. Forums and workshops conducted by the Commission, as well as a range of guidelines and tools available on the Commission’s website, assist agencies with this.

Reporting by agencies through the AAS indicates that managers as a broad occupational group are considered to have the greatest impact on agencies’ ability to deliver services. Seventy-five agencies ranked this group as highly difficult to recruit and retain (Figure 5.5). Agencies also ranked managers as the occupational group most likely to impact on their ability to deliver services in the future (Figure 5.6). Therefore, these agencies need to consider developing strategies to attract and retain managers as part of their workforce planning initiatives. The attraction and retention of managers is discussed further under the ‘leadership’ heading in this section of the report.



**Figure 5.5 The impact of managers on agencies’ ability to deliver services, 2011/12 (Source AAS)**

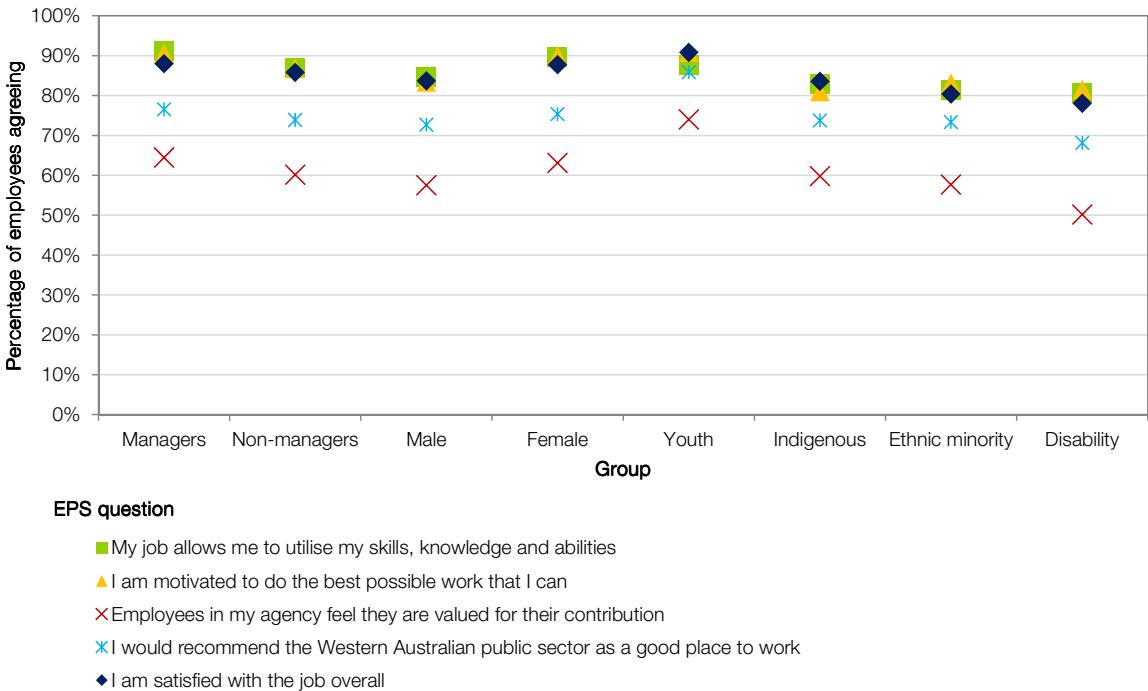


**Figure 5.6 Difficulty in recruiting or retaining managers and their impact on future service delivery, 2011/12 (Source AAS)**

### Job satisfaction and engagement of managers, non-managers and other diversity groups

Ensuring employees are satisfied and engaged is essential to retaining employees. The EPS program includes a range of questions on levels of engagement. Following deployment of the EPS the Commission provides a briefing to the executive group of the relevant agency as well as follow-up assistance in interpreting the data to assist in workforce planning.

Figure 5.7 shows that levels of satisfaction and engagement vary considerably between different demographic and diversity groups within the sector. Youth and female staff are generally more satisfied with their agency as an employer and feel more valued when compared with males, more mature workers and diversity groups.



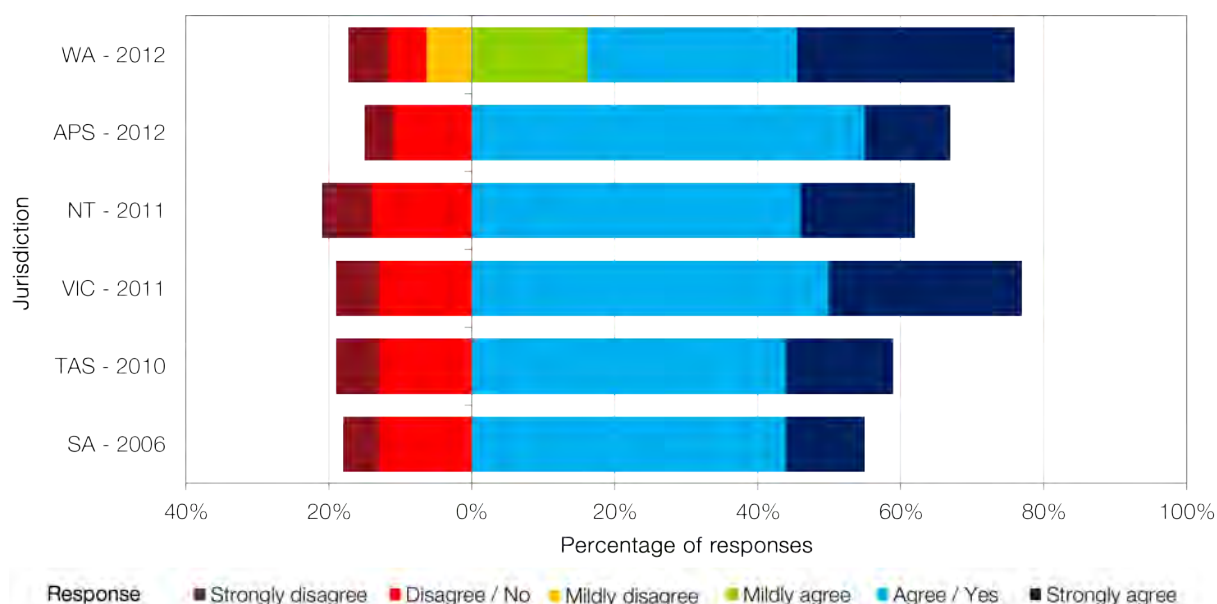
**Figure 5.7 Levels of engagement of different demographic and diversity groups, 2011/12 (Source EPS)**

Similarly, when these satisfaction and engagement criteria are examined for managers and non-managers, the results show that the managerial group is satisfied and engaged. Specific results include:

- 88% of senior managers were satisfied with their job overall. This corresponds with non-managers reporting 86% satisfaction with their job overall.
- 91% of senior managers were more likely to agree that their job allowed them to use their skills, and a similar proportion (91%) were motivated to do the best possible work they could. These results were more positive compared with employees who do not have managerial responsibility.
- 64% of managers felt they were valued for their contribution, while 74% of youth felt valued for their contribution which is a higher response than the aggregate.

- Over three-quarters of all WA public sector employees agreed that their workplace culture supports people to achieve a good work/life balance which also compares favourably with other Australian jurisdictions (Figure 5.8).
- 74% of the employees surveyed agreed that they would recommend the public sector as a good place to work. Management status had minimal impact on the result, with 77% of managers responding positively compared with 74% for non-managers. 78% of mature workers (employees aged 45 or more) also agreed with this statement compared with 87% of youth (employees aged 25 or under), a response considerably higher than the overall response.

The ability for an employee to achieve a satisfactory work/life balance within an organisation is generally acknowledged to be an engagement issue that is gaining in importance. Data available for inter-jurisdictional comparisons suggest that WA agencies are perceived to be reasonably accommodating of work/life balance issues compared with other jurisdictions.



Note: Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

**Figure 5.8 Percentage of WA public sector employees who agreed that their workplace culture supports people to achieve a good work/life balance compared with other Australian jurisdictions (Source see Appendix A<sup>30</sup>)**

<sup>30</sup> These benchmarking questions has been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.



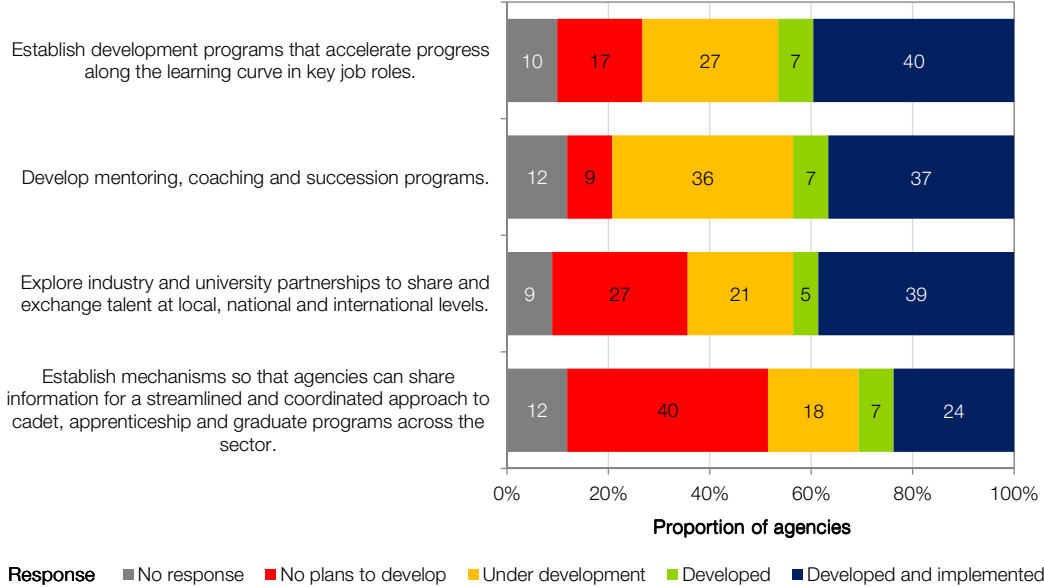
### Priority 3: Building the capacity of the public sector

There are many dedicated professional development and training units operating within agencies which run a broad range of programs for their employees. The Department of Finance, through the CUA, enable those agencies without dedicated resources to access professional development courses.

The Commission also ensures that there is a core suite of programs available to target groups. In 2012 the Commission delivered 460 professional development sessions to more than 11 000 WA public sector participants on a wide range of topics and supported the participation of employees in national programs. Other capacity building initiatives include:

- **Youth** – the establishment of government traineeships and promoting the expansion of cadetships, graduates and apprenticeships in metropolitan and regional WA and development of a new ‘Graduate future leaders’ program.
- **Leadership** – a talent management system was established to identify leadership strengths and capability gaps as well as future leadership potential. Mentoring and coaching modules have been included where relevant.
- **Diversity** – an advice and consultation service was provided to 126 public sector agencies to build agency capacity, achieved through developing workforce and diversity planning, delivering skills workshops, creating guidelines and tools and improving data collections skills. There was a particular focus on developing aboriginal trainees and leaders and the cultural awareness of all public sector employees.
- **Regional capacity** – the Commission conducted regular regional training and development sessions to provide the regional workforce with access to contemporary human resource (HR) practices, ethics, workforce planning and skills development.
- **Human resource practitioners** – a ‘Foundations of government human resources’ (FoGHR) program builds the capacity of HR practitioners. This is outlined in the ‘Workforce management’ section.
- **Policy practitioners** – a draft policy capability framework was developed in consultation with the DPC and senior policy practitioners to build and improve policy skills within the sector.

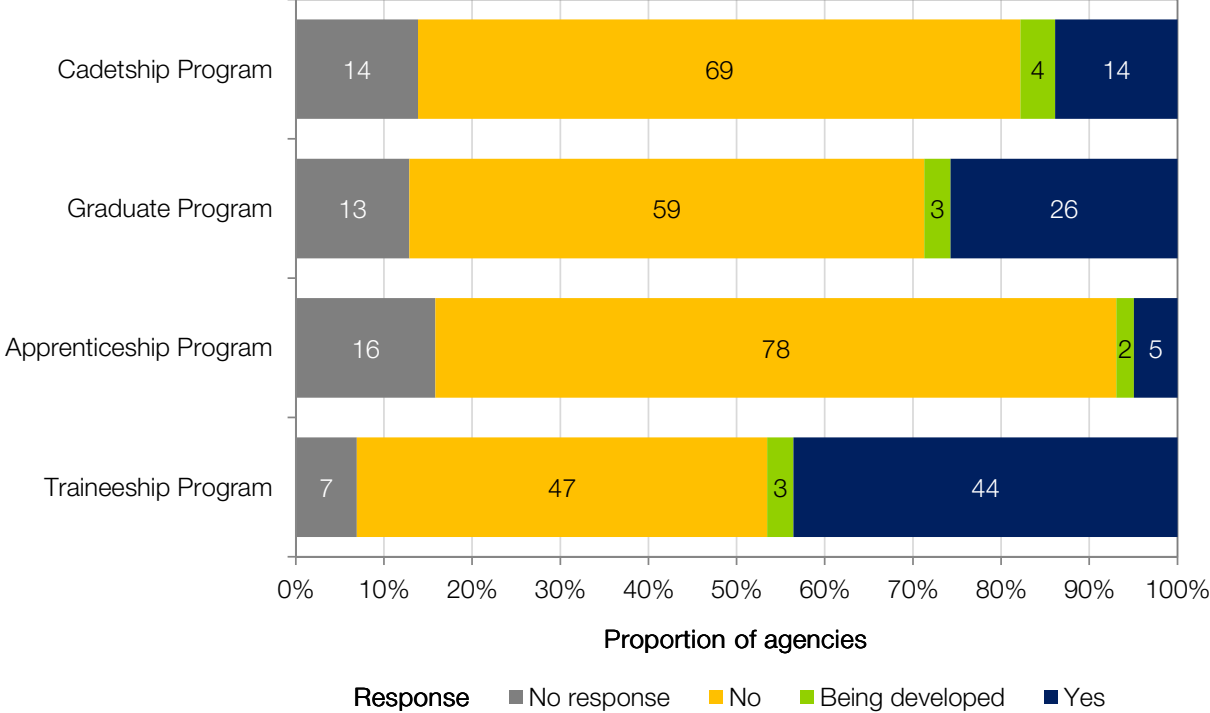
The AAS asked agencies to identify types of strategies in place to build capacity. Responses to the AAS illustrate the nature and volume of activity in this area across the sector. Figure 5.9 shows that 44 agencies have developed mentoring, coaching and succession plans, with a further 36 planning to do so. Twenty-one agencies have no plans or did not respond to this question.



**Figure 5.9** Number and proportion of agencies developing strategies for building public sector capacity, 2011/12 (Source AAS)

Entry-level employment programs have been identified as particularly important due to the ageing public sector workforce, a declining rate of youth employment, and problems recruiting and retaining numerous occupational groups. These include cadetship, graduate, apprenticeship and trainee programs.

Figure 5.10 shows in 2011/12, 44 agencies fully developed and implemented traineeship programs, 26 had graduate programs, 14 had cadetship programs and five had apprenticeship programs. Agencies are encouraged to utilise the range of entry-level programs available to foster increased youth representation.



**Figure 5.10** Number and proportion of agencies conducting cadet, graduate, apprenticeship or traineeship programs, 2011/12 (Source AAS)

## Priority 4: Providing strategic leadership

As previously highlighted, a range of existing workforce issues, including the imminent retirement of senior leaders, means that the level of investment being made in identifying and developing our leadership capability across the sector needs to continue.

The critical role of senior managers and leaders in ensuring effective policy, administration and business systems has been discussed in a number of sections in this report. Leaders play a pivotal part in driving continuous improvement in the performance and efficiency of the sector. In 2012, agencies identified managers as a professional group that is both critical to business and hard to attract and retain. Therefore, the development and training of current and future managers and leaders needs to be a priority.

As highlighted under priority 3, comprehensive talent management, succession planning and attraction and retention programs to identify emerging leaders and enhance leadership capability will ensure the sector is well positioned for the future.

### Expectations of leaders

In terms of defining and articulating what constitutes effective management and leadership, the Commission's Leadership capability profile provides agencies with a common understanding of the leadership skills required for high performance in the public sector. The profile is built around the following five core competencies:

- shapes and manages strategy
- achieves results
- builds productive relationships
- exemplifies personal integrity and self-awareness
- communicates and influences effectively.

These core competencies assist public sector leaders to effectively perform their role, which requires them to navigate public sector accountability requirements, manage risk and be effective decision makers.

Part of the role of being a public sector leader is the requirement to work in an ambiguous environment. Leaders require capabilities to collaborate across both the public and private sectors, to understand the nature of policy problems and work towards solutions. To do this, they need to develop and maintain flexible relationships within agencies, across government and with community and business sectors<sup>31</sup>.

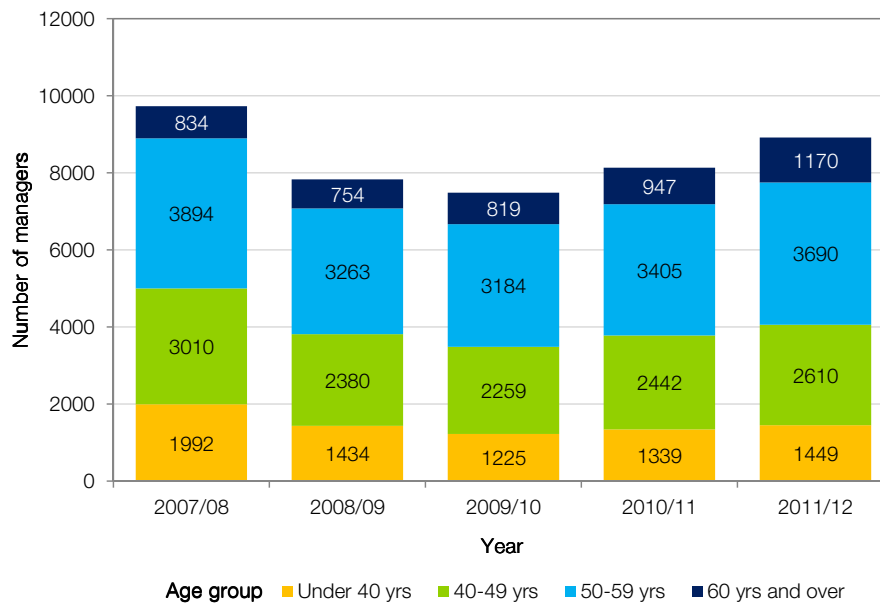
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31 Zenger, JH and Folkman 2009, *The extraordinary leader*.

## Public sector leaders

Public sector leaders include members of the SES and employees with managerial responsibility. In addition to the 479 SES members<sup>32</sup> (which includes CEOs and other senior executives) who are employed in departments or SES organisations, there are many other executives employed in the broader WA public sector with significant leadership and managerial roles. They undertake a wide range of roles, including policy development, operational, corporate service delivery and specialist positions.

Mid-level managers are also a diverse group, with 8919 employees in the WA public sector classified as managers<sup>33</sup>. A significant proportion of these managers (40%) have been working in the sector for over 15 years and have accumulated a broad range of knowledge and experience. Managers are potential candidates for future SES and CEO roles. As shown in Figure 5.11, over 50% of this group are aged 50 years or over and are expected to retire in the next 10–15 years.



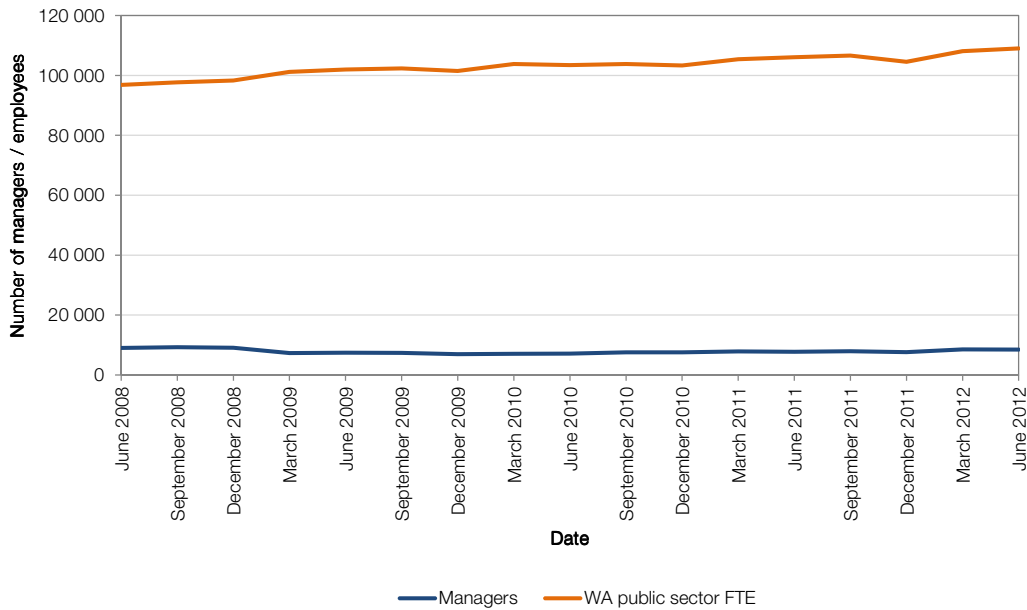
**Figure 5.11 Number and proportion of managers by age group (includes only permanent and fixed-term employees), 2011/12 (Source HRMOIR)**

32 WA HRMOIR 2011/12.

33 WA HRMOIR 2011/12.

## Managerial profile

Figure 5.12 shows that while overall FTE within the sector has grown annually since 2008 (up from 96 809 FTE in 2008 to 109 044 FTE in 2012), the ratio of managers to the overall workforce has decreased (from 9.3% in 2008 to 7.8% in 2012). This, and the age profile of current managers in the sector, reinforces the importance of succession planning and talent management to ensure that there are sufficient people with the potential to fill leadership roles in the future.



**Figure 5.12 Number of managers compared with the WA public sector workforce (FTE), 2007/08 to 2011/12 (Source HRMOIR)**

It should be noted however, that separation rates for this group (9%) are significantly lower than the public sector average (18%). The gender balance of this group is also very good, although other groups are not strongly represented.

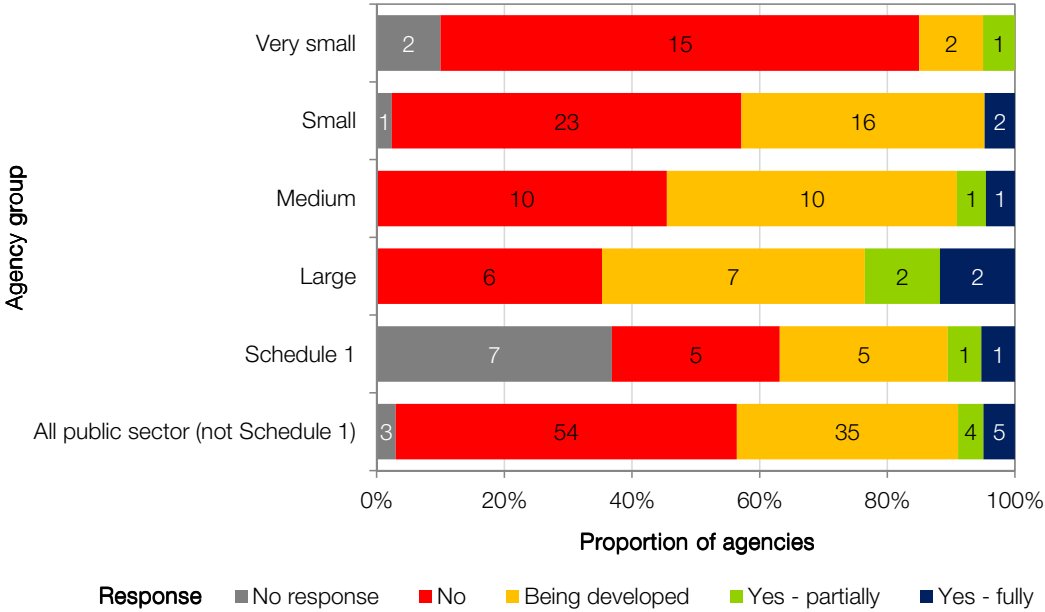
### Talent management and succession planning

Talent management is a systematic approach to ensure there is a sustainable pool of talented people ready to fill critical roles and is an important strategy for managing leadership capacity. Public sector agencies could benefit from being more conscientious in identifying critical leadership positions and roles within their agencies.

Succession planning ensures agencies can carry out key functions and responsibilities when employees in critical roles (irrespective of their seniority) depart their positions. Complementary to talent management, succession planning applies at all levels and is particularly important for senior executive positions and critical roles.

Knowledge management, career management, succession planning and the capability development of feeder groups and emerging leaders are central to the talent management approach.

Figure 5.13 shows that nine agencies have a talent management program in place and 35 agencies are currently developing one. Large and medium agencies, where a planned approach to talent management is more likely to be viable, have made the most progress in this area.



**Figure 5.13 Number and proportion of Western Australian public sector agencies developing talent management strategies, 2011/12 (Source AAS)**

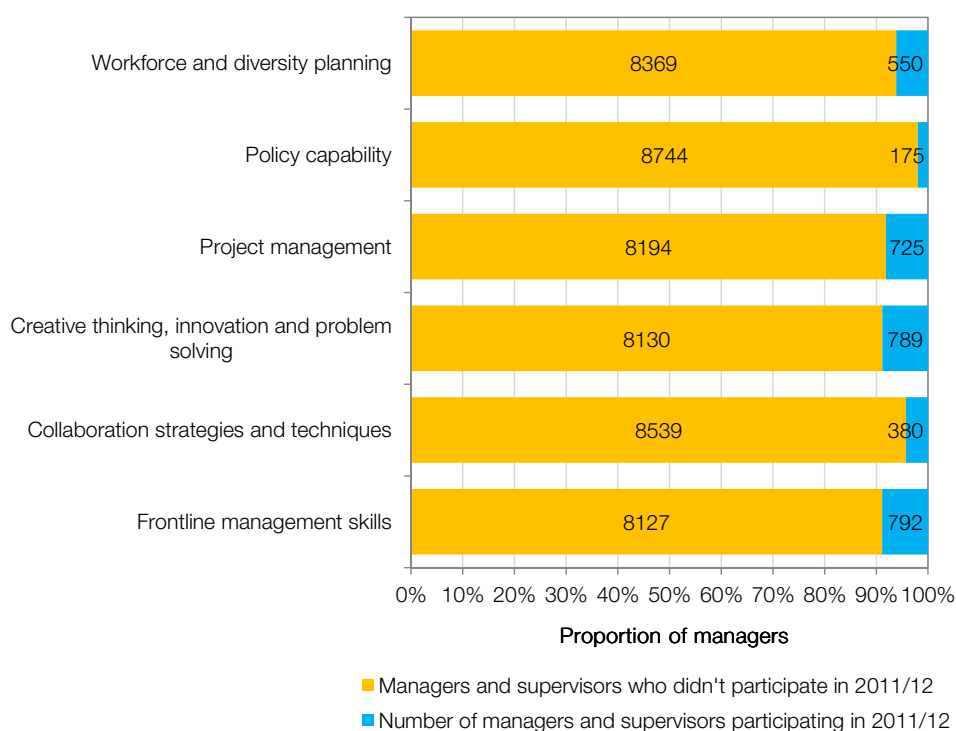
The Commission has infrastructure in place to complement agency initiatives relating to talent management. In June 2012 the Commission launched the ‘Leadership development system’. This talent management system enables the Commission to identify, track and manage the careers of emerging and current leaders.

## Leadership development programs

In addition to agency specific initiatives, the Commission is working to continually update and increase the range of leadership programs available to the public sector through its partnership with the Australia and New Zealand School of Government (ANZSOG) and collaboration with other universities and professional organisations. Agencies are encouraged to promote and utilise these programs, such as the 'Graduate future leaders program', the 'Public Sector Management' program, 'Pathways to leadership' program, 'Foundations of leadership' program and ANZSOG scholarships and programs.

The AAS asked agencies how many employees in the top three management tiers participated in the well-recognised Institute of Company Directors Course or other executive management training<sup>34</sup>. From information provided by the 70 public sector agencies (out of 101) which responded, 237 employees in the top three management tiers have undertaken formal executive management training to develop or further refine their core capabilities in 2011/12 and an additional 47 employees have completed the Institute of Company Directors Course or equivalent in 2011/12.

In 2011/12, over 60% of public sector agencies (64 out of 101) provided information on the professional development courses undertaken by their managers and supervisors. Over one-third (37%) of all managers and supervisors had participated in at least one of the professional development courses listed in Figure 5.14.



**Figure 5.14 The number and proportion of managers and supervisors who have participated in professional development and training in 2011/12 (Source AAS and HRMOIR)**

<sup>34</sup> For a definition of the three management tiers see 'management tiers' in 'Appendix I – Glossary'.

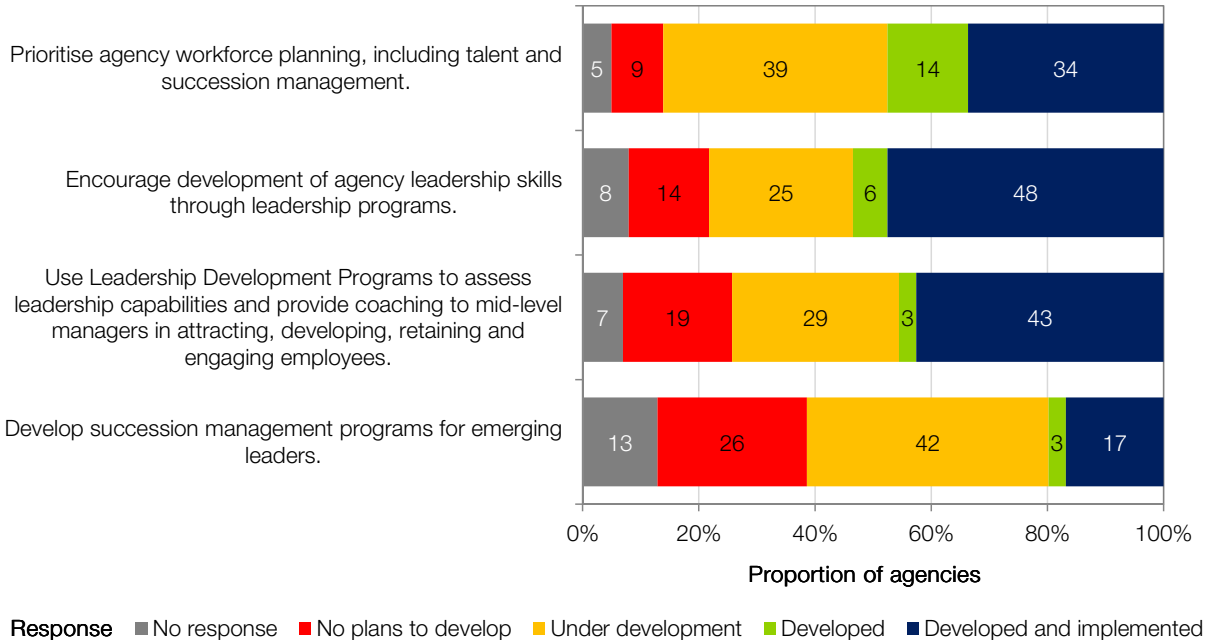


While formal training activities are part of developing leadership capability, research<sup>35</sup> has shown that leadership development is most effective when:

- there is a balance between on-the-job learning (70%), reinforced by relationship based learning (20%) and classroom based learning (10%)
- most senior leaders participate in leadership development and model the desired leadership behaviours and culture
- it is driven by a well-defined leadership model
- it is delivered over a period of time using a range of strategies.

Therefore, to effectively build their leadership capacity, agencies need to complement formal leadership training by providing on-the-job and relationship based training for their current and emerging leaders. Comprehensive programs, like those sponsored by the Commission, incorporate elements of coaching and on-the-job learning to support this.

Figure 5.15 illustrates agencies' strategies for providing strategic leadership development programs. It is encouraging to note that 54 agencies encourage development of their leaders through leadership programs and 46 also use leadership development programs to assess leadership capabilities. In the short term, greater emphasis on leadership development programs needs to be a priority for agencies in order to ensure the long term viability of the workforce. Agencies that do not currently have any plans to develop their future leaders are encouraged to review their policy and plans in this area.

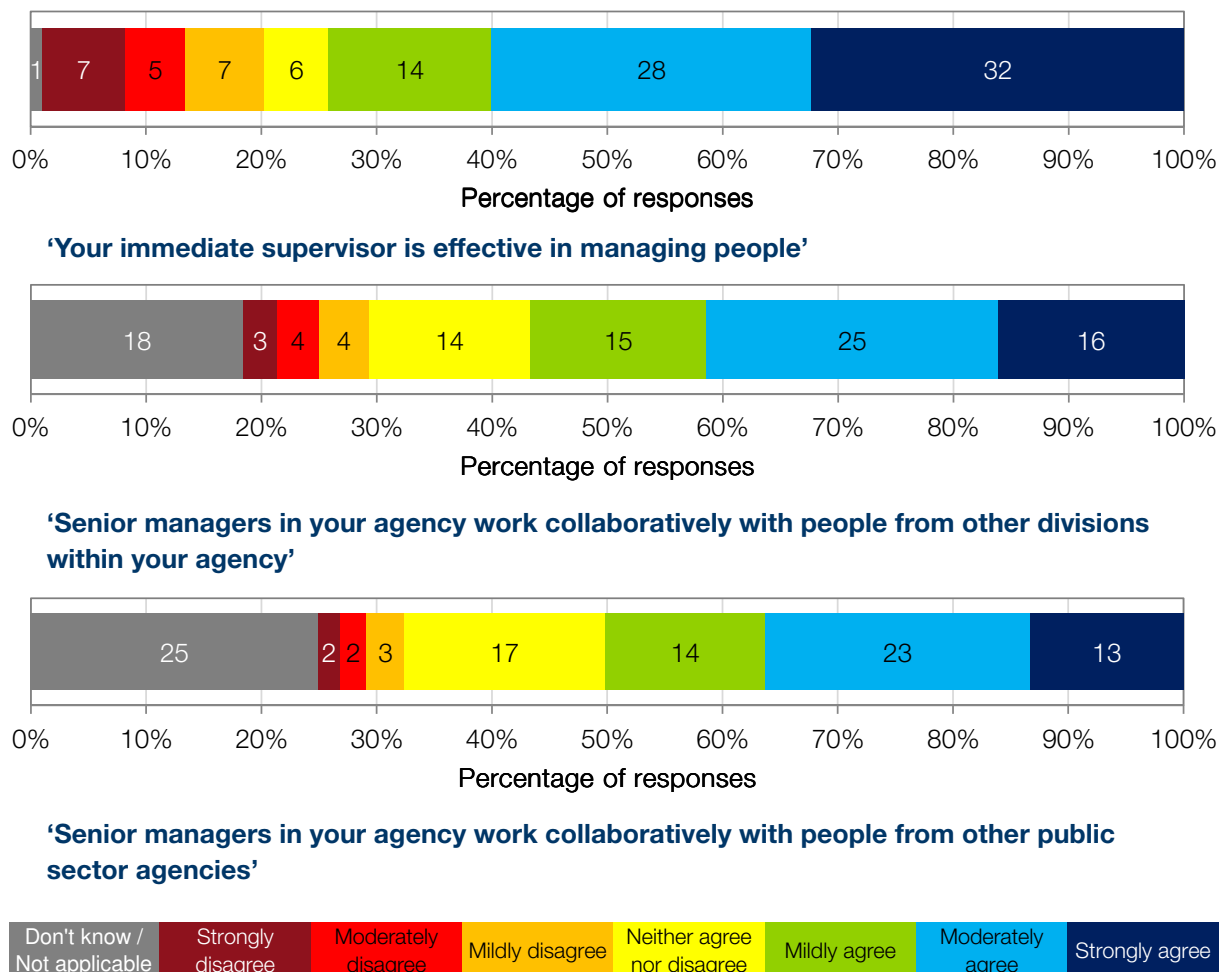


**Figure 5.15 Number and proportion of agencies developing strategies for providing strategic leadership, 2011/12 (Source AAS)**

<sup>35</sup> Australian Public Service Commission 2011, *Leadership development strategy 2011-12*, in citing Lombardo, Eichinger and McCall (2001)

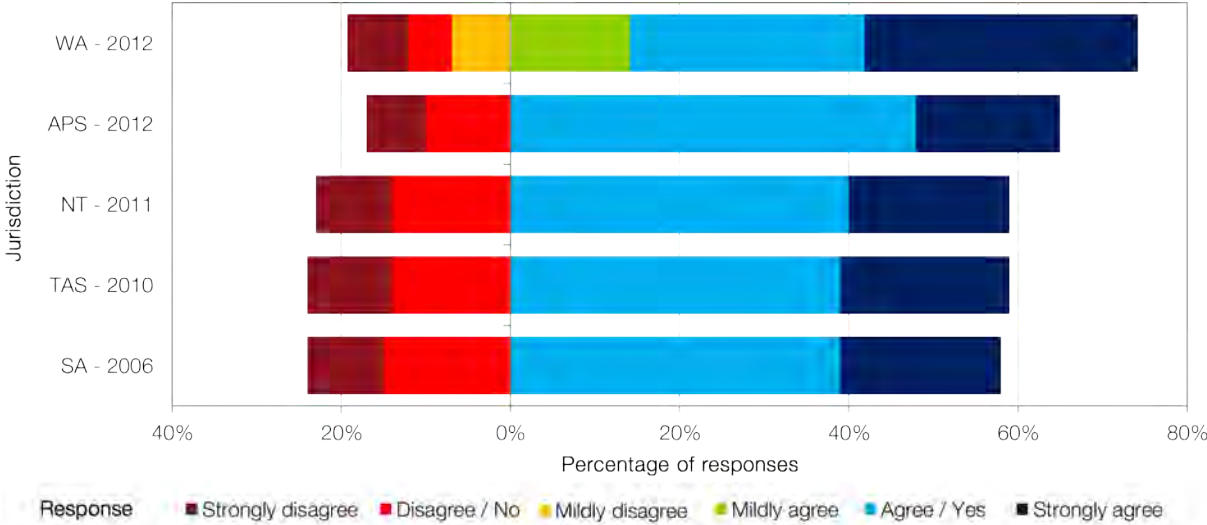
## Employee views on leadership qualities

Figure 5.16 provides data on employee views of the quality of leadership within their agency. Almost three-quarters (74%) of employees agreed that their immediate supervisor is effective in managing people. With respect to general communication, 60% of respondents agreed that communication between senior management and other employees was effective. Similarly, 56% agreed that senior managers in their agency work collaboratively with people from other divisions, and 60% agreed that senior managers work collaboratively with people from other public sector agencies.



**Figure 5.16 Employee satisfaction with the effectiveness and collaboration skills of their senior leadership group in their agency (Source EPS)**

The results for the WA public sector are similar to other Australian jurisdictions (Figure 5.17).



Note: Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

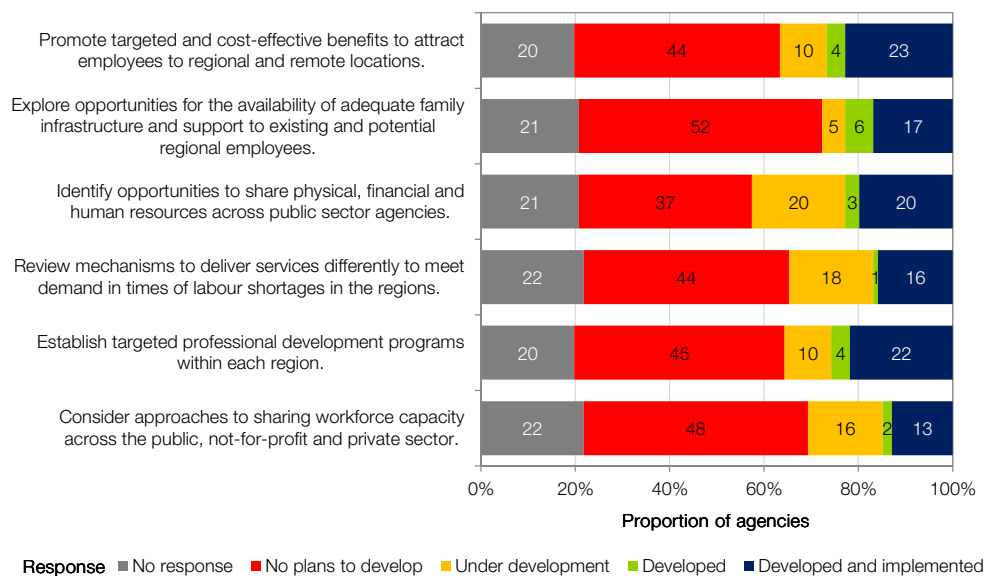
**Figure 5.17 Percentage of WA public sector employees who agreed that their immediate supervisor is effective in managing people compared with other Australian jurisdictions (Source see Appendix A <sup>36</sup>)**

<sup>36</sup> These benchmarking questions have been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

## Priority 5: Meeting regional needs

A quarter of all public sector employees are employed in regional WA. Attraction and retention of staff in some regional areas can be difficult due to the lack of social and physical infrastructure and amenities. Agencies that have a regional presence face unique challenges that necessitate a significant workforce planning effort.

Figure 5.18 indicates the level of development of strategies that agencies have in place to better support regional needs<sup>37</sup>. Significant progress has been made since May 2009 with 126 regional-specific workforce initiatives developed over this period. This indicates that innovative work is being done to address the unique challenges presented by regional areas.



**Figure 5.18 Number and proportion of agencies developing strategies for meeting regional needs, 2011/12 (Source AAS)**

The Commission recognises a whole-of-government approach to identify, prioritise and resolve intra and inter-regional issues is required for effective regional planning and development.

The following case study highlights an initiative helping health care professionals to improve service delivery in rural and regional WA.

<sup>37</sup> The Commission understands some metropolitan-based agencies may have no need to develop plans to meet regional needs.

## Case study

### Building collaborative partnerships to improve health care in the regions

The *Optimising cancer care in Australia* report highlighted that Australians living in rural and remote areas of the country have poorer outcomes than those of their metropolitan counterparts<sup>38</sup>. The WA Cancer Registry has also predicted a 50% increase in cancer incidence over the next five to 10 years. Delivery of education to country areas has been identified as a way of addressing the issue, helping to close the gap between the regions and the city.

The Department of Health's Cancer and Palliative Care Network has designed and delivered educational road-shows that provide health care professionals in rural and regional WA with evidence-based information on referral and treatment pathways and the supportive care needs of patients with cancer.

The aim of these road shows is to build the cancer knowledge and skills of health care professionals in the rural areas to ensure the patient receives the right care, in the right place, at the right time and in doing so improve the patient experience and ultimately their treatment outcomes. Utilising the knowledge and skills of specialist metropolitan health care teams, these road shows have provided expert knowledge to local regional health care teams, so that rural patients can return home to skilled and informed health care professionals.

The program has brought other benefits. Engaging individuals across disciplines to participate in this initiative has promoted and strengthened state wide relationships. Collaborating with local clinicians such as General Practitioners (GPs) and allied health care teams in rural areas of WA has reinforced their role as part of the multidisciplinary team and encouraged their active participation in the cancer patient's journey. This has led to better communication between tertiary centres and primary health care providers and developed positive partnerships across the Health Department.

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38 Clinical Oncological Society of Australia, the Cancer Council Australia, National Cancer Control Initiative 2003, *Optimising Cancer Care in Australia*.

Patients have had increased access to support services because rural clinicians know what cancer patients need and where to access support; and the metropolitan teams have a better understanding of the diversities of rural life and limited resources available. An example of this might be a rural cancer patient who has received treatment for a head and neck cancer in metropolitan Perth and is returning home to a regional area where he requires ongoing support with his tracheostomy. This patient will require the specialist input of dieticians and speech therapists with knowledge of potential swallowing issues, a GP who can provide clinical support with symptom control and access to skilled emergency department staff who have expertise in the management of tracheostomy emergencies. The metropolitan health care providers also have a greater awareness that the patient may not have access to a nebulizer, suction or dietary supplements and the equipment must be provided before the patient is discharged.

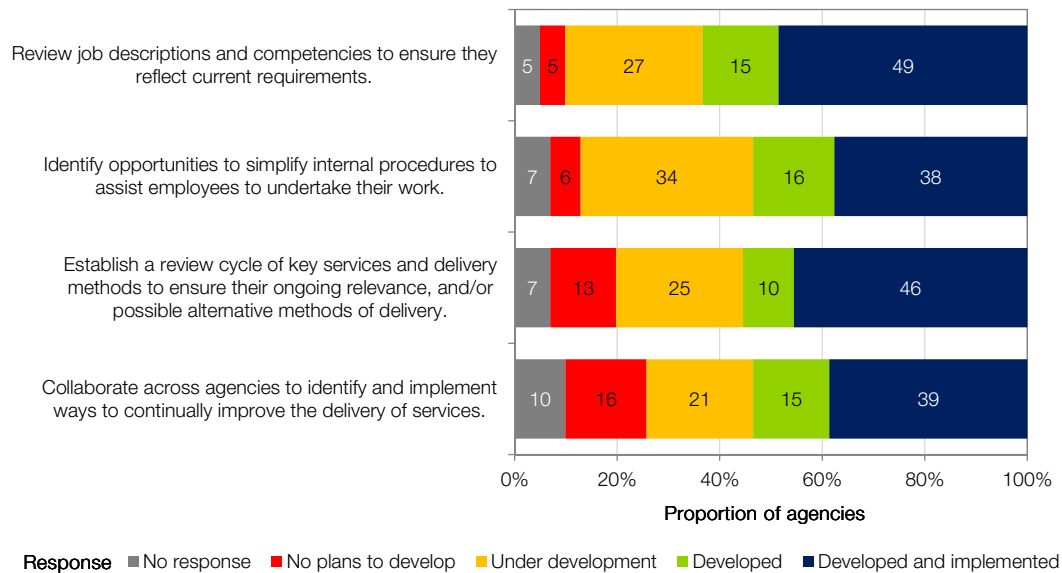
Challenges in implementing this initiative were compounded by WA's unique demographic. This initiative would not have been successful without the involvement of the health care teams in the regional areas. Their input ensures the delivery of region specific information relevant to each team and facilitates the engagement of local stakeholders such as GPs.

This increased understanding has led to a two-way flow of information between rural and metropolitan teams, reinforcing the benefits that this initiative has on patient outcomes.



## Priority 6: Ensuring an efficient and flexible public sector

Simplified processes, flexible approaches to sector-wide initiatives and increased cross-agency collaboration assist public sector agencies to ensure the workforce is appropriately skilled and service delivery is efficient and effective.



**Figure 5.19 Number and proportion of agencies developing strategies for ensuring an efficient and flexible public sector, 2011/12 (Source AAS)**

As shown in Figure 5.19, just over half of all agencies made progress in implementing improvements to service delivery outcomes during 2011/12. Initiatives such as the Delivering Community Services in Partnership forum, the human services CEO groups, the Integrity Coordinating Group and local innovation and collaboration forums are well placed to promote improvement through collaboration.

# Workforce diversity

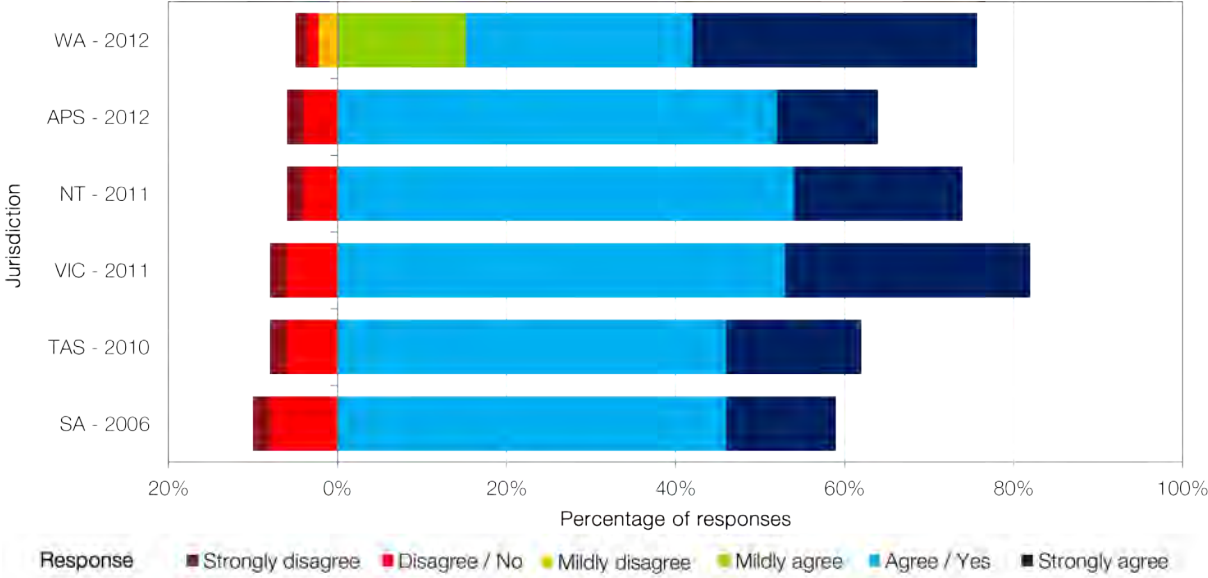
Tailoring workforce strategies to acknowledge and include a diverse range of people facilitates a positive, dynamic, high performance and robust workforce. This is critical to ensuring the efficiency, effectiveness and sustainability of government services that meet the needs of our diverse community.

Effective diversity planning is an integral part of broader workforce planning and provides an opportunity to tap into all available sources of talent in the labour market. Diversity groups include those historically underrepresented in the workforce, such as women in management, Indigenous Australians, people with a disability, people from culturally diverse backgrounds, youth and mature age workers.





Under Part IX of the EO Act agencies must have workforce and diversity plans to ensure an inclusive workplace culture and equal opportunities for all employees. In the WA public sector, 76% of employees who responded to the EPS in 2012 agreed that their agency is committed to building such a culture. Western Australia also compares favourably in this regard when compared with other Australian jurisdictions (Figure 5.20).



Note: Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

**Figure 5.20 Percentage of WA public sector employees who agreed that their agency is committed to creating a diverse workforce compared with other Australian jurisdictions (Source see Appendix A <sup>39</sup>)**

<sup>39</sup> These benchmarking questions have been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

## Profile of public sector diversity

Accurate diversity profiling in the public sector workforce depends on:

- promoting self-identification by employees of their diversity status
- maximising the size of the sample from which diversity information is collected.

Table 5.2 summarises the results of agency diversity surveys over the last five years. For 2012, the percentage of employees responding to diversity questions in the survey and the number of employees identifying as belonging to these diversity groups has increased from 2011. This is encouraging and continues an upward trend over five years.

Although the size of the group surveyed increased, the representation of Indigenous Australians and people from culturally diverse backgrounds as a percentage of employees who responded to the survey has not increased. What this means is that increasing numbers of group members may be the result of better sampling, not new recruits.

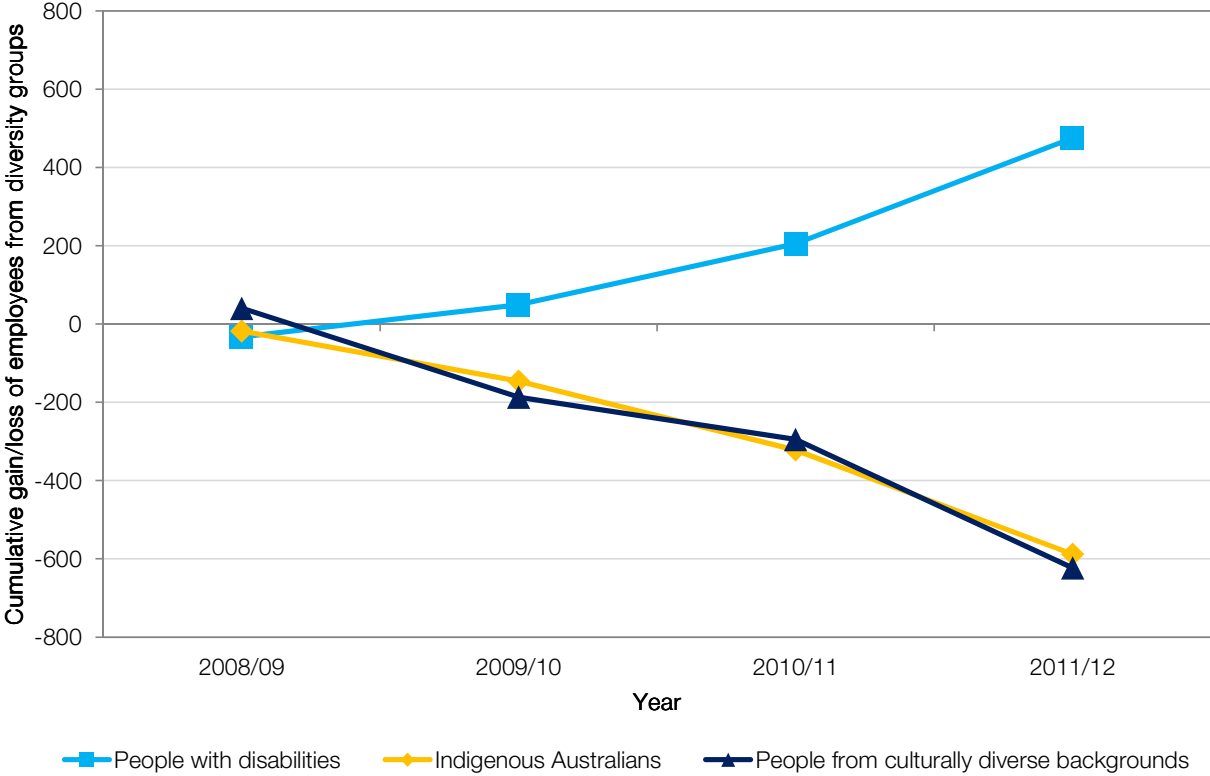
**Table 5.2** Number and proportion of individuals identifying as belonging to a diversity group relative to the survey sample size, 2007/08 to 2011/12 (Source HRMOIR)

	2008	2009	2010	2011	2012
Proportion (%) of employees responding to the Indigenous Australian identification question in diversity questionnaires	48.9%	49.3%	54.9%	58.1%	61.4%
Number of Indigenous Australians identified by diversity questionnaires	2496	1775	2127	2533	2749
Indigenous Australians as % of all employees surveyed (indicative representation)	3.3%	2.3%	2.4%	2.6%	2.6%
Proportion (%) of employees responding to the disability identification questions in diversity questionnaires	47.6%	47.2%	54.2%	57.3%	60.5%
Number of people with disabilities identified by the diversity questionnaires	3058	2077	2490	3221	4003
People with disabilities as % employees surveyed (indicative representation)	4.2%	2.8%	2.8%	3.4%	3.9%
Proportion (%) of employees responding to culturally diverse background identifying questions in diversity questionnaires	48.6%	49.5%	55.1%	58.4%	61.6%
Number of people from culturally diverse backgrounds identified by questionnaires	9227	10113	10629	11545	12112
People from culturally diverse backgrounds as % employees surveyed (indicative representation)	12.4%	12.8%	11.9%	11.9%	11.5%

Figure 5.21 and Table 5.3 show that:

- The retention of employees with a disability increased for 2011/12.
- There were proportionally more separations than engagements of Indigenous Australians and people from culturally diverse backgrounds each year for the past four years.

Retention of these diversity groups has historically been an issue for the WA public sector and across other Australian public sector jurisdictions. It is being specifically addressed through workforce planning initiatives discussed under priority 2 above. The Commission’s *Aboriginal employment strategy 2011–15*, which is being implemented in collaboration with agencies, contains a range of initiatives to improve the representation of Aboriginal people in public sector employment. This is discussed in detail in the next section.



**Figure 5.21 Cumulative gain/loss of diversity group members based on number of engagements and separations each year, 2008/09 to 2011/12 (Source HRMOIR)**

**Table 5.3** Number and proportion of engagements and separations for permanent and fixed-term employees identifying as belonging to a diversity group, 2008/09 to 2011/12 (Source HRMOIR)

		2008/09	2009/10	2010/11	2011/12
<b>Indigenous Australians</b>	<b>Engagements</b>	<b>294</b>	<b>245</b>	<b>253</b>	<b>331</b>
	% of all engagements	1.49%	1.44%	1.34%	1.58%
	<b>Separations</b>	<b>312</b>	<b>373</b>	<b>429</b>	<b>577</b>
	% of all separations	1.42%	1.49%	2.03%	2.14%
<b>People with disabilities</b>	<b>Engagements</b>	<b>261</b>	<b>371</b>	<b>684</b>	<b>835</b>
	% of all engagements	1.32%	2.18%	3.62%	3.98%
	<b>Separations</b>	<b>294</b>	<b>289</b>	<b>528</b>	<b>565</b>
	% of all separations	1.34%	1.16%	2.50%	2.10%
<b>People from culturally diverse backgrounds</b>	<b>Engagements</b>	<b>960</b>	<b>727</b>	<b>859</b>	<b>949</b>
	% of all engagements	4.85%	4.27%	4.54%	4.52%
	<b>Separations</b>	<b>920</b>	<b>954</b>	<b>967</b>	<b>1 277</b>
	% of all separations	4.18%	3.82%	4.58%	4.74%

## Indigenous economic participation

Optimising opportunities for Aboriginal and Torres Strait Islander people to engage in public sector employment can both build the capability of the sector and contribute towards the economic wellbeing of Indigenous communities.

WA is a signatory to the Council of Australian Government's (COAG) National Partnership Agreement on Indigenous Economic Participation. The National Partnership aims to halve the gap in employment outcomes between Aboriginal and non-Aboriginal Australians within a decade, and to increase Aboriginal public sector employment to proportionally reflect the working age population by 2015. The COAG has set a national target of 2.6% representation, although WA has elected to commit to a target of 3.2% by the end of 2015.

The Commission's *Aboriginal employment strategy 2011–2015* reflects the WA public sector's obligations under the National Partnership. The strategy was launched on 5 October 2011 to implement plans to 'close the gap' and to increase Aboriginal public sector employment.

The Commission's strategy has recently been reinforced with the release of the Government's *Aboriginal economic participation strategy 2012–2016*. This new strategy articulates the Government's commitment to ensure that the community benefits from, and has the choice to participate in, the State's prosperity, with specific focus on the gaps that exist between Aboriginal and non-Aboriginal Western Australians.

The Commission emphasises that improving Aboriginal outcomes and meeting the 2015 target is the responsibility of all public sector agencies. Public sector agencies are responsible for incorporating appropriate Aboriginal employment initiatives, including retention strategies in their workforce and diversity plans.

The rate of separations from the public sector by Indigenous Australians has been discussed above and is shown in Figure 5.21 and Table 5.3. The challenge remains for the public sector to retain the skills and expertise of these employees in the public sector, particularly given the investment made through traineeship and cadetship programs. In order to increase the proportional representation of Indigenous Australians, it is therefore important that the percentage of engagements and separations be taken into account. For the public sector to meet the commitment target of 3.2% representation of Indigenous Australians by 2015 through the National Partnership, agencies will need to ensure the representation of Indigenous Australians is incrementally increasing.

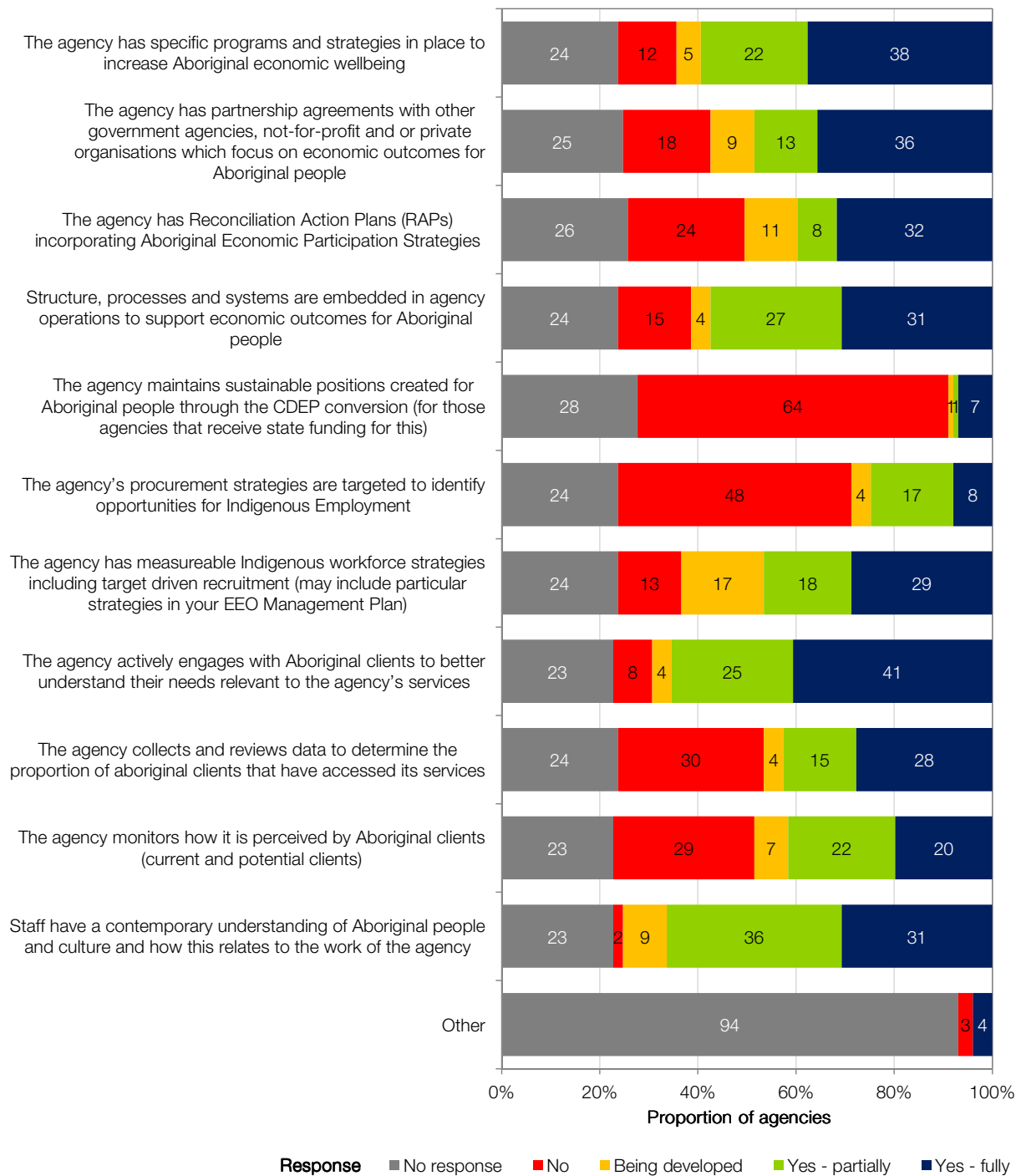
## **Agency progress towards the National Partnership outcomes**

To assess public sector progress towards the National Partnership outcomes, the AAS asked agencies to nominate strategies they have in place to support the National Partnership objectives. A list of recommended strategies and initiatives was provided, from which one or more could be selected. They could also indicate whether Aboriginal economic wellbeing had no direct or indirect relevance to the purpose of their agency.

Strategies relevant to the National Partnership and initiatives that were most selected by agencies in 2011/12 were:

- 65% of agencies actively engaged with Aboriginal clients to better understand their needs relevant to the agency's services.
- 59% of agencies have specific programs and strategies in place to improve Aboriginal economic wellbeing.
- 49% of agencies have partnership agreements with other government agencies, not-for-profit or private organisations which focus on economic outcomes for Aboriginal people.
- More than 63% of agencies (64) indicated they have measurable Aboriginal workforce strategies or are in the process of developing them, such as particular strategies in EEO management plans.

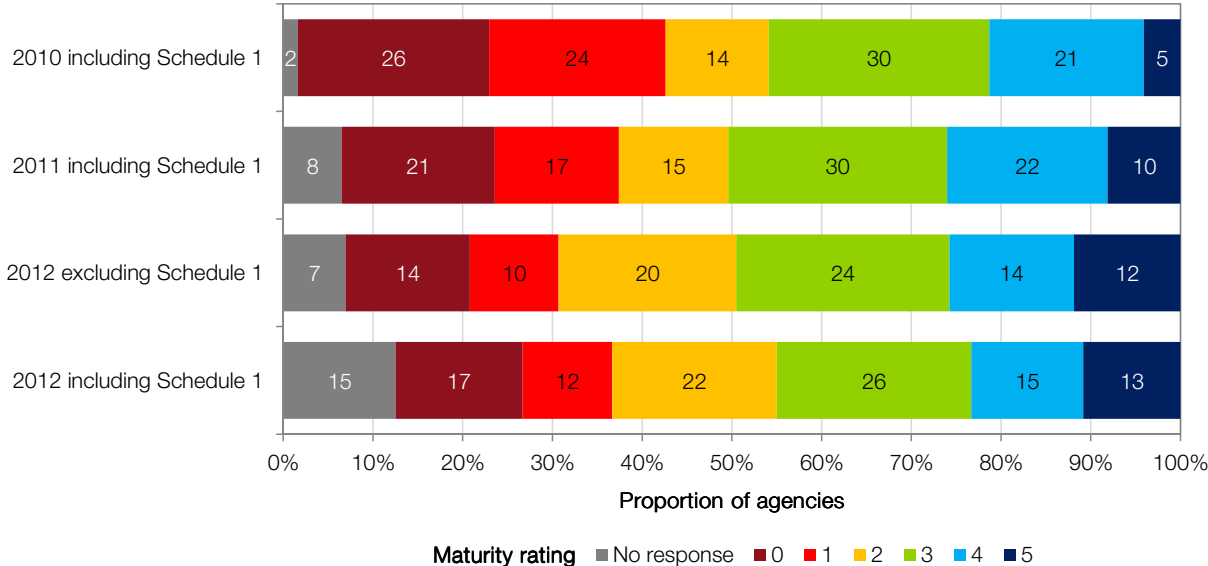
A breakdown of strategies and an indication of the extent to which they are established is shown in Figure 5.22.



**Figure 5.22 Number and proportion of agencies developing strategies supporting the National Partnership objectives, 2011/12 (Source AAS)**

Based on an overall assessment of the strategies and initiatives in Figure 5.22, agencies were asked to rate their maturity in relation to the extent of development of strategies and the maturity of systems in place to support these strategies.

In 2011/12, the overall maturity rating for the public sector in this area was 2.5 (Figure 5.23).



**Figure 5.23 Maturity of agencies’ strategies to support the National Partnership, 2010/11 to 2011/12 (Source AAS)**

In 2011/12, 50 public sector agencies rated themselves at 3 or higher, indicating they had defined and endorsed strategies that were being used implemented.

The remaining 51 agencies rated themselves at 2 or lower. Of these:

- 14 agencies indicated nothing had been done or the need was not recognised (down from 21 in 2010/11).
- 10 agencies indicated the need had been recognised and the work was just starting (down from 17 in 2010/11).
- 20 agencies indicated some measures had been taken but these were not comprehensive or endorsed by executive.
- 7 agencies chose not to respond to this question.

It is encouraging that agencies are continuing to progress strategies to support the National Partnership. However, further implementation of these strategies will be needed over the next three years to meet the target of 3.2% representation of Indigenous Australians. The Commission will work with agencies to develop and implement strategies to increase the retention rate of Indigenous Australians. It will also continue to assist and support agencies in the implementation of their strategies to support the National Partnership and to improve their collection and reporting of data.



# Importance of workforce data in workforce and diversity planning

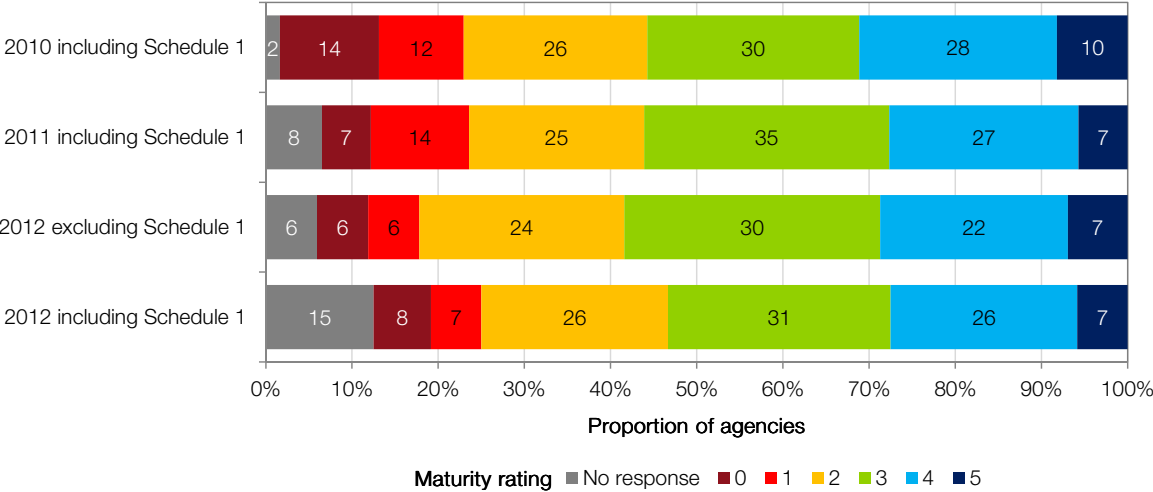
Accurate information about the community, projected service demands and changes in the employment market for an agency or sector of the workforce are all vital elements of effective workforce planning and modelling. Agencies are encouraged to use workforce and wider demographic data to enhance the effectiveness of their planning systems and activities. Proposed sector wide improvements to workforce data systems are outlined below.

## Agency workforce data quality

For the third year, the AAS asked agencies whether they have processes or plans in place to improve the quality of workforce data and systems used for strategic planning, workforce modelling and skills gap analysis. The results for the sector indicate that more work needs to be done, with the overall maturity rating at 2.8 in this area in 2011/12. For comparative purposes the maturity rating for 2012 (including Schedule 1 PSM Act authorities) was 2.6, which is unchanged from 2010/11.

Measures to improve the quality of data and systems used for skills gap analysis were systematic, regularly reviewed or integrated at some level in 29 agencies (29%) that rated themselves at 4 or higher. In 2011/12, 66 agencies indicated they had a maturity rating of 3 or lower, of which 36 agencies rated themselves at 2 or lower (Figure 5.24). Of those agencies who rated themselves at 2 or lower:

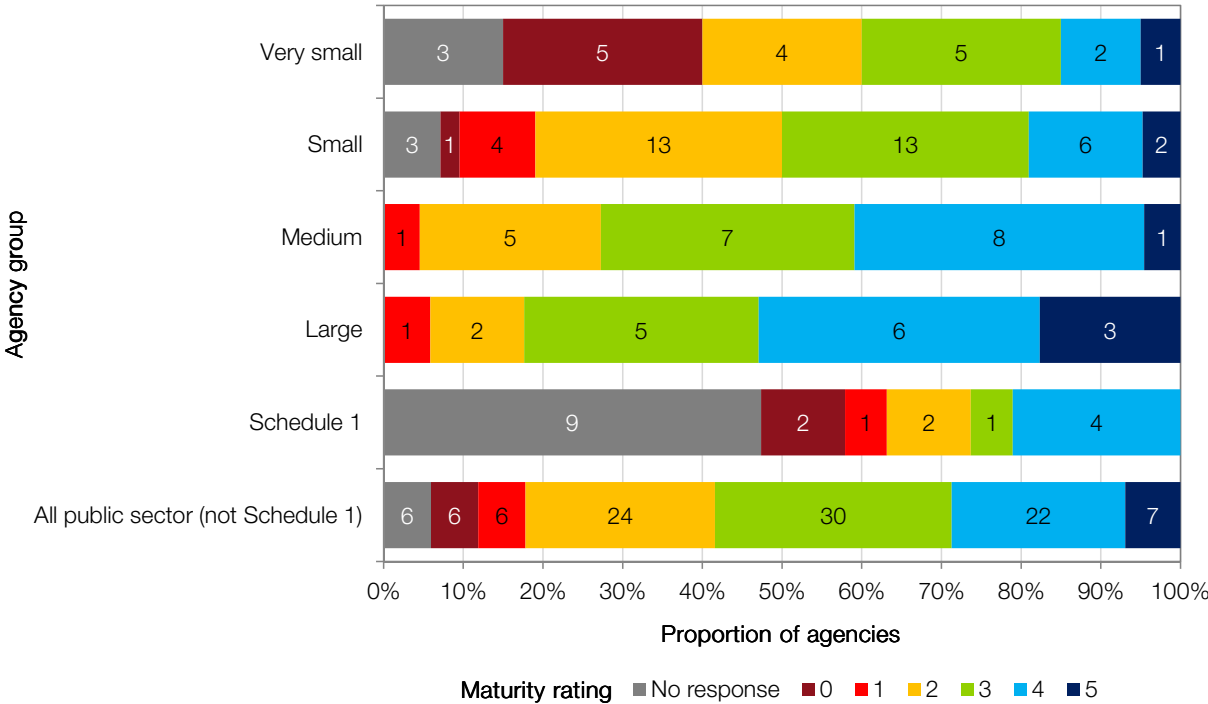
- Six agencies indicated nothing had been done or the need was not recognised.
- Six agencies indicated the need had been recognised and the work is just starting.
- 24 agencies indicated some measures had been taken but that these were not comprehensive or endorsed by the CEO.



**Figure 5.24 Maturity of agencies plans to improve the quality of workforce data and systems used for strategic planning, workforce modelling and skills gap analysis, 2009/10 to 2011/12 (Source AAS)**

While agencies must maintain accurate workforce data, advanced or highly automated workforce planning systems are not always appropriate. The sophistication of the systems used to plan and track workforce needs will depend on the nature of each agency, its size, and the skills of its employees.

Figure 5.25 depicts the maturity ratings of agencies in each size category for 2011/12. Of the 42 agencies that rated themselves at 2 or lower for this area, 33 were either small or very small. This is commensurate with expectations and appropriate given their size and the occupational groups of staff employed.



**Figure 5.25 Maturity of agencies plans to improve the quality of workforce data and systems used for strategic planning, workforce modelling and skills gap analysis, 2011/12 (Source AAS)**

Where practical and appropriate, agencies are encouraged to focus on the quality of their data and systems for workforce modelling and reporting and should aim to reach a maturity rating of 3 or 4. This level of sophistication would ensure:

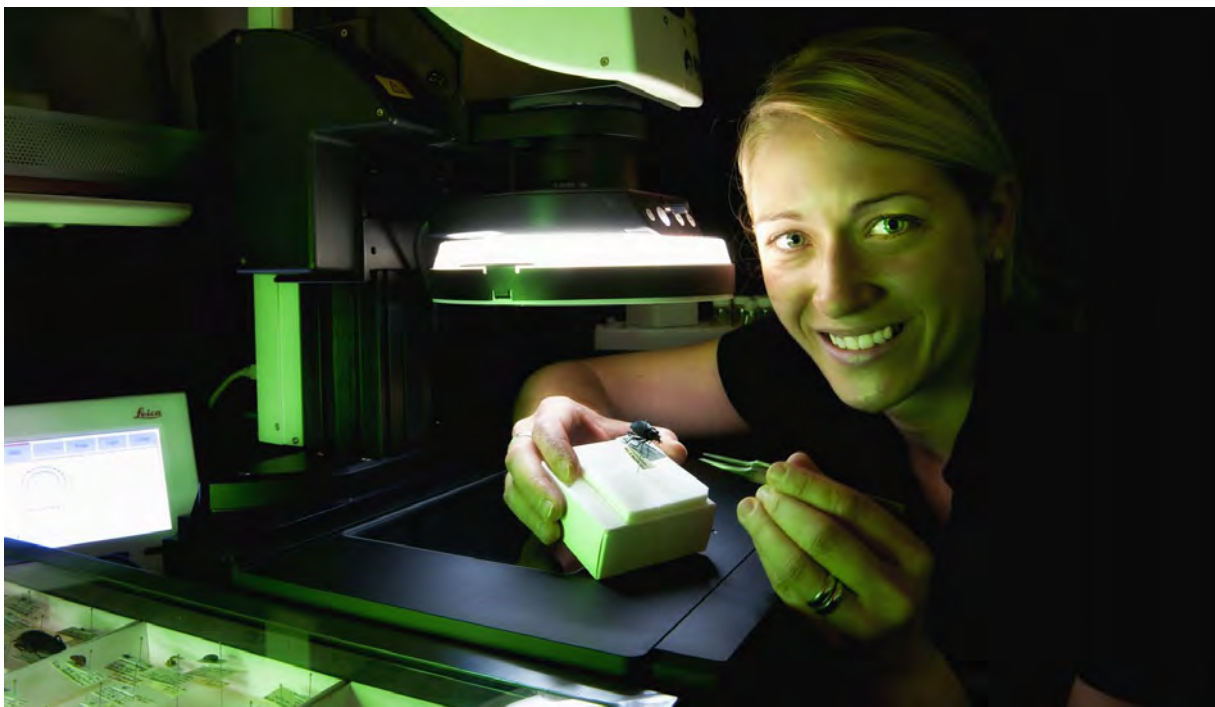
- practical strategies are being implemented to improve the quality of data and optimise its application in related planning and monitoring of workforce management
- collection and analysis methods are well developed
- measures are in place to quantify improvements in workforce data and its application.

## Data quality improvement program

From 2009 to 2011 the Commission initiated and refined a 'workforce data improvement program' to ensure that, over time, workforce data achieves a high level of accuracy. Changes being progressed will allow more accurate whole-of-government reporting, consistency across the sector, and streamlining of data collection processes.

Two developments are particularly noteworthy:

- The release of the updated data definitions will take effect in 2012/13 and improve the reliability of occupational groupings, financial year to date (FYTD) information, and more accurate representation of the public sector workforce.
- The development of a data quality index (DQI) aims to improve the quality of data supplied to the Commission through HRMOIR reporting each quarter, raise the profile and importance of good quality data within public sector entities, and promote the use of data for broader workforce planning within the public sector. The DQI provides a quantitative method to assess the quality of workforce data and the processes around it and will be trialed from the first quarter of 2012/13.



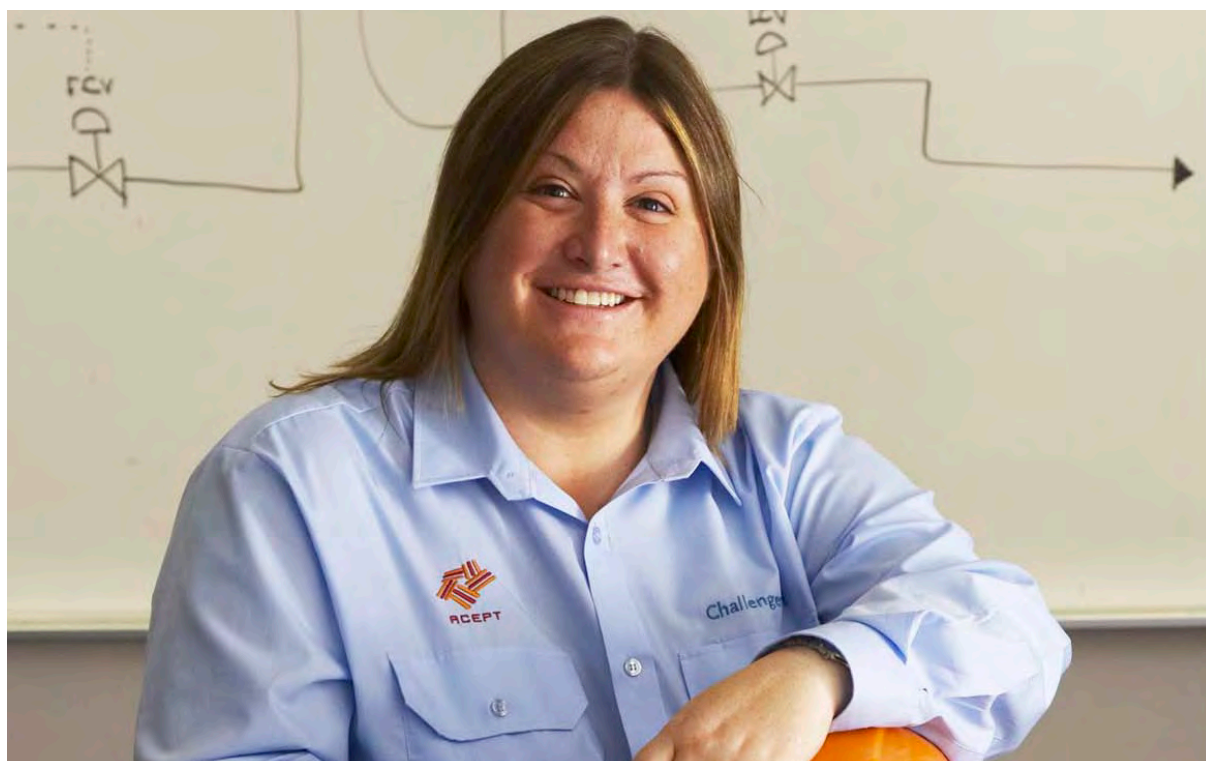
# Key section findings

- Workforce plans now cover 99% of the public sector workforce, representing a headcount of 155 300 employees.
- The majority of agencies have developed and implemented a range of workforce planning initiatives to attract a skilled workforce, including promoting flexible working arrangements and streamlining recruitment processes.
- It is expected that many of the sector's leaders will retire in the next five to ten years, with the SES having a median age of 53.4 years. To improve leadership succession planning, agencies should identify critical leadership positions and invest in talent management strategies.
- Agency workforce plans need to include strategies to attract and retain managers, given this occupational group is the most likely to impact on an agency's ability to deliver services in the future.
- Agencies should focus on succession planning and knowledge transfer to retain corporate knowledge and build workforce capability.
- The retention of Indigenous Australians and people from culturally diverse backgrounds is an ongoing issue being addressed through workforce planning initiatives and the *Aboriginal Employment Strategy 2011–15*. To meet WA's target of 3.2% representation of Aboriginal employees in the sector's workforce, agencies need to ensure that the number of Aboriginal people recruited exceeds the number of separations.

# Workforce management

Agency and sector performance relies heavily on the capability of its workforce and how effectively it is managed. Workforce management is guided by the principles of human resource management (HRM) in section 8 of the PSM Act, which are directed towards fairness, merit and equity. The principles also emphasise the need for the working environment to be free from discrimination (EO Act), provide for safe and healthy conditions (Occupational Safety and Health Act 1984 [OSH Act]) and embody the principles of conduct in section 9 of the PSM Act.

This section of the report discusses recruitment, performance management and dealing with grievances and breaches of the public sector standards. It also provides insight into the maturity of HRM strategies and programs and highlights employee views of their effectiveness.



## Role of human resources

Public sector HR practitioners play a central role in supporting their agencies in managing their workforce.

The *Human resources capability framework*, which was developed in 2010, identifies the critical capabilities that will contribute to a more highly skilled HR profession, able to respond to the new and evolving demands placed on the WA public sector. Under the framework there are seven interrelated core capabilities designed to build the capability of both an agency's HR function and their HR practitioners. These are:

- strategic alignment
- results driven
- workforce capacity
- relationship management
- credible influence
- professional expertise
- culture and change management.

The Commission has worked closely with HR practitioners across the sector to develop a wide range of guides, tools and learning and development programs that are aligned with these capabilities.

One of the key programs for developing HR practitioners is the FoGHR program. This six-month program exposes participants to contemporary HR theory and practice which is mapped to the framework. It is based around six modules and includes scenario-based and active learning, pre- and post-workshop learning activities and a mentoring program. The program culminates in a Certificate IV in Government with a HR focus.

There are a range of forums to encourage the sharing of HR expertise and experience across the sector, including the HR practitioners' forum which is held quarterly. In addition to sharing of information this forum is also used to identify, prioritise and address HR training and development needs and identify opportunities for HR practitioners to work collaboratively.

The Commission also provides an advisory line service to support HR practitioners in the application of HR policies and processes, and provides direct assistance to agencies on a wide range of HR issues such as recruitment and disciplinary matters.

## Recruitment processes

In 2011/12, 16 980 vacancies were advertised on the Government of Western Australian Jobs Board (Jobs WA), an increase of 7% compared with 2010/11. There has also been an increase of 24% in the number of job applications received, up from 147 515 in 2010/11 to 183 110 in 2011/12<sup>40</sup>.

In 2011/12 permanent positions represented 50% (up from 48% in 2010/11) of all advertised vacancies. This corresponded with a decrease in the proportion of fixed-term positions, down from 34% of vacancies in 2010/11 to 27% in 2011/12. The use of pool recruitment processes increased by 19% compared with 2010/11, with 21% of vacancies (3562 advertisements) being pool recruitments.

### Compliance framework

To improve the flexibility of the employment compliance framework two Commissioner's instructions were issued in 2011:

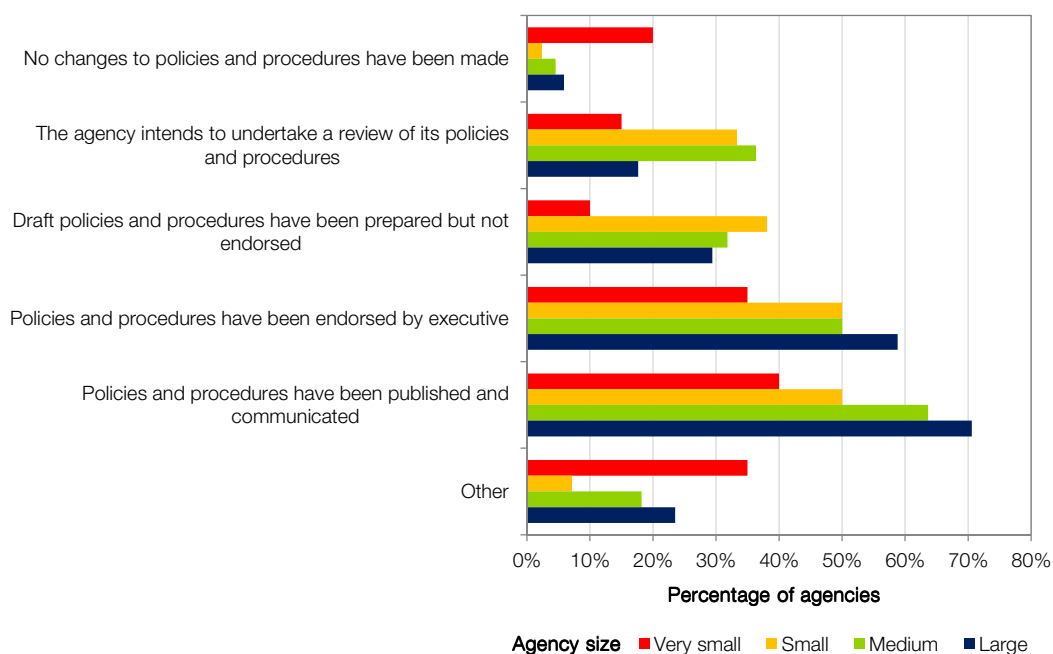
- *Commissioner's Instruction No. 1 – Employment Standard*
- *Commissioner's Instruction No. 2 – Filling a public sector vacancy.*

These instructions provide for flexibility when filling vacancies while still meeting standards required for accountable and transparent processes. The objectives of the employment reforms associated with the new instructions are to promote innovative practices and reduce the time and resources associated with filling a vacancy. Agencies were actively encouraged to review and amend their employment policies and processes to ensure consistency with the revised employment framework.

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<sup>40</sup> The data was extracted from the Recruitment and Management System (RAMS). Recruitment processes run for various lengths of time and in some cases are closed after the reporting period. As these recruitment processes close, the RAMS data is updated. Accordingly, the RAMS data provided here may be different to the same report being run at a different time for the reason explained above.

As shown in Figure 6.1, 55 agencies updated their HR policies and procedures to reflect changes resulting from the introduction of the *Employment Standard*, and communicated the changes to employees.



**Figure 6.1** Proportion of agencies of different sizes which have reviewed HR policies and procedures to reflect the introduction of the *Employment Standard*, 2011/12 (Source AAS)

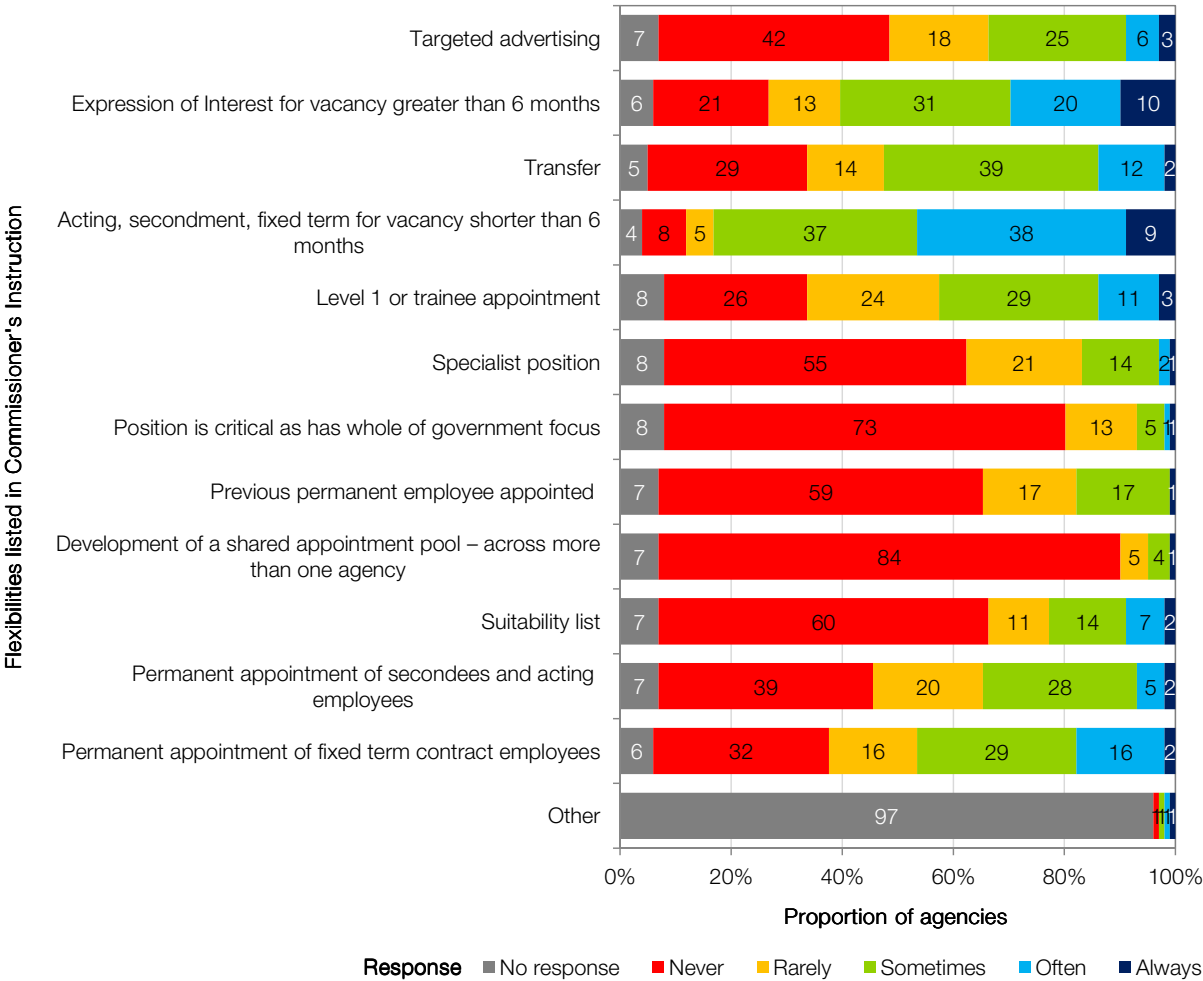
The AAS asked agencies what flexibilities within *Commissioner’s Instruction No. 2 – Filling a public sector vacancy* their agency was utilising and the frequency with which they were used (never, rarely, sometimes, often and always). Approximately 95% of agencies responded to each of the flexibility options, indicating the most utilised flexibilities were:

- **Acting, secondment and fixed-term contract arrangements under six months:** Of the 97 agencies that responded to this question, 83% used this option. This allows agencies the flexibility to fill short term arrangements in a timely manner.
- **Internal expressions of interest over six months:** Of the 95 agencies that responded to this question, 60% used this option. This allows agencies to draw on existing resources and build the internal capacity of their workforce through development opportunities.
- **Transfers at level:** Of the 96 agencies that responded to this question, 53% used this option. This allows permanent movement at the same classification level.
- **Permanent appointment of fixed-term contract employees (those advertised with a possibility of permanency):** Of the 95 agencies that responded to this question, 47% used this option. This allows agencies to appoint on a permanent basis without having to conduct another recruitment process.
- **Reappointment of a previous employee:** Of the 94 agencies that responded to this question, 18% had used this option. This allows for a former permanent employee to be appointed to the same or a similar vacancy as they held.



Shared appointment pools are used across more than one agency and enable the sharing of resources to fill vacancies that are common to each agency and thus minimise the burden of the process. This is particularly useful in regional areas where agencies may be trying to attract similar applicants. While shared appointment pools were not frequently used, their use is increasing. The Commission encourages agencies to make greater use of opportunities to engage in the shared appointment pool process, particularly for high demand and graduate positions and to establish clear guidelines at the beginning of the process, including an understanding of each other's operational needs.

Figure 6.2 shows how often agencies use the flexibilities in *Commissioner's Instruction No. 2 – Filling a public sector vacancy*.



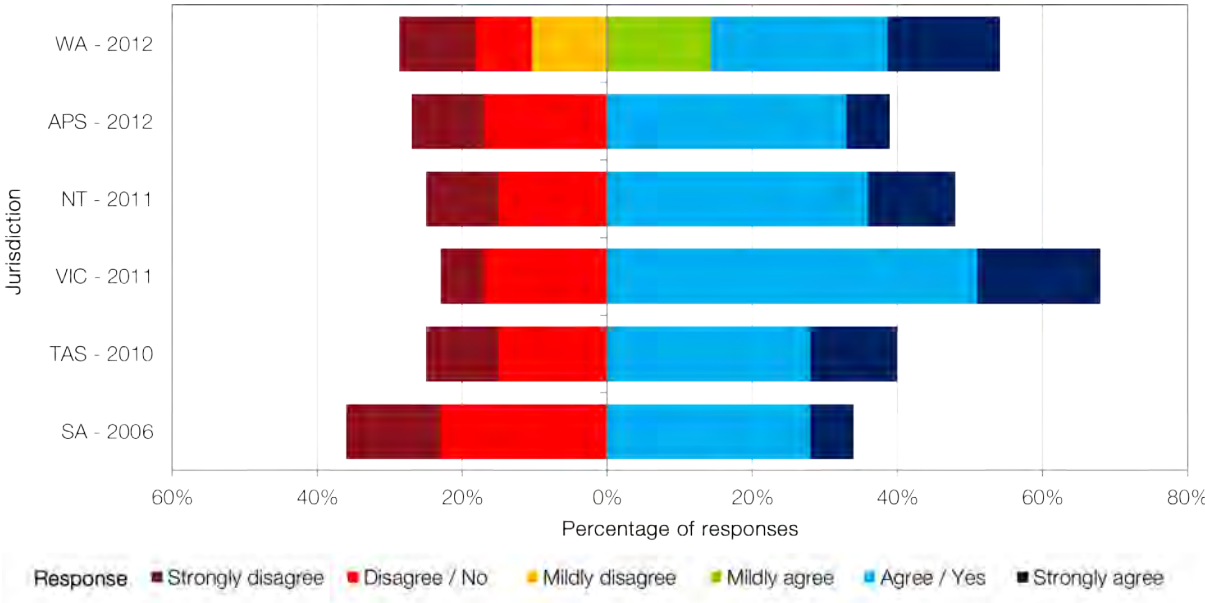
**Figure 6.2** Number and proportion of agencies using flexibilities in *Commissioner's Instruction No. 2 – Filling a public sector vacancy, 2011/12* (Source AAS)

# Employee perceptions of recruitment and employment processes

EPS results indicate 60% of respondents were aware their agency had clearly documented employment policies and processes. Three-quarters (76%) of managers were aware of their agency’s policies and procedures, while lower level employees were less likely to be aware (54%). However, there was a high awareness of the standards covering employment, with 92% of respondents indicating they were aware.

The Commission notes that employee perceptions have improved or remained at similar levels since the changes to practices that may have occurred as a result of the introduction of the Commissioner’s instructions. This is demonstrated by the following results:

- 54% of respondents agreed recruitment and promotion decisions were fair, which is similar to other Australian jurisdictions (Figure 6.3).
- 58% of respondents indicated that recruitment and selection processes in their workplace were unbiased and candidates were selected on the basis of merit.
- 42% of respondents agreed that decisions to second or transfer employees were made fairly.

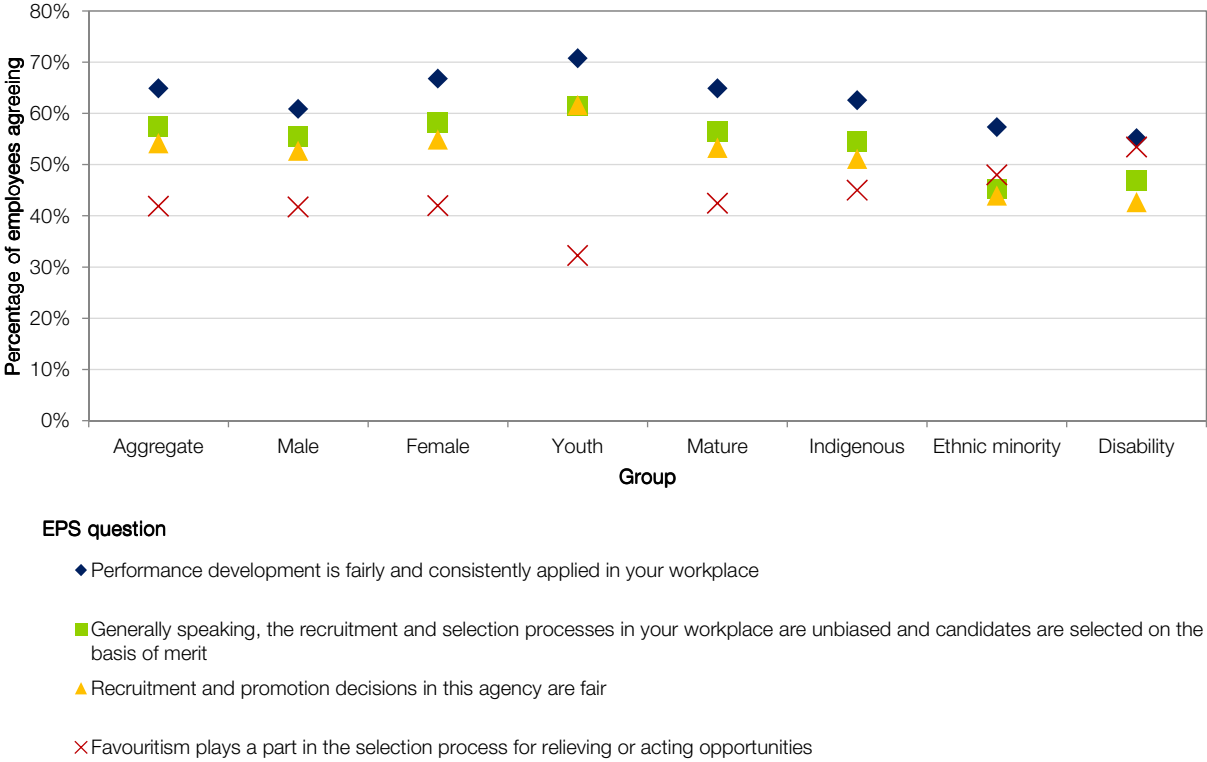


Note: Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

**Figure 6.3 Percentage of WA public sector employees who agreed that recruitment and promotion decisions were fair, compared with other Australian jurisdictions (Source see Appendix A 41)**

41 These benchmarking questions have been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

When employee responses to the EPS are analysed for different diversity groups. Figure 6.4 shows ethnic diversity groups and people with a disability are less likely to agree that decision making processes related to recruitment, acting and secondment are based on merit, and they are more likely to believe favouritism plays a part in these decisions.



**Figure 6.4 Perceptions of different demographic and diversity groups on recruitment and selection processes, 2011/12 (Source EPS)**

# Performance management

With the right systems and processes in place, performance management can improve individual and agency performance.

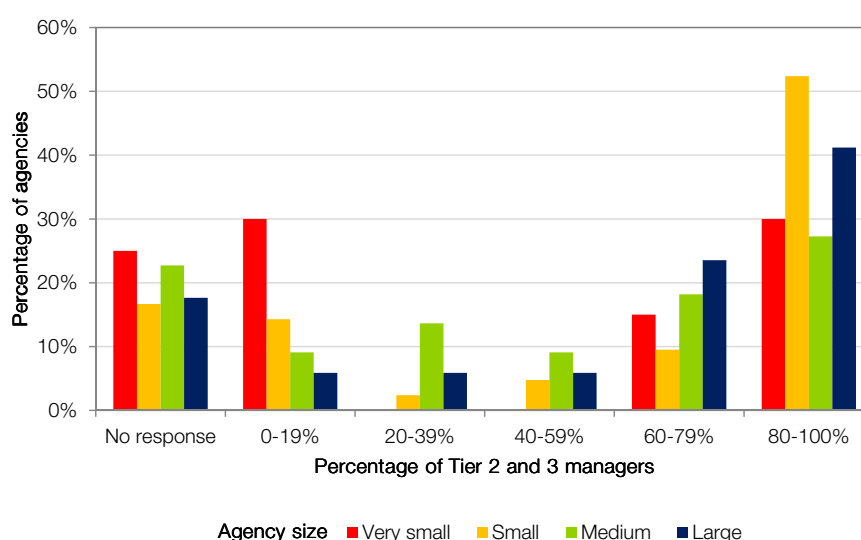
Section 29(1)(i) of the PSM Act requires CEOs to evaluate the performance of their employees. The *Performance Management Standard* provides a principle based framework for how performance management processes are to be undertaken in the public sector.

The performance management process aligns individual employee performance with team and agency objectives and assists in identifying professional development or support needs.

## Formal performance plans

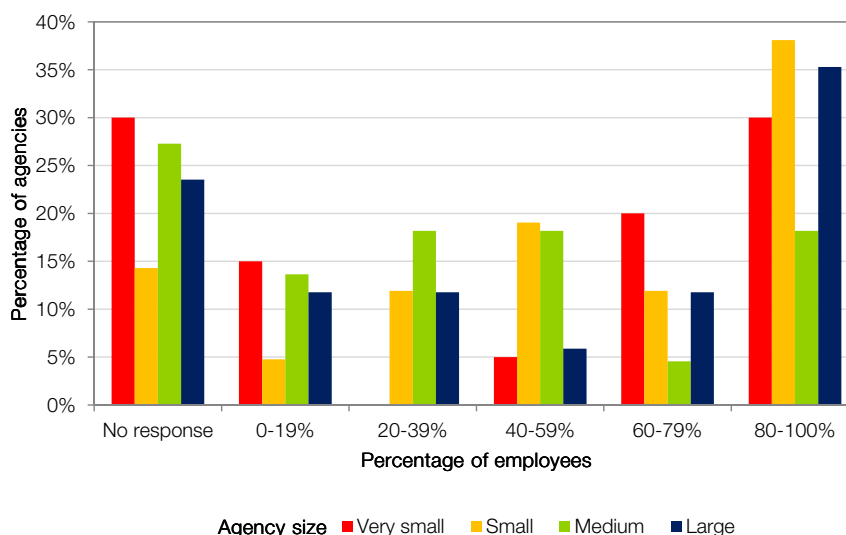
Agencies were asked in the AAS about their approach to performance management. Results show that:

- The majority of public sector agencies and authorities (87%) have performance management policies and procedures in place.
- 41% of agencies had conducted one performance management process for 80–100% of their senior management group (Figure 6.5).



**Figure 6.5** Proportion of agencies of different sizes which have undertaken one formal performance management process with Tier 2 and 3 managers, 2011/12 (Source AAS)

- 32% of agencies conducted a single process with 80 to 100% of all other employees (Figure 6.6).
- 25% of agencies did not respond to questions on performance management.



**Figure 6.6 Proportion of agencies of different sizes which have undertaken one formal performance management process with employees (excluding Tier 2 and 3 managers), 2011/12 (Source AAS)**

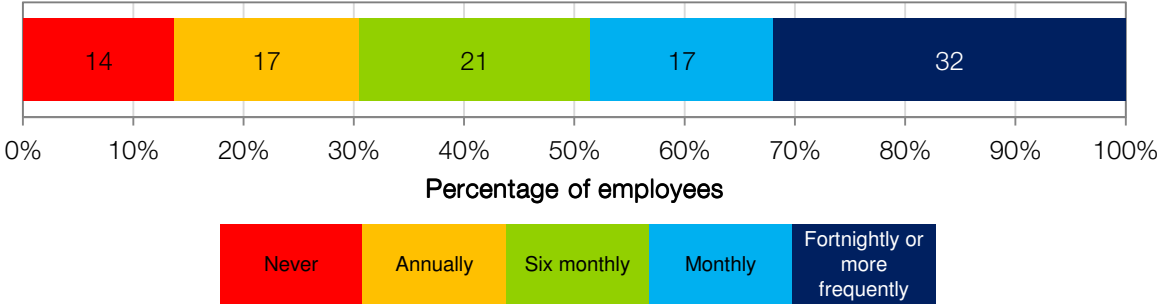
The *Performance Management Standard* requires a minimum of one performance management process each year. Some agencies establish systems that aim to exceed this requirement, including at least two processes—one initial planning process as well as a six monthly progress session, supplemented with less formal and ongoing meetings. AAS results show:

- 24% of agencies conducted at least two performance management processes with 80–100% of Tier 2 and 3 managers.
- 12% of agencies completed two processes with 80–100% of their other employees.

AAS data over the last four years suggests that the rate of implementation of one employee performance management process has remained low. The Commission encourages agencies to ensure they have relevant and workable systems in place and that they consider strategies to increase participation rates.

# Employee perceptions of performance management processes

EPS data indicates that informal discussions do occur more frequently than defined and/or documented processes (Figure 6.7). Although regular informal discussions are an important part of performance management, they are not always documented. The absence of any documentation makes it difficult to rely solely on informal discussions as a means to support a record of performance.



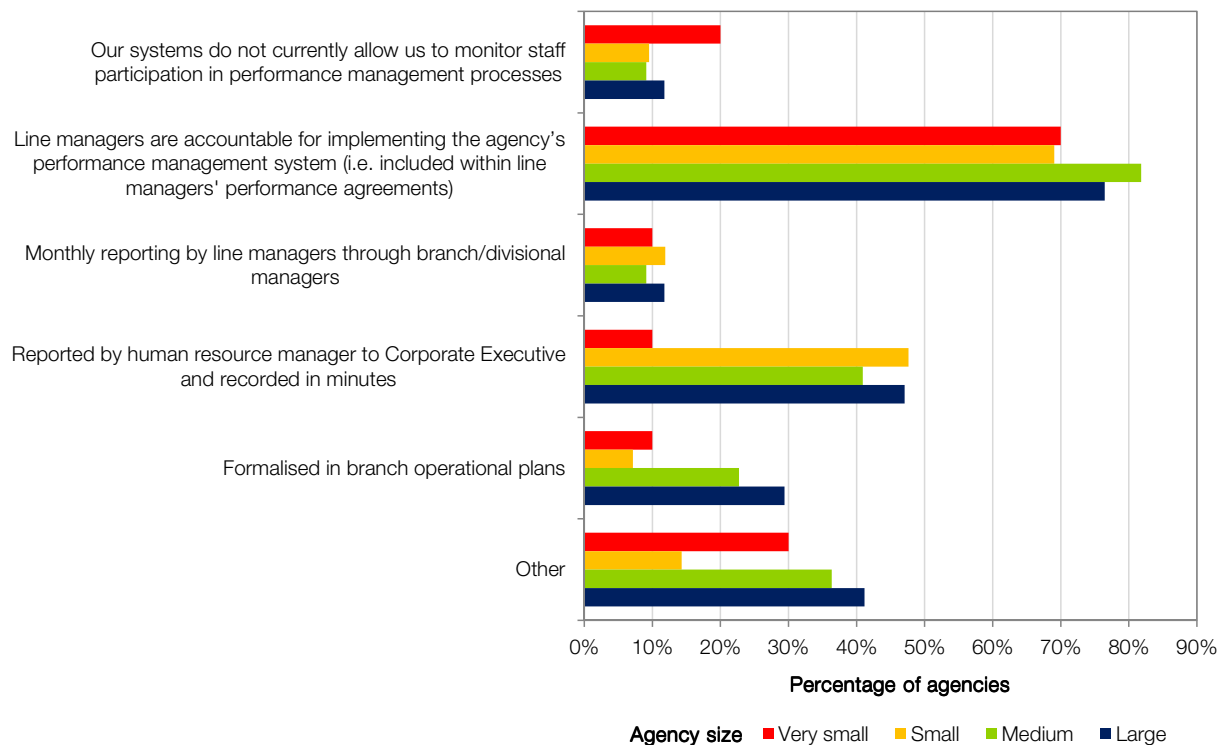
**‘How often do you meet with your immediate supervisor, either formally or informally in a setting that allows for discussion about performance and development matters?’**

**Figure 6.7 Perceptions of employees on the regularity of meetings with their immediate supervisor, 2011/12 (Source AAS)**

## Monitoring and implementation of performance management

Effective monitoring of a performance management system can assist with participation rates. As shown in Figure 6.8, most agencies (88%) reported that they have systems allowing them to monitor staff participation in performance management:

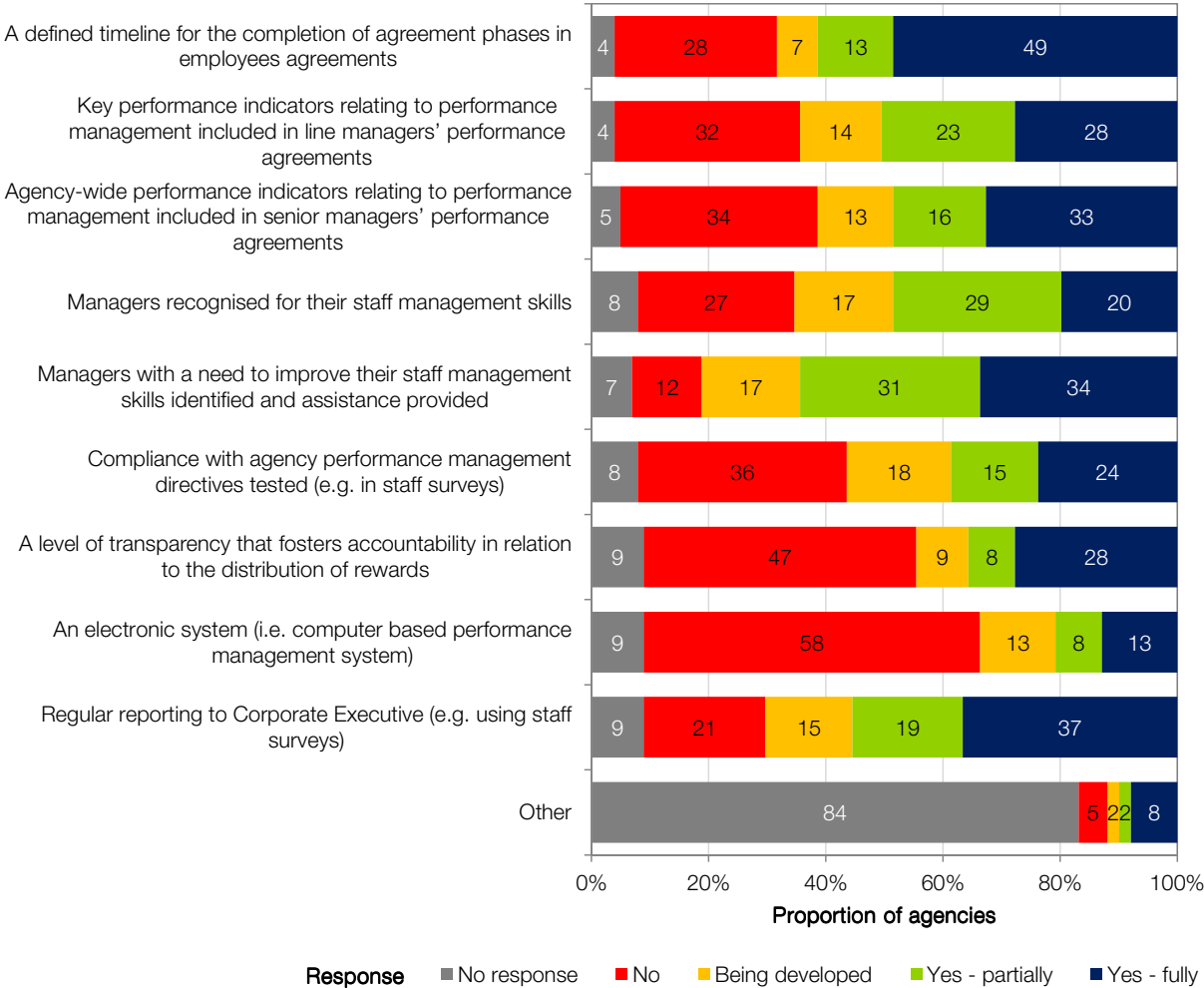
- 73% of agencies make line managers accountable for implementing the performance management system.
- 39% of agencies report participation levels to their corporate executive.
- 15% formalise performance management in operational plans.



**Figure 6.8** Proportion of agencies of different sizes and the method with which they monitor whether formal performance management meetings are being undertaken, 2011/12 (Source AAS)

Figure 6.9 defines additional methods and incentives that some agencies use to ensure that performance management processes are completed. They include:

- defining a timeline for the completion of phases in employee agreements, used by approximately half of agencies
- identifying managers who need to improve their skills in undertaking performance management processes, implemented by approximately one-third of agencies.



**Figure 6.9 Proportion of agencies developing specific mechanisms to ensure managers implement the performance management system, 2011/12 (Source AAS)**

The Commission has identified performance management and development as an area needing further work across the sector, and accordingly has undertaken a review of the CEO performance process and commenced work on a strategic review into how performance management is undertaken in five agencies. The findings of these reviews will be used to identify good practice strategies in this area that will then be shared with the broader public sector.

Performance management and development is also included as module in the FoGHR program. In the next year this will be included as a separate training module in the suite of development programs that the Commission promotes to HR practitioners and agencies.



## Case study

### Aligning performance management with organisational goals and values

The Department of Treasury designed and implemented a new 'Development and Performance Framework' in 2012. The framework not only aims to meet the agency's business needs and hold staff accountable for the delivery of key tasks and projects, but also reinforces the achievement of the department's vision, values, key leadership behaviours and work performance standards. Additionally, the framework provides a tool for managers to identify how staff members' individual work objectives link to both operational deliverables and Treasury's strategic goals. Previous cultural surveys indicated that such linkages have not always been clear, and the department believes this new framework helps bridge this gap, to increase employee engagement and perceived task significance.

All staff at the department are required to have a current development and performance agreement. These agreements are established through a structured planning meeting between each staff member and their manager in August. These meetings are followed by a formal mid-cycle review meeting in February and a final review meeting in June to provide staff with ongoing feedback in relation to the achievement of both their development and performance objectives.

Before the new framework was introduced, staff and managers attended mandatory training on how to utilise the framework effectively and have effective performance management discussions. Further support was available through procedures, tip-sheets, a dedicated intranet one-stop shop and coaching.

In addition, a communications strategy was used to support the implementation of the framework. Tracking mechanisms were established to ensure accountability and promote the utilisation of the framework. The first stage in the framework cycle (the planning meeting) commenced in August 2012. Within two months of the launch, the department achieved a 100% completion rate. Communication, along with strong senior executive and managerial support, and staff engagement throughout the organisation were critical to the success of the framework. This included highlighting benefits and impacts at individual, team and organisational levels.

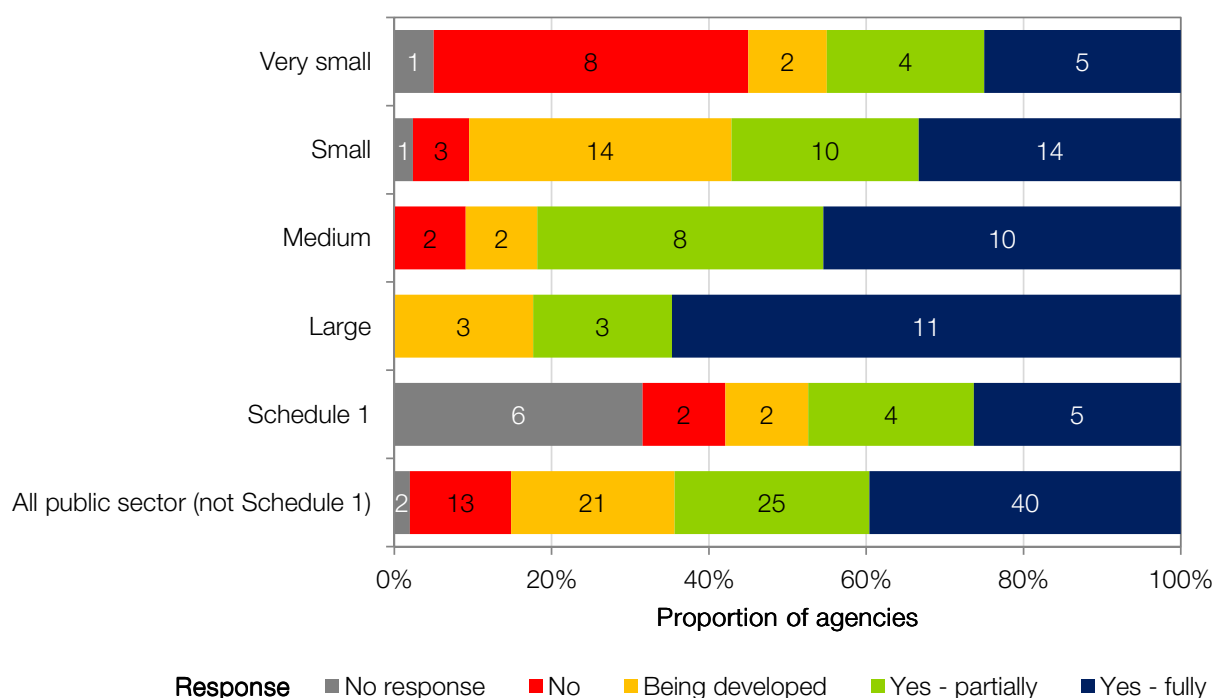
The department's 'People team' plans to evaluate the framework in March 2013, and implement any improvements by June 2013. Continual staff and management feedback is sourced through a range of mechanisms to assess the effectiveness of the framework in meeting business needs and to identify further training and development opportunities.

Overall, the department acknowledges that a system solution to performance management is only one key component of successful performance management. The primary factor influencing the success of the framework is fostering a culture where managers and staff feel comfortable and have the ability to have effective feedback conversations on an ongoing regular basis.

# Professional development

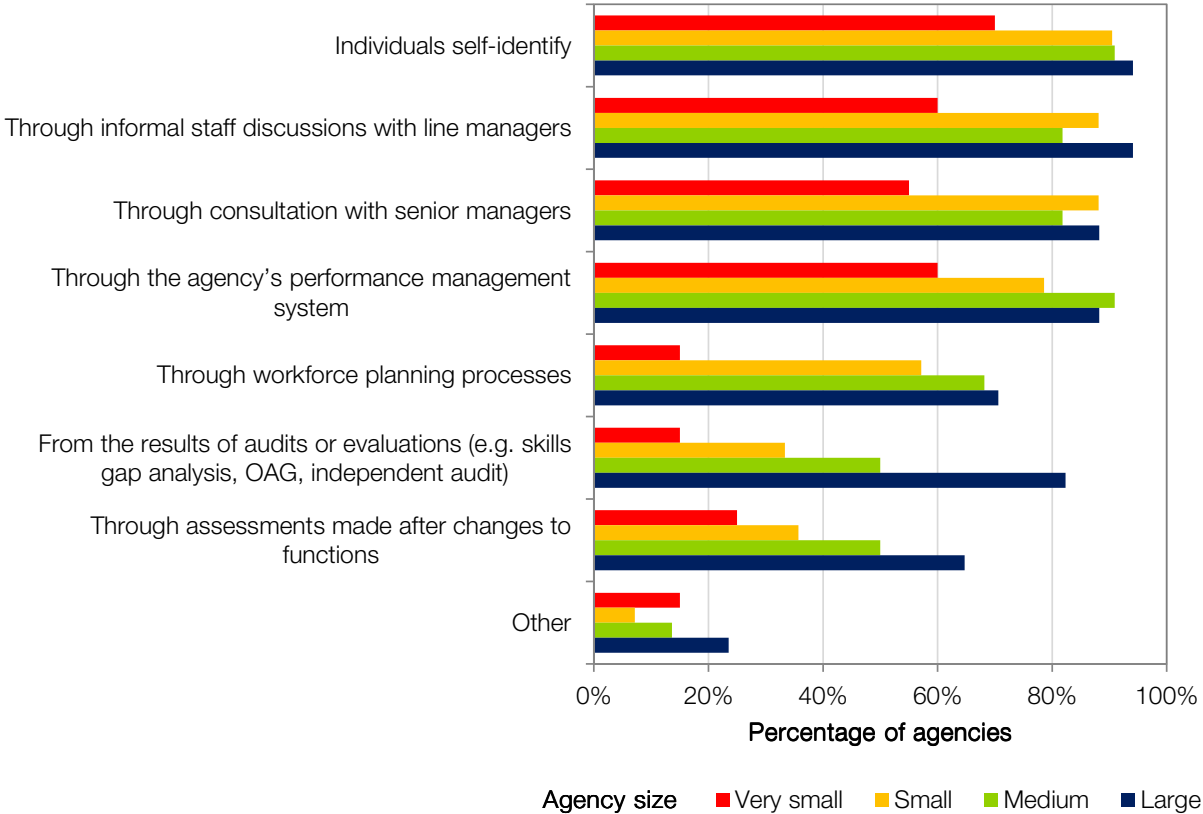
One of the primary aims of a performance management system is to identify employee development needs. Professional development needs may also be identified through a separate but linked professional development plan. In 2011/12, 78 out of 101 public sector agencies had an annual budget for formal off-the-job professional development activities (e.g. internal or external classroom-based workshops, programs, conferences and seminars). Very small agencies were less likely to have a budget (55%).

In 2011/12, almost half of the public sector had a fully developed and implemented professional development plan. Figure 6.10 indicates that close to 90% of the public sector will be covered by a professional development plan in the near future.



**Figure 6.10** Number and proportion of agencies with a formal professional development plan in place, 2011/12 (Source AAS)

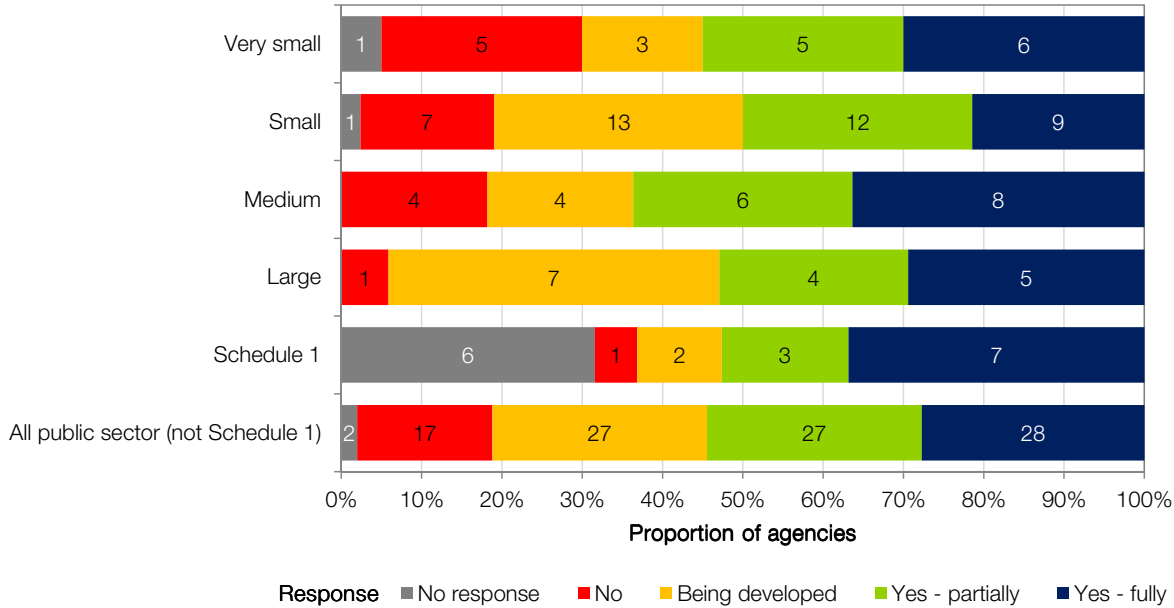
Figure 6.11 shows that individual professional development needs are not always identified as a part of a formal performance management process. Often individuals self-identify their needs through informal discussions with their supervisors. They may also be identified by the agency through formal strategic workforce planning processes or skills audits and gap analyses.



**Figure 6.11 Proportion of agencies of different sizes identifying professional development needs, 2011/12 (Source AAS)**

An important component of any professional development system is the ability to track development activities of individual staff and whether the development activities have resulted in improved skills or other identified desired outcomes.

Figure 6.12 shows that 55 agencies (55%) had fully or partially integrated their individual employee professional development activities into their HRM systems. Around 30% of large agencies, accounting for 86% of the public sector workforce, have systems to track individual professional development.



**Figure 6.12** Number and proportion of agencies developing HR systems which record details of employees' professional development activities, 2011/12 (Source AAS)

### Alignment of performance management to corporate values

Performance management systems in the public sector have typically focused on the achievement of tasks or activities aligned to operational plans and career development. More recently, agencies have started to align employee behaviour with corporate values and culture as an element in performance management plans. This supports the building of an agency culture where ethical behaviour, high work standards and professionalism are valued and seen as an important part of employee performance.

# Grievance management

Situations will arise in workplaces where conflicts or complaints are unable to be resolved informally and a grievance is lodged. In these circumstances, a clearly documented process will assist in resolving employee grievances promptly and ensure that minimum standards are met.

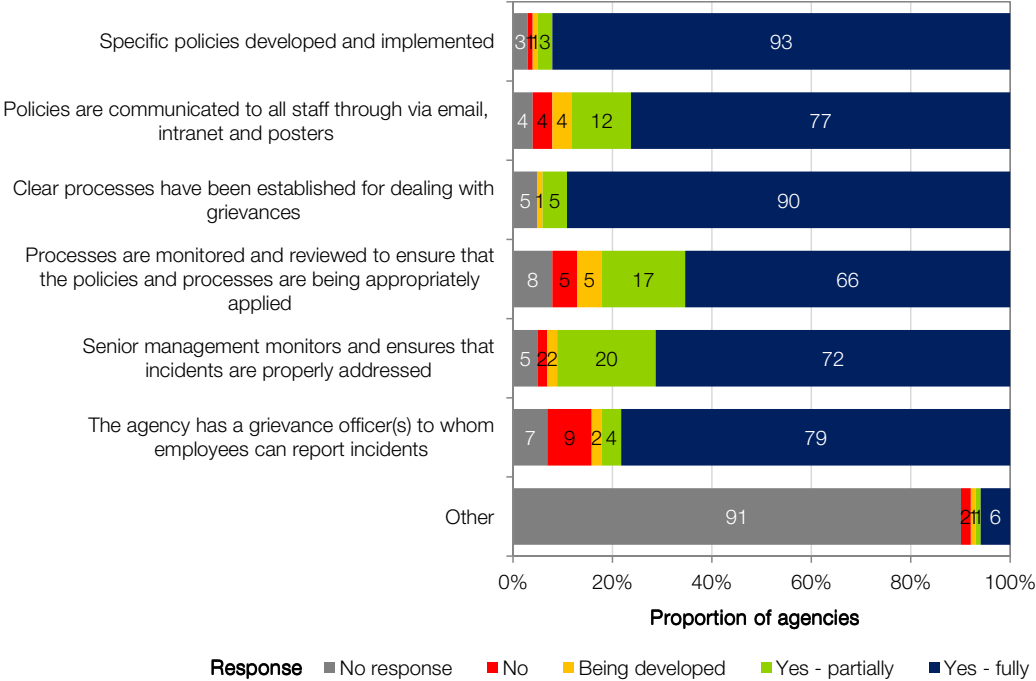
The *Grievance Resolution Standard* applies to all public sector bodies and their employees, and outlines the minimum standards of merit, equity and probity that must be met in grievance resolution.

In addition to satisfying these requirements, grievance management processes help to maintain harmonious working environments that encourage people to be engaged and focused at work.

Most agencies have well developed systems in place to support grievance management. The results show that:

- A large proportion of agencies (78%) have at least one grievance officer, compared with 67% last year.
- 89% of agencies have fully established, clear processes to deal with grievances, up from 82% in 2010/11.
- There have also been improvements in other elements of agency grievance management with:
  - 92% of agencies having a policy in place, compared with 81% in 2010/11
  - 65% of agencies monitoring and reviewing processes, compared with 61% in 2010/11
  - 71% of agencies reporting that senior management monitors and ensures incidents are properly addressed, consistent with 2010/11.

Figure 6.13 shows the actions taken by agencies in relation to grievance management.



**Figure 6.13 Proportion of agencies developing policies and systems for supporting grievance management, 2011/12 (Source AAS)**

### Awareness of grievance policies and procedures

The maturity of policies and processes used by agencies to resolve grievances is reflected in an increase in employee trust and awareness. Results from the EPS indicate:

- 91% of respondents were aware standards exist in the public sector for grievance resolution.
- Employee awareness of their agency’s policies and procedures for grievance resolution increased significantly, with a 70% level of awareness.
- Employee confidence in the processes their agencies use to resolve grievances has increased to 41%.
- 49% of respondents indicated that they had undertaken training or been provided with information on their agency’s internal grievance resolution procedures.

Eighty-nine per cent of agencies are confident their policies and procedures make appropriate distinctions about whether matters should be addressed under a grievance or misconduct management framework. The Commission notes the level of employee awareness indicated in the EPS and the maturity of agency grievance management systems suggest this confidence is well founded.

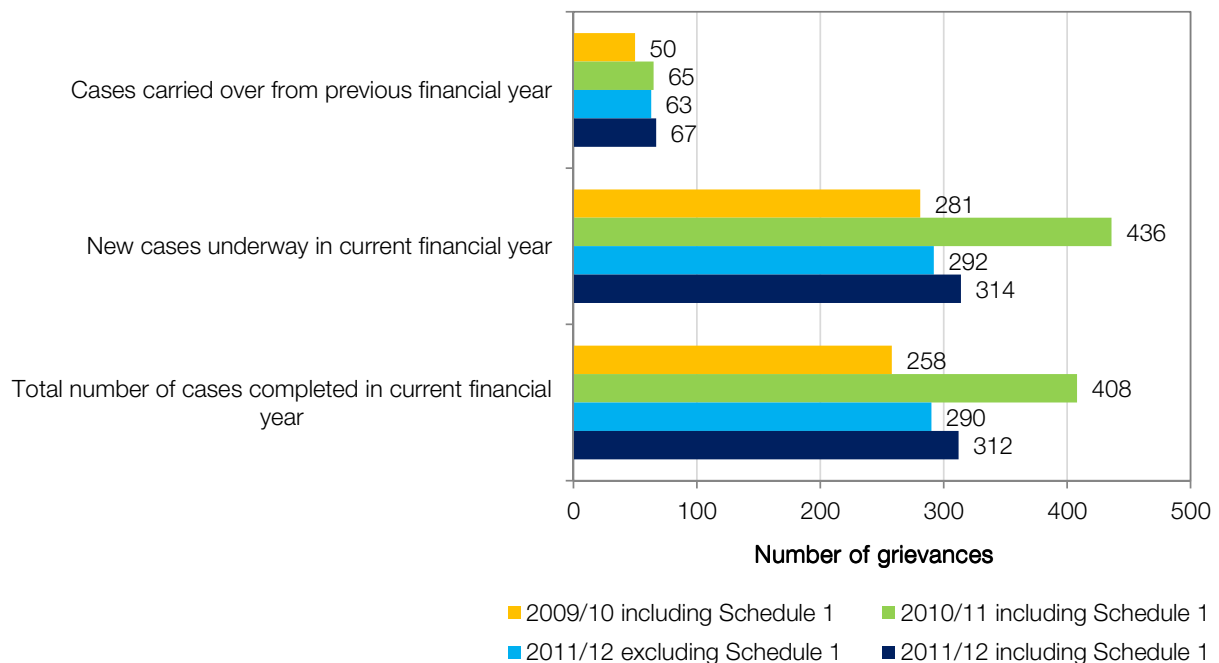
## Occurrence and nature of grievances

During 2011/12, there were 292 new grievances lodged, which represents a decrease of 31% from last year (436 in 2010/11). There were an additional 63 grievances carried over from last year. 290 grievances were investigated and finalised during 2011/12.

The survey results show that:

- 40% of agencies did not have a formal grievance lodged this year.
- Of the 290 grievances investigated, 17% were sustained, compared with 19% in 2010/11.
- 70% of grievances arise within large agencies, further emphasising the importance of having clearly documented processes and support mechanisms to guide those involved.
- In 7% of cases, the grievance process led to other actions such as discipline training and counselling.

Figure 6.14 shows the number of formal grievances lodged in the public sector over the last three years.

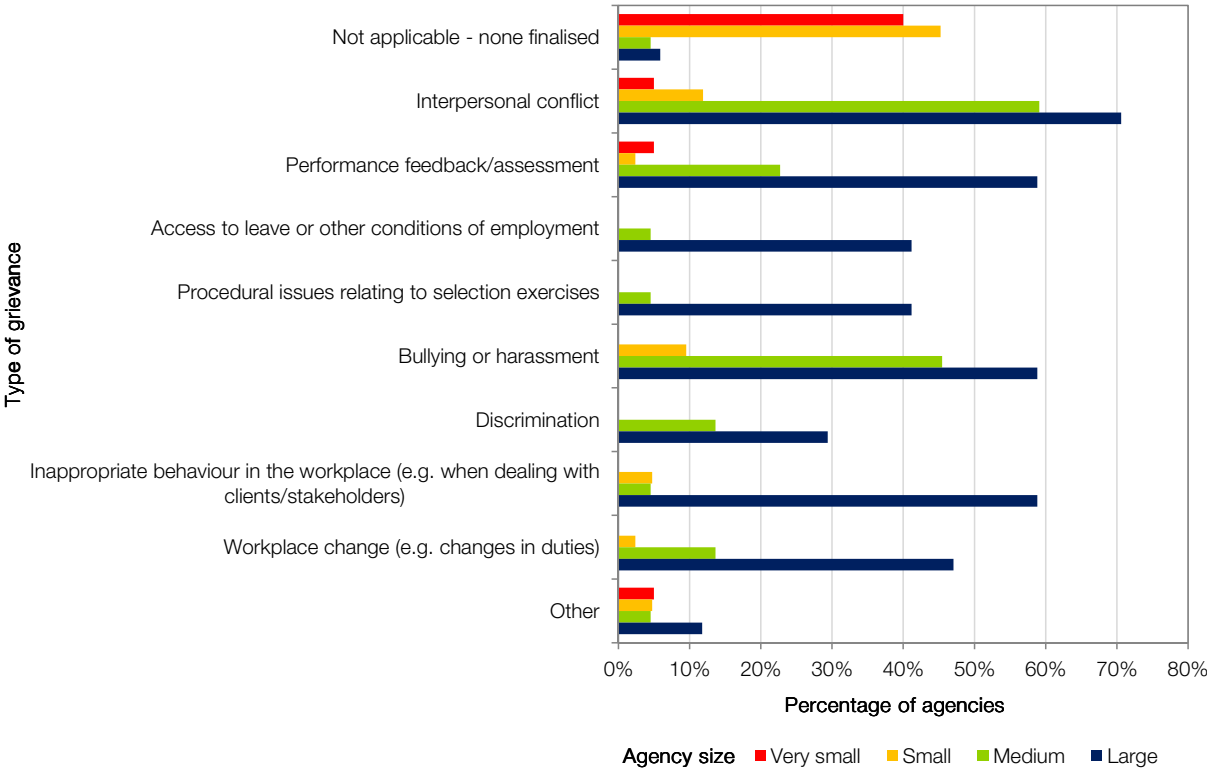


**Figure 6.14** Number of grievances, 2009/10 to 2011/12 (Source AAS)

Figure 6.15 shows that the subject matter of grievances can vary widely. The most common subject matter for grievances lodged with agencies related to:

- interpersonal conflict (24%)
- perceived bullying and harassment (19%)
- performance feedback and assessment (13%).

Notably, a higher proportion of grievances in small and very small agencies related to 'interpersonal conflict'.



**Figure 6.15 Subject matter of agencies' finalised grievances, 2011/12 (Source AAS)**

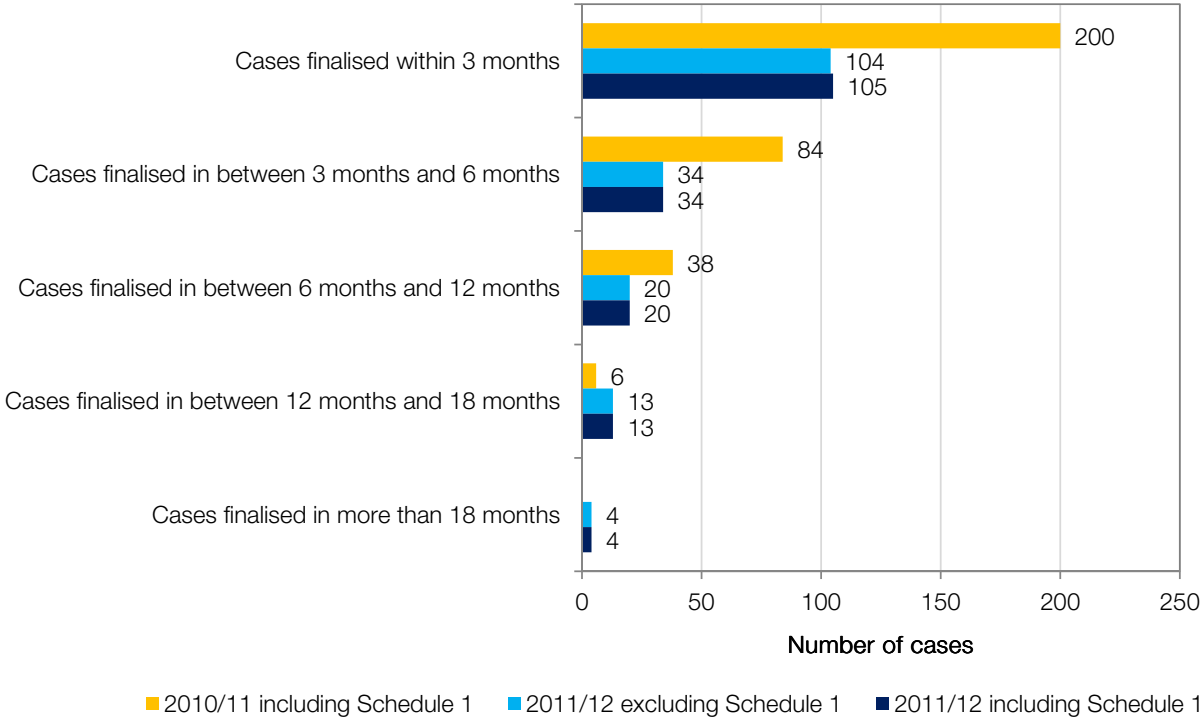


# Agency resolution of grievances

Information on the time taken to resolve formal grievances was provided for 175 cases, of which:

- 59% were finalised within three months, similar to 2010/11.
- 19% were finalised between three and six months, compared with 26% in 2010/11.
- 21% took longer than six months to finalise this year, compared with 13% in 2010/11.

Timely resolution of grievances is important for ensuring a satisfactory outcome for all parties involved. Taking into account factors that can impact on the length of time to resolve a grievance (which include variations in nature and complexity and the need to ensure procedural fairness), the Commission notes agencies are resolving most cases within a reasonable time frame.



**Figure 6.16 Length of time agencies took to resolve grievance cases, 2011/12 (Source AAS)**

# Occupational health and safety

Effective management of occupational health and safety risks improves workplace productivity and reduces workplace injuries. Initiatives may include health and wellness programs, measures to prevent and address bullying and harassment, and well-supported injury management practices for public sector employees who have suffered a work place injury, to ensure an early return to work and the maintenance of service delivery.

The obligations of agencies and CEOs to provide a safe and healthy work environment are outlined in the OSH Act, supported by the Occupational Safety and Health Regulations 1996, codes of practice and guidance notes. These are reinforced by sections 8(1)(e) and 30(c) of the PSM Act. The *Workers' Compensation and Injury Management Act 1981* also requires employers to establish and maintain a written injury management system and return-to-work program.



## RiskCover workers' compensation data

Data from RiskCover (Table 6.1) indicates that for 2011/12 there was a decrease in the rate of incidents resulting in a lost time injury (LTI) but the severity and duration of injuries continued to increase.

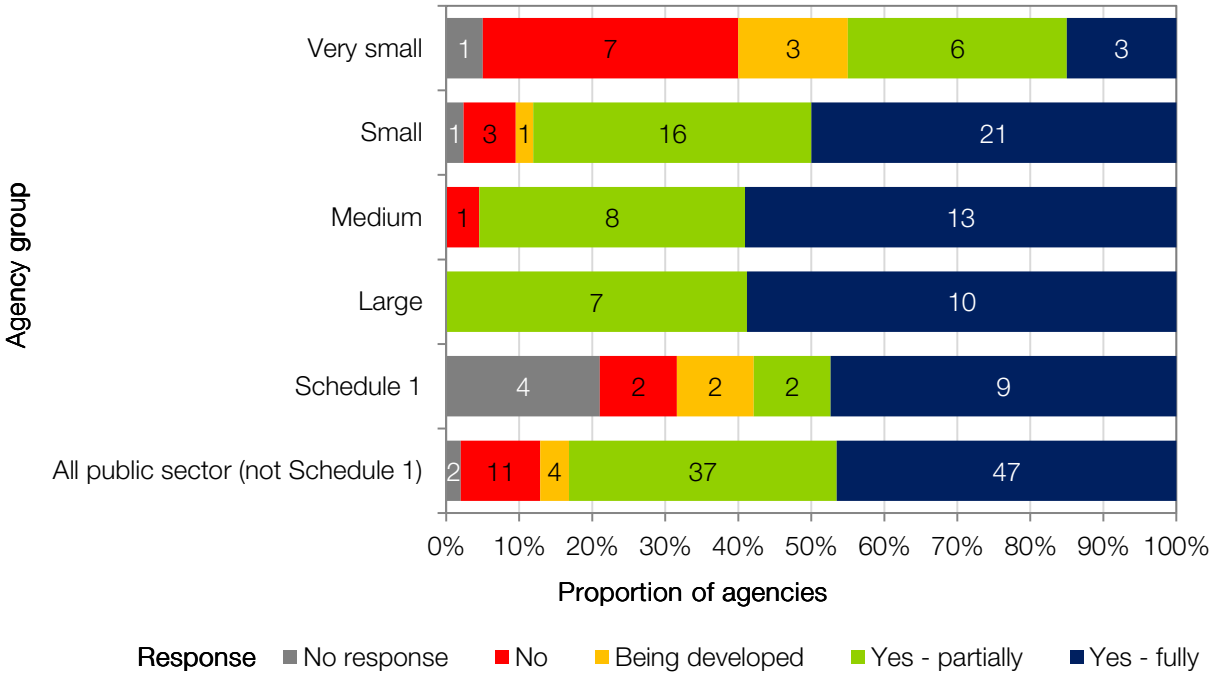
**Table 6.1 Lost time injury claims, estimated days lost and rates, 2008/09 to 2011/12 (Source RiskCover)**

	LTI Claims	Estimated Days Lost	Incident Rate <sup>(a)</sup>	Duration Rate <sup>(b)</sup>	Severity Rate <sup>(c)</sup>
2008/09	2580	107 033	4.03	24.5	21.7
2009/10	2675	120 832	4.13	26.1	22.8
2010/11	2801	134 100	4.04	29.0	26.5
2011/12	2836	153 014	3.87	33.6	27.6
(a) (Number of LTI Claims / Number of FTE) * 100					
(b) Estimated Days Lost / Number of LTI Claims					
(c) Number of Severe Claims / Number of LTI Claims					

- The number of LTI claims increased marginally in 2011/12, with 2836 of the 4566 claims resulting in at least one day of lost time.
- The incident rate has decreased since 2009/10, indicating that growth in employee numbers is outpacing LTI claims. This rate has been derived using FTE numbers rather than employee headcount.
- The duration rate has increased consistently over the past three years, with each LTI claim on average in 2011/12 expected to result in 33.6 days of lost time due to injury.
- The severity rate increased to 27.6% in 2011/12, indicating that more than a quarter of LTI claims resulted in over 60 days of lost work time.

Both public and private sector organisations across all Australian jurisdictions now adopt a proactive approach to managing employee health and wellbeing. It is well recognised that a workplace culture that values, supports and improves the health and wellbeing of employees results in an increase in the efficiency and productivity of service delivery for the community they serve. Factors that impact on the health, safety and wellbeing of employees can range from stress, mental health conditions, substance abuse, bullying and harassment, conflict, violence, injuries and accidents.

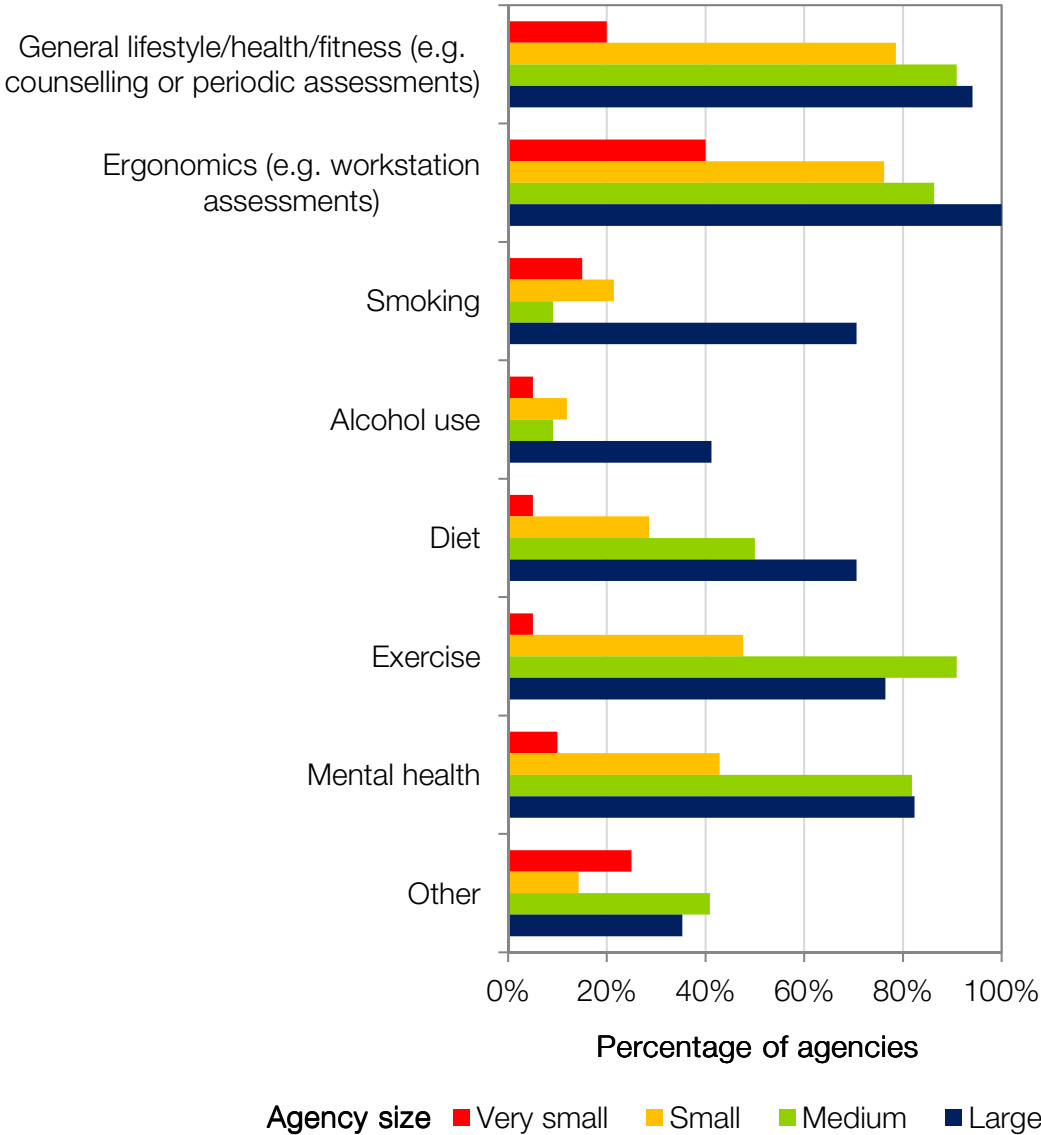
Figure 6.17 indicates 83% of public sector authorities are either developing or have implemented a workplace health and wellbeing program. The Commission notes all large agencies have either fully or partially introduced such initiatives.



**Figure 6.17** Number and proportion of agencies developing health and wellbeing programs, 2011/12 (Source AAS)

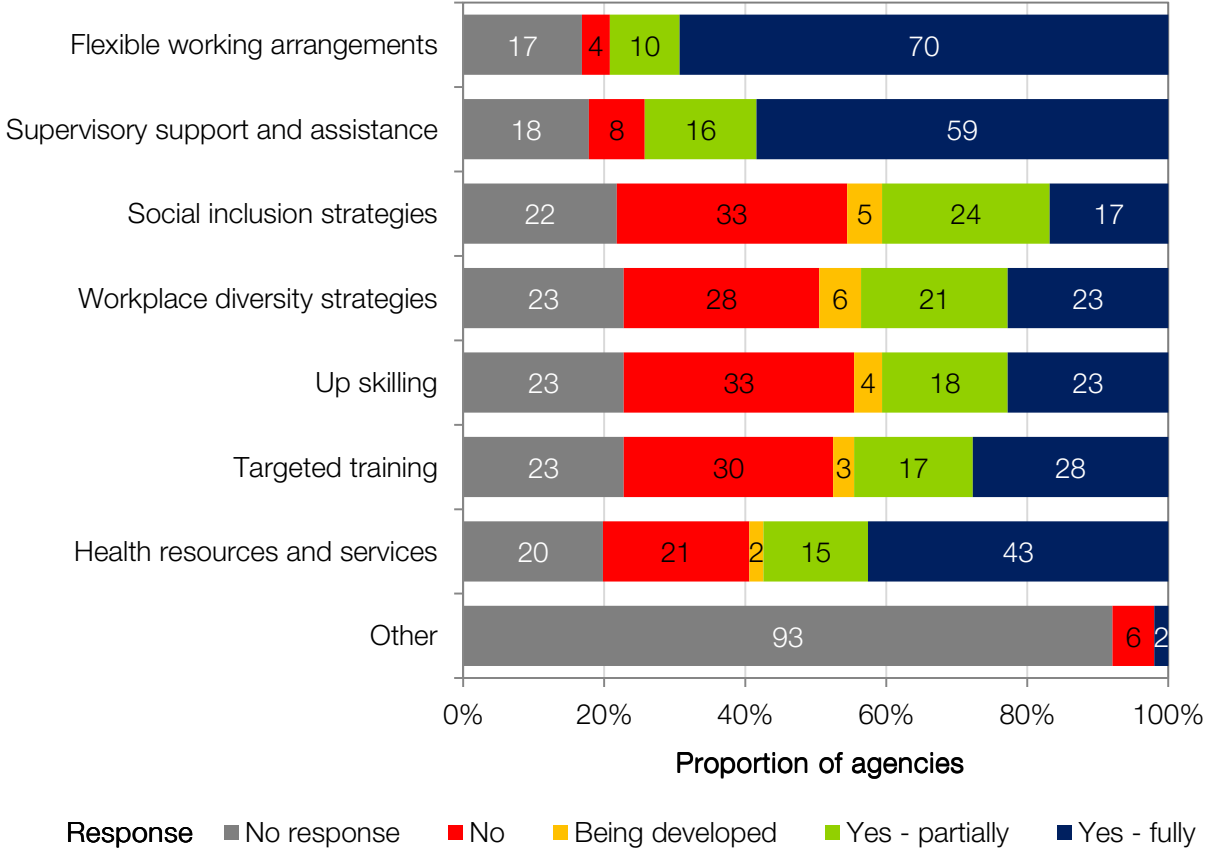
With regard to the areas targeted by agencies within their health and wellbeing programs, Figure 6.18 shows the primary areas:

- 75% of agencies provided ergonomic assessments.
- 72% of agencies included lifestyle, health and fitness assessments (including counselling) in their programs.
- 53% of agencies targeted exercise and managing mental health conditions.



**Figure 6.18** Activities or health awareness areas that agencies of different sizes have targeted through their health and wellbeing programs, 2011/12 (Source AAS)

As shown in Figure 6.19, 73% of agencies make the most of flexible working arrangements and approximately two-thirds ensure that supervisory support and assistance is readily available. More than half of the agencies surveyed also indicated appropriate health related services and resources were readily available.



**Figure 6.19 Proportion of agencies developing strategies to accommodate employees with ongoing health issues, 2011/12 (Source AAS)**

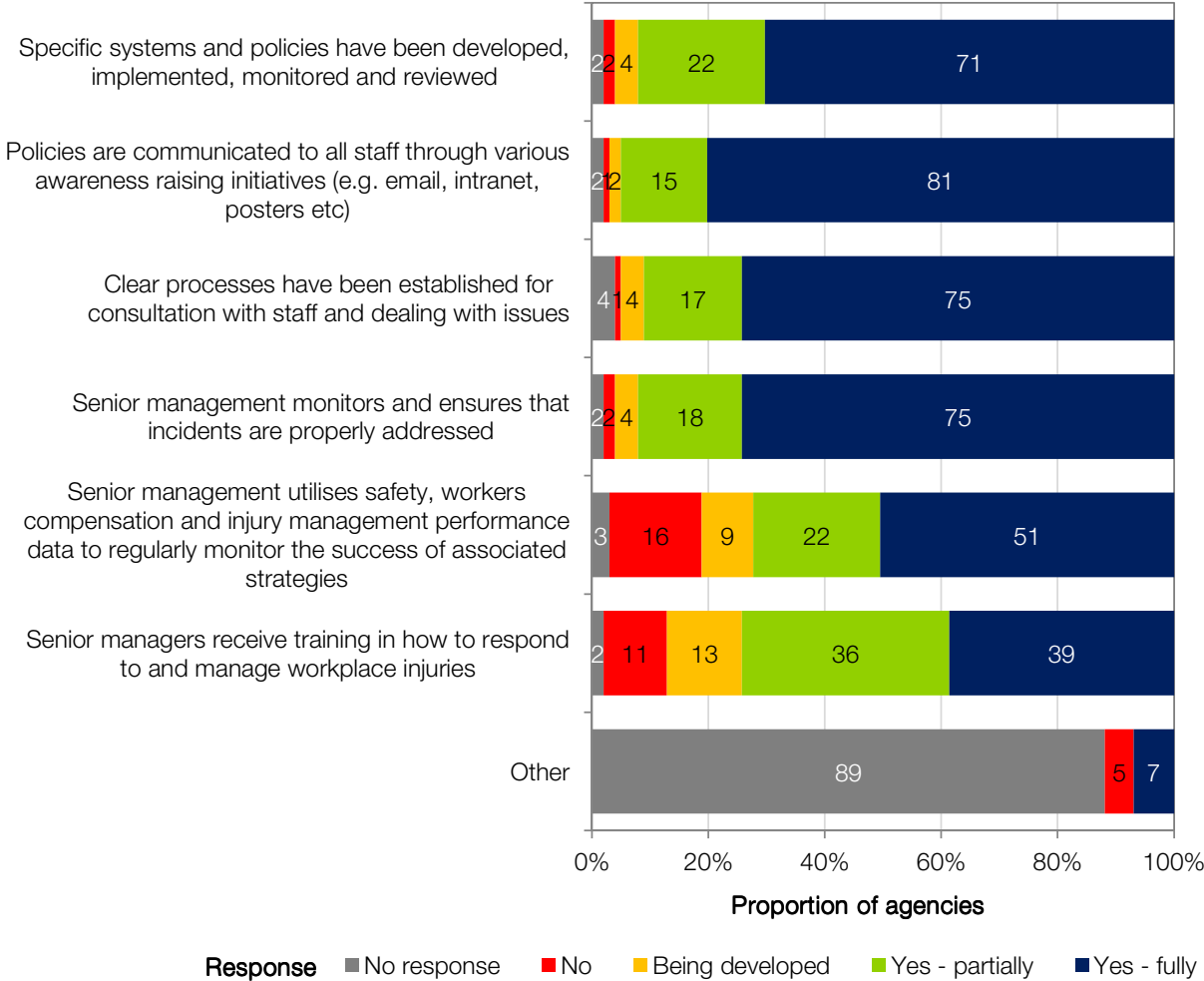
### Measures to minimise risk, ensure adequate training and reduce costs of injury or disease

The *Commissioner’s Circular 2009-11 – Code of practice: Occupational safety and health in the Western Australian Public Sector* provides guidance to CEOs on how they need to ensure the health and safety of all employees in the workplace. CEOs are required to have appropriate policies and procedures in place which support occupational safety and health (OSH). They also need to report on performance targets, which include:

- training 50% or more managers in OSH and injury management responsibilities
- reporting of lost time injury/disease incidence and severity rates.

Figure 6.20 shows action taken by agencies to minimise the risk of injury or disease:

- 92% of agencies indicated they had specific policies which were partially or fully developed, which is an improvement from 2010/11. All large and medium agencies responding to this question had met this requirement. Two small agencies were still developing policies and procedures and two small agencies did not respond.
- Positive results were recorded in relation to communication of policies and processes (80%), consultations for identifying and dealing with workplace hazards (74%) and senior management engagement (75%), although performance data was not fully utilised (50%). Larger agencies were more likely (65%) to use this information.

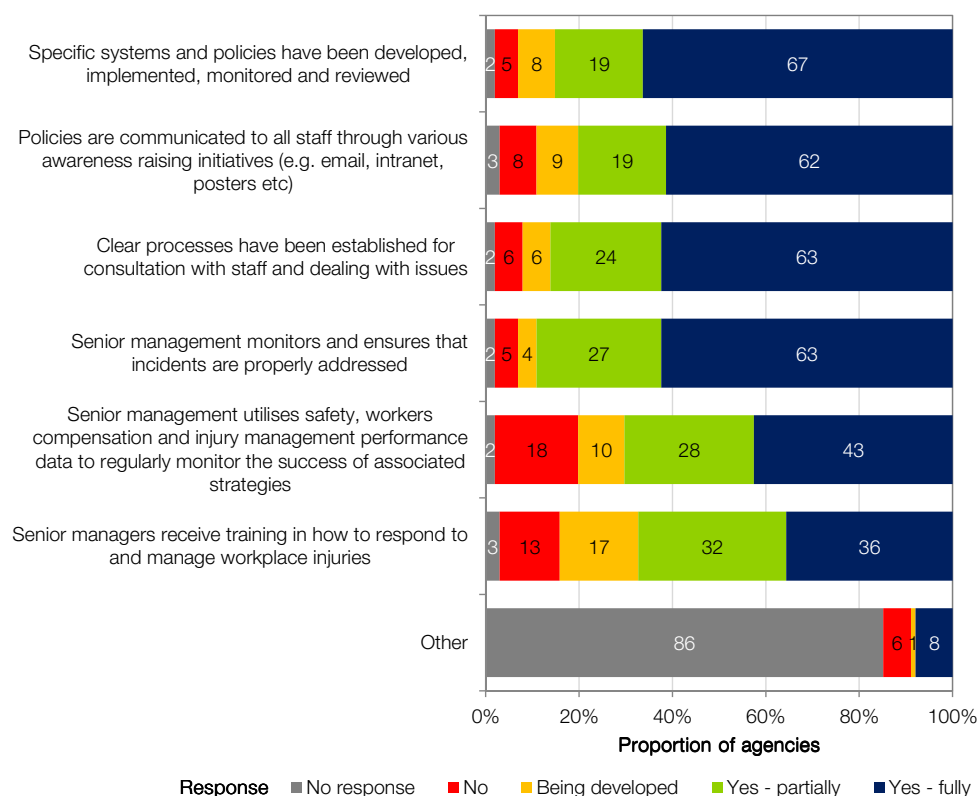


**Figure 6.20 Number and proportion of agencies developing measures to minimise the risk of injury and/or disease in the workplace, 2011/12 (Source AAS)**

AAS data is supported by information collected through the EPS, to which 83% of respondents indicated they were aware of their agency’s policies and procedures covering employee occupational health and safety, and 66% indicated they were confident the associated procedures were effective.

## Minimising time off work through effective injury management

Properly supported injury management practices for public sector employees who have suffered a workplace injury are crucial to ensuring an early return to work and continued service delivery. Figure 6.21 shows that 85% of all agencies had fully developed or partially developed systems, policies and processes. The agencies that did not have these policies and processes in place were either very small or small agencies.



**Figure 6.21 Number and proportion of agencies developing initiatives to minimise absence through injury management, 2011/12 (Source AAS)**

The awareness-raising initiative most utilised (89%) was monitoring and incident assessment by senior management. The development of clear processes for consultation with staff dealing with injuries was also strongly favoured (87% of agencies).

The focus on training has increased, with 67% of agencies in 2011/12 indicating that senior managers receive training in how to respond to and manage workplace injuries, up from 50% in 2010/11. Data on the attendance of specific training in OSH show that an additional 12% of the public sector workforce (20 664 employees) undertook such training in 2011/12, building on the 29 394 who completed this training in 2010/11.

Results suggest this training has been effective, with 83% of the 7536 employees responding to the 2012 EPS indicating their agency has clearly documented policies and procedures which ensure employee occupational health and safety and 66% expressing confidence in these procedures.



## Management of bullying and harassment in the workplace

Bullying at work is defined as repeated, unreasonable or inappropriate behaviour directed towards a worker, or group of workers, that creates a risk to health and safety<sup>42</sup>. It may be instigated by an individual or group and involve overt behaviour, such as verbal abuse or physical violence, or involve subtle intimidation, and be carried out either directly or indirectly (e.g. emails or text messages).

Bullying is unlawful under the OSH Act and the Occupational Safety and Health Regulations 1996 and both employers and employees have obligations under this legislation. WorkSafe provides an avenue for reporting, investigating and acting on specific matters.

Bullying may also constitute a breach of the public sector *Code of Ethics*. The PSM Act provides CEOs as employers with the capacity to investigate allegations and to take direct action where a breach is found.

Bullying and harassment constitute significant workplace safety risks that have the potential to affect employee psychological and/or physical wellbeing. They also have the potential to create direct costs associated with managing internal grievances and work related stress compensation claims.

Figure 6.22 and Figure 6.23 show how agencies approach the task of minimising the risk of bullying and/or harassment in the workplace.

Overall, 77% of agencies (78) had fully developed and implemented specific policies to minimise the risk of bullying or harassment in the workplace. This included the majority of large agencies (94%), medium agencies (86%) and small agencies (76%). A significant proportion of large (82%), medium (91%) and small (79%) agencies had also established clear processes to effectively deal with allegations.

Smaller agencies do not necessarily need complex strategies to handle issues such as workplace bullying as they are usually located in a single location and the span of supervision is often smaller than for large agencies.

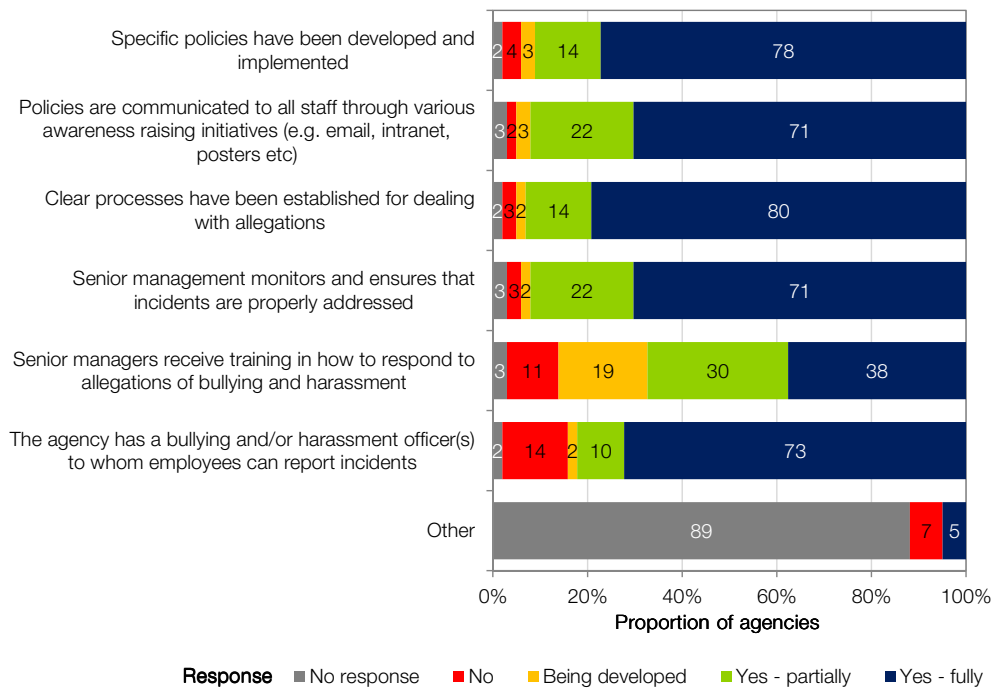
Approximately 70% of agencies:

- communicate these policies to staff
- require senior management to monitor and ensure incidents are addressed
- have an officer in the workplace to whom allegations of bullying and harassment can be reported.

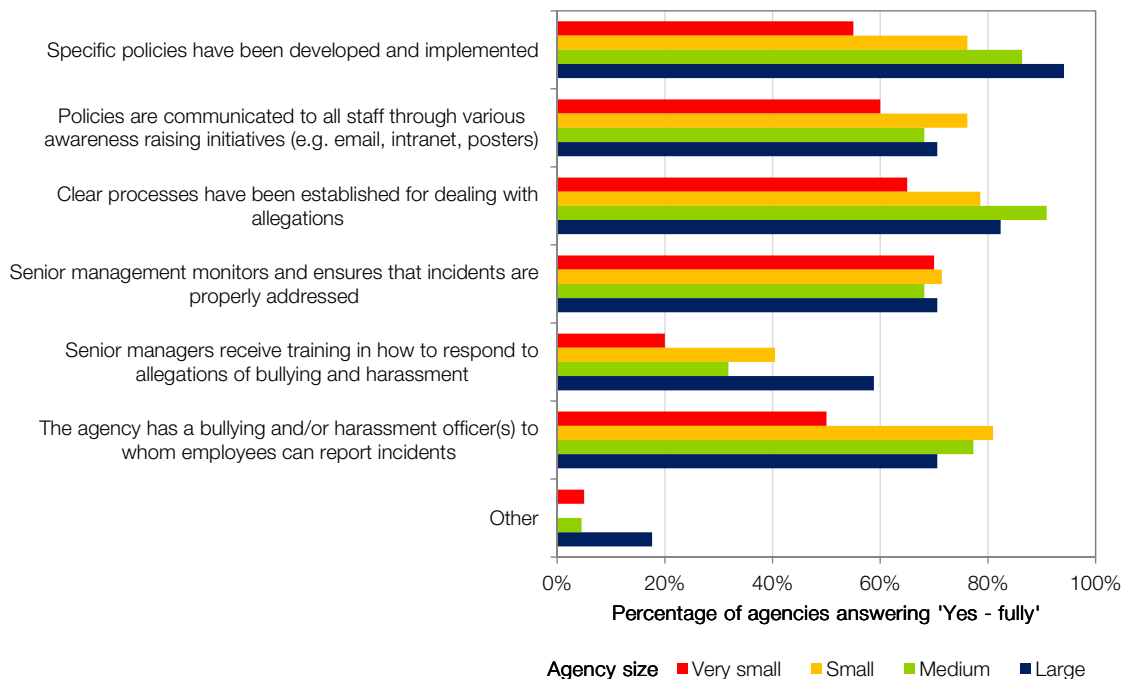
The proportion of agencies conducting training with senior managers on how to address allegations of bullying and harassment (38%) was similar to last year.

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<sup>42</sup> Commission for Occupational Safety and Health WA 2010, *Code of practice – Violence, aggression and bullying at work*, Department of Commerce, Perth.



**Figure 6.22 Number and proportion of agencies developing measures to minimise the risk of bullying and/or harassment in the workplace, 2011/12 (Source AAS)**



**Figure 6.23 Proportion of agencies of different sizes developing measures to minimise the risk of bullying and/or harassment in the workplace, 2011/12 (Source AAS)**

In addition to the training and preventative strategies detailed above, 20 495 employees in 2010/11 and 21 596 employees in 2011/12 (including Schedule 1 PSM Act entities) received training in the prevention of bullying and harassment. This equates to one in every four employees receiving training in the prevention of bullying and harassment over the last two years.

## **Workers' compensation claims relating to bullying and harassment**

Data provided by RiskCover shows that during 2011/12 there was a total of 4968 workers' compensation claims lodged by WA public sector employees. Of these, 76 claims related to bullying and harassment of which 62 resulted in lost time from work. These claims had an estimated total cost of just over \$4 million.

Considered in the context of the public sector workforce of over 150 000 employees, these claims represent approximately one claim for every 2000 employees. The 'personal behaviour' module in the AEDM training curriculum provides agencies with a relevant and positive vehicle for exploring bullying risks and reinforcing expectations on staff.

## **Employee perceptions of bullying and harassment**

The EPS asked employees whether their agency had policies and procedures in place for reporting workplace bullying and if they perceived that they had been subjected to bullying and harassment within the past 12 months. To meet WorkSafe's definition of bullying, the bullying behaviour must be repeated (not single incidents). To accommodate this, the EPS asked respondents to nominate the number of times they experienced the bullying behaviour.

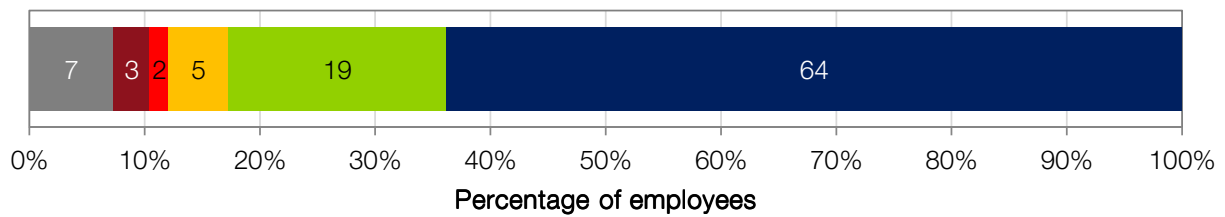
Of the 7536 employees who responded 77% indicated they were aware of their agency's policies and procedures for reporting unethical behaviour, workplace bullying or harassment.

Figure 6.24 indicates that 29% of employees responding to the EPS (2185 individuals) perceived that they had been subjected to bullying and harassment in their workplace in the last 12 months.

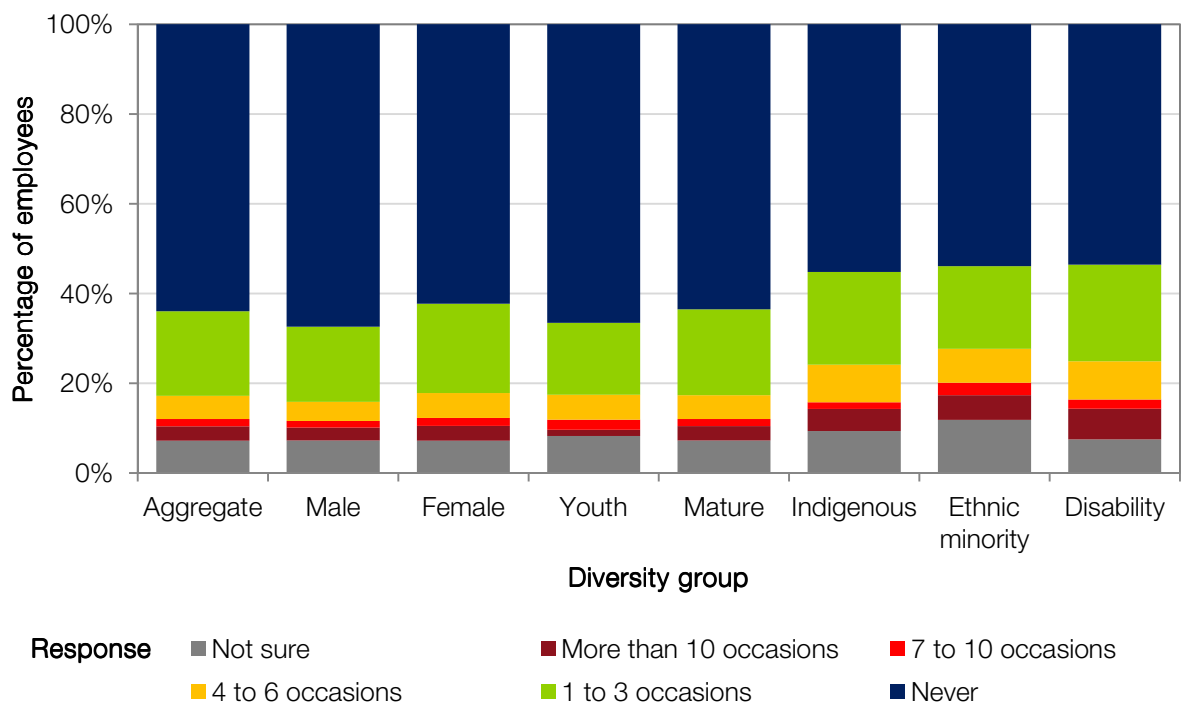
The largest group of those who reported being bullied or harassed (19% or 415 individuals) reported they had been bullied on one to three occasions. Five per cent (109 individuals) responded that they had been subjected to bullying behaviour on more than seven occasions.

This data may in part be reflective of the agencies which participated in the EPS in 2011/12 (refer to 'Appendix E – Employee perception survey 2011/12') and of the fact that the definition of workplace bullying may not be known or widely understood by all respondents.

Indigenous employees and those from ethnic minority and diversity groups were more likely to report having been subjected to bullying and harassment in their workplace (Figure 6.25). Similarly, females (31%) reported higher levels of bullying and harassment compared with males (25%).

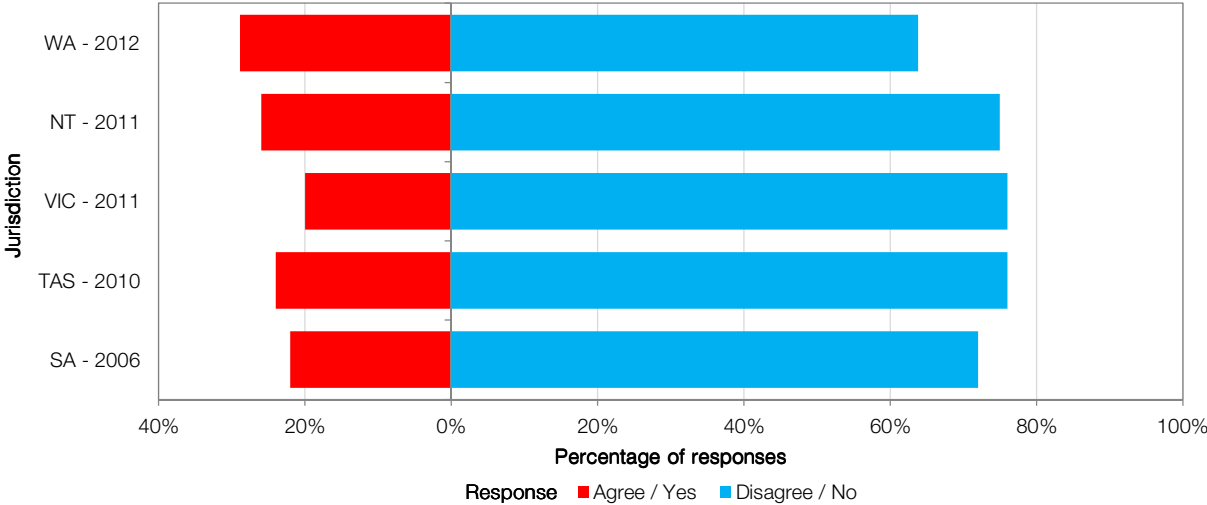


**Figure 6.24** Response profile for employees responding to the statements: During the past 12 months how often have you been subjected to bullying or harassment in your workplace? 2011/12 (Source EPS)



**Figure 6.25** Percentage of employees from different demographic and diversity groups indicating they have been subjected to bullying or harassment in their workplace during the last 12 months, 2011/12 (Source EPS)

Figure 6.26 compares employee perception results for bullying and harassment in the WA public sector with other Australian jurisdictions.



**Note:** Non-responses and neutral responses (i.e. 'Don't know', 'Doesn't apply', 'Neither agree nor disagree') have been removed from this chart. All jurisdictions except Victoria allowed the neutral response 'Neither agree or disagree'.

**Figure 6.26 Percentage of WA public sector employees who indicated they had been subject to bullying and harassment in the workplace compared with other Australian jurisdictions (Source see Appendix A <sup>43</sup>)**

The Commission takes allegations of workplace bullying seriously but considers they need to be managed at the most appropriate level. Encouraging employees to use formal complaints processes can at times be counterproductive. In single incident cases early informal intervention can be much more effective in re-establishing productive and harmonious working relations. Nonetheless, behaviour that breaches the *Code of Ethics* should not be dismissed or downplayed, and the Commission will continue to support and guide agency investigations of bullying when required.

There are a range of ways that agencies can prevent bullying and harassment in public authorities. The majority of agencies have an employee assistance program that provides free confidential counselling services and can be used to support employees in discussing and dealing with these types of issues. In addition, the AEDM training program has a module on 'personal behaviour' that includes obligations to treat the public and employees with courtesy and respect, and a scenario that deals with the difference between assertive management and bullying.

Over the next year, the Commission will consider strategies to inform the sector on how to prevent and better manage bullying and harassment in the workplace.

<sup>43</sup> These benchmarking questions have been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

# Public sector standards in human resource management

The Commissioner has a legislative role under section 21(1)(a) of the PSM Act to issue Commissioner's instructions establishing public sector standards that set out minimum standards of merit, equity and probity with which the public sector must comply in relation to HRM activities.

The Commissioner has issued the following six binding standards:

- *Employment Standard*
- *Performance Management Standard*
- *Grievance Resolution Standard*
- *Discipline Standard*
- *Redeployment Standard*
- *Termination Standard*

The standards are based on principles which provide agencies with the flexibility to develop HRM practices and procedures relevant to their business or operational requirements.

It is important that employees are made aware of the standards so that they understand their rights and avenues of redress. Agencies must promote the standards and advise employees (and prospective employees) about how they can lodge a claim if they believe the standards have been breached<sup>44</sup>.

The EPS indicates that employee awareness of most standards is high (around 90% for all standards), although EPS results indicate employee awareness of their own agency policies in these areas is lower (60%).

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<sup>44</sup> Under section 28 of the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005.

## Breach of standard claims

There may be occasions when an employee believes that a decision has breached a standard, and that they have been adversely affected by that breach. In these instances (with the exception of a decision made in relation to a disciplinary matter) employees can seek relief by lodging a breach of standard claim. The Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 (BOS Regulations) govern this process. The BOS Regulations encourage resolution through cooperation within the agency but provide for independent scrutiny where resolution cannot be reached. The Commissioner can also make recommendations about relief to be provided to the claimant.

In 2011/12, the Commission managed 146 breach of standard claims. For 146 breach claims lodged, there were 13 breach findings and 62 cases where no breach was found. While the number of breach claims referred to the Commission decreased slightly compared with 2010/11, there was an increase in the number of breach findings. Consistent with previous years, the majority of claims lodged related to the *Employment Standard* (112 claims) and *Grievance Resolution Standard* (26 claims).

Table 6.2 shows the number of claims handled and their outcomes. It includes claims carried over from 2010/11.

**Table 6.2** Number and outcome of breach claims managed under each HR standard, 2011/12 (Source Public Sector Commission)<sup>45</sup>

Standard	Breach	No breach	Declined to review	Conciliated	Withdrawn	Lapsed	Not valid	Ongoing	TOTAL
Employment	7	52	27	2	5	3	2	14	<b>112</b>
Grievance Resolution	4	8	2	2	2		5	3	<b>26</b>
Redeployment			1						<b>1</b>
Recruitment		1		1					<b>2</b>
Transfer		1							<b>1</b>
Termination	2						1	1	<b>4</b>
<b>TOTAL</b>	<b>13</b>	<b>62</b>	<b>30</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>8</b>	<b>18</b>	<b>146</b>

<sup>45</sup> The *Employment Standard* replaced four previous standards in February 2011.

The substantiated breaches or multiple breaches occurred in the following agencies:

- *Employment Standard*
  - Department of Agriculture and Food (1)
  - Department of Commerce (1)
  - Department of Health (2)
  - Department of Housing (1)
  - Polytechnic West (2)
- *Grievance Resolution Standard*
  - Department of Health (2)
  - Forest Products Commission (1)
  - Insurance Commission of WA (1)
- *Termination Standard*
  - Public Transport Authority (1)
  - Rottnest Island Authority (1)

The risk areas for non-compliance for each standard include:

- *Employment Standard*
  - proper assessment against position requirements
  - allegations of bias
  - management of conflicts of interest
  - interests not considered in the transfer of employment
  - comparable employment conditions on transfer.
- *Grievance Resolution Standard*
  - not being informed of rights and responsibilities
  - failure to provide advice about progress and length of time taken to complete
  - failure to adequately address the issues presented
  - failure to properly identify and appropriately manage processes relating to grievance, discipline and sub-standard performance management
  - provision of breach of claim rights at the completion of processes relating to either sub-standard performance management or disciplinary investigations.



There were two breach claims where it emerged that there was limited understanding of the obligations and responsibilities of a panel member to appropriately disclose and discuss potential and actual conflicts of interest. In these cases the Commission emphasised the need for those agencies to ensure that selection panels identify potential conflicts of interest early and take appropriate steps to deal with them.

A number of agencies have actively sought to resolve claims in the prescribed period and, to that end, have developed or adopted internal review procedures in an attempt to resolve issues prior to submission to the Commission. Throughout the year, there has been an increased incidence of agencies adopting this approach, which has assisted in reducing claim resolution timeframes. It is noted, however, that there are circumstances when this course of action may not be appropriate and claims should be immediately referred.

The analysis of a number of claims received against the *Grievance Resolution Standard* indicated that staff were confusing various categories of conduct and workplace behaviour issues and, as a consequence, matters were dealt with through incorrect channels. In two cases breach claim rights were provided for matters that should have been resolved through other dispute mechanisms.

The BOS Regulations were amended on 21 February 2011 to give the Commissioner discretion to decline to deal with a claim in circumstances where matters are determined to be lacking in substance or not warranting further action. This is the first reporting year that claims have been declined on this basis, which has assisted agencies to finalise processes without undue delay, improving efficiency and effectiveness in breach claims management.

## Key section findings

- A high proportion of agencies have utilised the flexibilities introduced through the Commissioner's instruction on filling a vacancy.
- Considerable progress has been made by agencies in updating their agency HR policies and procedures to reflect changes resulting from the introduction of the *Employment Standard* but there are some agencies that still need to focus on this.
- The majority of agencies have performance management processes in place but the extent to which these processes are being used needs to improve. Agencies need to ensure that employee participation in performance management processes is monitored and effectively managed.
- Most agencies have fully established processes to deal with grievances, and employee awareness of these processes is high.
- The number of grievances lodged with agencies has decreased by a third, with most grievance cases resolved in a reasonable time frame.
- The number of breach of standard claims referred to the Commission decreased slightly this year, however there was an increase in the number of breach findings.
- There was an increase in the number of employees claiming that they had been subjected to workplace bullying and harassment. Agencies are encouraged to build awareness about what constitutes bullying and harassment in the workplace and take a preventative approach to dealing with these issues.

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# Appendix A – Public sector monitoring and evaluation framework

This appendix outlines the approaches and activities used by the Commission to monitor and evaluate compliance with relevant sections of the *Public Sector Management Act 1994* (the PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act) as well as the Commissioner's instructions. It includes a broad outline of the monitoring and evaluation framework as well as detailed descriptions of the individual components of the framework used to evaluate compliance. It concludes with a brief description of the response rates for each of the surveys used.

## Monitoring and evaluation framework

The Commission uses a multi-methodological approach to monitor and evaluate compliance and to assess the state of administration and management of the WA public sector. This framework is captured in the table below and full details of each component are provided in this appendix.

**Table 7.1 The Commission's monitoring and evaluation framework components and the period of time they have been used**

Monitoring and evaluation framework components	Period in use
Compliance inquiries (breach of standards claims and general inquiries)	17 years
Human resource minimum obligatory information requirement (HRMOIR)	19 years
Annual agency survey (AAS) (includes the PID officers annual survey)	5 years (prior to 2007/08 information was collected using three different surveys)
Employee perception survey (EPS)	17 years (reviewed four times)
Thematic audits and reviews	17 years
Governance framework	5 years (commenced in 2007/08)
Annual board and committee survey (ABCS)	1 year (commenced in 2012)

Over the last few years, the Commission has refined its monitoring and evaluation framework for the public sector so that data from several different sources can be more easily linked to obtain a clearer overview of how the sector is performing. This work has included:

- reviewing the two main survey programs—AAS and EPS—so they are more representative and closely aligned. This has included the development of new questions that align to report themes proposed for future years
- further developing and implementing our thematic audits and reviews as additional methods for monitoring and evaluating compliance
- evaluating the quality of reporting on public sector administration and management performance through reviewing agency annual reports against the Commission’s accountability matrix
- an examination of CEO performance agreements in the context of monitoring categories of activities for different sector-wide initiatives and in evaluating the quality of achievement indicators being applied within agreements for specific initiatives.

### **Monitoring, evaluation and reporting under the PSM Act**

This report fulfils the requirements under section 22D(1) of the PSM Act for the Commissioner to report annually to each House of Parliament on:

- the state of administration and management of the public sector
- the compliance or non-compliance of public sector bodies and employees, either generally or in particular with:
  - the general principles of human resource management set out in section 8(1)(a) (b) and (c) of the PSM Act
  - the general principles of conduct set out in section 9 of the PSM Act
  - public sector standards
  - codes of ethics
  - codes of conduct
- any other matters the Commissioner considers require reporting.

The Commissioner may also report from time to time on specific compliance issues to parliament and the relevant minister of the Crown.

Further information on the background and purpose of the PSM Act relevant to this report is discussed in ‘Appendix B – Public Sector Management Act 1994’.

## **What we monitor and evaluate**

As part of his functions under section 21 of the PSM Act, the Commissioner is required to monitor compliance with the general principles of human resource management and of conduct, as well as public sector standards and ethical codes contained in Commissioner's instructions. See 'Appendix B – Public Sector Management Act 1994' for further information on the principles, standards and ethical codes.

## **Who we monitor and evaluate**

The jurisdiction of the Commissioner's monitoring and reporting role applies to all public sector bodies, which includes:

- public sector agencies
- SES agencies
- non-SES agencies established for a public purpose by law (including public boards and committees)
- ministerial offices.

The Commissioner's jurisdiction under the PSM Act does not include employees in government entities outside the public sector such as:

- entities listed in Schedule 1 of the PSM Act (e.g. universities, courts and tribunals)
- Commonwealth Government departments and agencies
- local government authorities
- sworn officers of the Western Australia Police
- ministers of the Crown and/or parliamentary or electorate staff
- corporatised government trading enterprises (e.g. Water Corporation and Western Power).

Some authorities listed above have accountability requirements within their own legislation which involve oversight by the Commissioner and respond to the AAS where these areas are covered.

The Commissioner's jurisdiction under the PID Act differs, and is explained later in this appendix.

## Monitoring and evaluation methods

The Commission uses the following methods to monitor and evaluate compliance and non-compliance with the relevant parts of the PSM Act and the PID Act.

### Breach of standard claims

The Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 (the Regulations) provide for persons to lodge claims where they believe that a public sector standard has been breached, and they have been adversely affected by that breach. The Regulations were amended in 2011 to facilitate the amendments made to the Standards and the release of the *Commissioner's Instruction No. 2 – Filling a Public Sector Vacancy*. Where breaches are determined, the Commissioner recommends the appropriate relief to be provided to the person by the respective agency. In a more general sense, analysis of claim activity provides insight into key compliance trends and areas where more detailed assistance may be required. For example, where appropriate, the Commissioner may direct practice improvement requirements on issues identified as placing the agency at risk of non-compliance with the standards.

### Matters of referral

In 2011/12, 105 matters of referral were submitted to the Commission. These matters include requests for advice, complaints about poor management or governance and specific allegations of wrongdoing. They also include breach of standard matters that are not actual breach claims. These matters are assessed and may be examined or referred to employing agencies or other appropriate bodies. All issues raised are analysed to determine recurring themes or areas of particular importance or risk.

In addition to receiving general matters of referral, the Commissioner may also initiate investigations under Part 3A Division 3 of the PSM Act.

### Data limitations

The types of matters listed above assist to inform the Commissioner about compliance and performance risks. However, it is recognised that the number and nature of specific matters referred to the Commission does not, in isolation, constitute a valid measure of an agency's performance or extent of compliance. Factors to be considered in the interpretation of breach and complaints data include:

- Agencies that actively promote the compliance reporting process through staff education and awareness programs may have a higher incidence of reporting.
- Agencies with very effective internal grievance, breach and complaints resolution processes are less likely to have matters escalate to the Commission.

## **Human resource minimum obligatory information requirement (HRMOIR)**

The HRMOIR process was developed in 1993 to ensure that government has access to information required for the strategic management of the Western Australian State Government workforce. On a quarterly basis, the Commission collects and reports HRMOIR workforce data. The HRMOIR data is collected through the Workforce Analysis and Collection Application (WACA). The HRMOIR process aims to provide high quality data for agency and whole-of-government workforce monitoring, analysis, planning and reporting purposes. Data is based on definitions issued by the Commission. Agencies are required to adopt these definitions to ensure that a consistent methodology is applied across all participating agencies. A range of resources and data quality information for HRMOIR is available from the Commission's website.

The *State of the sector 2012 – Statistical bulletin* lists key demographic statistics for each agency collected through the HRMOIR process.

## **Annual agency survey (AAS)**

The AAS is conducted each year by the Commission to request information from public sector agencies about a range of aspects of their administration and management coming under the Commissioner's monitoring, evaluation and reporting role. Information obtained through the survey also allows the Commissioner to prepare the report required annually under section 22D of the PSM Act.

Pursuant to section 31 of the PSM Act, agencies are required to report on the extent of their compliance with public sector standards, codes of ethics, and any relevant code of conduct. The AAS is designed to assist agencies to meet this requirement.

This method of monitoring, evaluation and reporting has been significantly expanded since 2007/08 through the development and implementation of the AAS, which is directed at chief executive officers. The AAS streamlines several reporting requirements and provides a planning and diagnostic tool for agencies.

This is the fifth year that this comprehensive reporting approach has been implemented. The approach has evolved over this time, particularly in response to changes in the PSM Act through the *Public Sector Reform Act 2010*. The results of the AAS are used to generate sector-wide and agency-based measures of compliance with public sector standards, codes of ethics and codes of conduct, equal employment opportunity legislation, the PID Act and agency administration and management.

## **Data limitations**

The AAS has evolved considerably over the past five years. This year will be the third year that data has been collected in relation to agency administration and management and therefore, trend comparisons will be limited to three years for most questions. Trends over the last five years are reported where data is available.



## Survey response rate

For 2011/12, 101 public sector agencies and statutory authorities covered by the PSM Act were requested to complete the AAS. There was a 100% response to this request.

In addition, 19 Schedule 1 PSM Act entities were requested to complete the AAS, however only some sections were mandatory. This resulted in varied response rates for non-mandatory questions.

Refer to 'Appendix D – List of agencies required to report under the PSM Act, PID Act and EO Act' for a list of those public sector agencies, statutory authorities and Schedule 1 PSM Act entities completing the 2011/12 AAS with respect to the sections of the three Acts overseen by the Commissioner and the Director of Equal Opportunity in Public Employment (DEOPE).

## Interpreting the survey results

Within this report, the overall results for the public sector are presented for most questions. Differences in the results between very small, small, medium or large agencies and authorities may be presented in a separate chart as well as in the descriptive summary. Agency size is based on the following categories:

- agencies with fewer than 20 employees (very small)
- agencies with between 21 and 200 employees (small)
- agencies with between 201 and 1000 employees (medium)
- agencies with more than 1000 employees (large).

## Maturity ratings

Sections 3 to 6 of this report provide information on maturity ratings for various aspects of public administration and management.

There are six maturity levels which agencies use to rate their performance. They are:

- **0 = Non-existent** – Nothing has been done and the need is not recognised
- **1 = Recognised** – Need is recognised and the work is just starting
- **2 = Initial** – Some measures have been taken, but not comprehensive and not officially endorsed
- **3 = Defined** – Measures have been defined and endorsed, implementation is often dependent on individual managers and no monitoring is taking place
- **4 = Managed** – Implementation has become systematic and most people are aware of measures, but regular review of systems is low
- **5 = Integrated** – Systems and processes are systematically implemented and reviewed regularly in accordance with needs of the organisation. Staff confidence in systems is high. Review of systems and processes sometimes involves external experts.

Maturity levels 1 to 5 are defined in detail for each governance area within a supporting 'Maturity Rubric' detailed on the Commission's website.

## **Reporting period**

The reporting period for the AAS is the financial year, i.e. 2011/12. Maturity ratings indicate maturity of systems at a point in time and are therefore referred to by the calendar year, i.e. 2012.

## **Independent review**

In section 3, agency self-assessments for financial management, records management and risk management have also been reviewed by central government departments that are responsible for oversight and/or assisting and assessing the status of agency planning, monitoring and reporting in the respective subject areas. This has included the Office of the Auditor General, RiskCover and the State Records Office.

## **Employee perception survey (EPS)**

The EPS is used as an evaluation tool within the Commission's strategic monitoring and evaluation framework to assess whether strategies implemented by agencies are effective in informing their staff about the principles and standards. This information is also critical in identifying areas of concern and acknowledging areas for improvement.

The EPS this year has also undergone some structural changes. One modification involves the re-wording, re-categorisation, addition and replacement of various questions. Questions associated with workplace collaboration were added into the EPS to provide comparative data for next year's 'State of the sector' report. Another change concerns the response scales, with the inclusion of extra items to limit the number of 'Neither agree nor disagree' responses and 'Don't know or doesn't apply' responses. To accommodate this, the previous five-point rating scale was changed to a seven-point rating scale allowing for 'more' choice in levels of agreement potentially avoiding 'Neutral' or 'Undecided' selections.

Several questions in the EPS are also included within equivalent surveys in other Australian jurisdictions. Where inter-jurisdictional comparative data is available, it has been quoted following the results for that question.

These benchmarking questions has been developed by the Australian Public Service Commission's (APSC) Working Group on Survey Design and Analysis to enable comparison of performance in core human resource management areas between jurisdictions. Care needs to be taken when making comparisons due to the differences in response scales (e.g. size and make-up of the Likert scale). Question wording may also vary slightly between jurisdictions.

The sources of the jurisdictional comparison data are:

- Australian Public Service Commission: *State of the service employee census 2012*
- Office of the State Service Commissioner, Tasmania: *Tasmanian state service employee survey 2010: survey report*
- State Services Authority, Victoria: *People matter survey 2011: main findings report*
- Commissioner for Public Employment, South Australia: *Workplace Perspectives Survey Report 2006*
- Officer of the Commissioner for NT Employment: *Northern Territory Public Sector Employee Survey Report 2011*
- Public Sector Commission, Western Australia: *State of the sector 2012 – Statistical bulletin*

### **Data limitations**

The EPS process has its limitations, as those agencies selected for the survey (approximately 20 agencies) in any given year are not necessarily representative of the whole public sector. In addition, on average, only a third of employees surveyed respond. This compares to a 100% response from the AAS which suggests that any comparison of views between the two surveys is indicative and not conclusive. The Commission has made an attempt to overcome this shortcoming in 2011/12 through selecting a wider representative sample of agencies of all sizes (refer to Appendix E for a list of agencies surveyed, sample sizes and response rates).

### **Commission award for excellence in governance reporting**

This report addresses progress made in the public sector with respect to meeting the standards set for:

- ethics and integrity
- human resource management
- administration and management performance.

Excellence in these areas is at the heart of an organisation's governance. In recognition of good practice in all of these areas, the Commission sponsors the 'Public Sector Commission Award for Good Governance' as part of the annual Institute of Public Administration Western Australia (IPAA WA) W.S. Lonnie Awards. This award recognises excellence in governance reporting related to public sector integrity and accountability as outlined by the Commission's *Good governance guide*.

Of the annual reports tabled in parliament for the 2010/11 financial year, 40 were short-listed for the W.S. Lonnie Awards by the IPAA WA and then assessed using the *Good governance guide*. The 2011 Public Sector Commission Award for Good Governance winner was the Botanic Gardens and Parks Authority.

## Monitoring, evaluation and reporting under the PID Act

The background and purpose of the PID Act is discussed in 'Appendix C – Public Interest Disclosure Act 2003'. This section outlines the responsibilities of the Commissioner under the PID Act. Under section 22(1) of the PID Act, the Commissioner is to report annually to parliament on:

- the performance of the Commissioner's obligations under the PID Act
- compliance or non-compliance with the PID Act
- compliance or non-compliance with the code established under section 20 of the PID Act (PID Code of Conduct and Integrity).

The role of the Commissioner under the PID Act is to:

- establish a code setting out the minimum standards of conduct and integrity to be complied with by proper authorities
- prepare guidelines on internal procedures relating to the functions of a proper authority under the PID Act
- ensure that all public authorities have copies of the Public Interest Disclosure Guidelines (PID Guidelines)
- monitor compliance with the PID Act and PID Code of Conduct and Integrity; and
- assist public authorities and public officers to comply with the PID Act, and the PID Code of Conduct and Integrity.

The Commissioner is also the 'proper authority' for receiving disclosures of public interest information that relate to a public officer (other than a member of parliament, a minister of the Crown, a judicial officer, or an officer referred to in Schedule 1 of the *Parliamentary Commissioner Act 1971*).

## **PID code and guidelines**

The *Public interest disclosure code of conduct and integrity* (the PID code) commenced on 1 July 2003 and is to be complied with by any person to whom a PID is made. No changes were made to the PID code during the reporting period.

The *Public interest disclosure – guidelines* on internal procedures relating to the functions of a ‘proper authority’ under the PID Act also commenced on 1 July 2003. Hard copies of the guidelines have previously been provided to public authorities, and an electronic version is available on the Commission’s website. No changes were made to the guidelines during the reporting period.

In September 2012, the *Evidence and Public Interest Disclosure Legislation Amendment Act 2012* was passed by parliament. The aim of the reviewed PID Act is to provide stronger protections for people making PIDs. The amending Act had not commenced operation at the date of this report.

### **Why we monitor and evaluate**

The Commissioner’s role to monitor compliance with the PID Act and PID Code of Conduct and Integrity is required to achieve the key public policy objectives of building confidence in the processes under the PID Act, and in promoting integrity, openness and accountability in public authorities. Independent monitoring, evaluation and reporting by the Commissioner helps to build and maintain trust by enabling parliament and the public to examine compliance of public authorities with the PID Act and PID Code of Conduct and Integrity.

### **Who we monitor and evaluate**

The Commissioner’s role to monitor, evaluate and report on compliance under the PID Act applies to public authorities as defined in the PID Act. The public authorities listed in the PID Act which are subject to the Commissioner’s jurisdiction are different from, and more extensive than, the list of public sector bodies covered by the PSM Act. In 2012 the Commissioner sought formal responses from 120 public sector agencies, 360 state government boards and committees, as well as 140 local government authorities and four public universities (see ‘Appendix D – List of agencies required to report under the PSM Act, PID Act and EO Act’ for a full list of agencies). The Commission has taken a phased approach to monitoring boards and committees. This year all 360 boards and committees registered with the DPC were asked to self-report on the extent of compliance with the PID Act and the PID code.

## What is monitored and evaluated

Under the PID Act, there are a number of obligations that apply to the CEO of a public authority, and to proper authorities in dealing with disclosures. The CEO of a public authority is required to:

- designate a specified position within the authority to receive disclosures of public interest information
- provide any employee who has made an appropriate disclosure with protection from detrimental action or the threat of detrimental action
- ensure the public authority complies with the PID Act and the PID code
- prepare and publish internal procedures relating to the authority's obligations under the PID Act
- provide information annually to the Commissioner on:
  - the number of public interest disclosures received
  - the outcome and results of any investigations conducted, and any action taken.

Disclosures must be made to a proper authority (referred to as a PID officer). Proper authorities are required to:

- receive disclosures of public interest information
- comply with the PID code
- investigate appropriate disclosures of public interest information, or cause such matters to be investigated (except in certain circumstances)
- not reveal identifiable information about the discloser or the subject of the disclosure, unless in accordance with section 16 of the PID Act
- notify a discloser within three months of the disclosure being made of what action has been or is proposed to be taken in relation to the disclosure
- take action where the opinion is formed that a person may be, may have been, or may in the future be involved in improper conduct, to either prevent the matter from occurring in the future, refer the matter to a body having power to investigate a matter, or take disciplinary action or enable such disciplinary proceedings against the person responsible for the matter
- provide a final report to a discloser stating the outcome of the investigation and any action taken or proposed to be taken, and the reasons for doing so.

Certain exceptions apply to the Corruption and Crime Commission, Office of the Auditor General and the Ombudsman with respect to some of these obligations.

## How we monitor and evaluate

The Commissioner uses a range of strategies to monitor compliance. These strategies are used both individually and in combination to enable an assessment as to the extent of compliance or non-compliance. The following information was sought by the Commissioner to monitor compliance with the PID Act for each authority in 2011/12:

- the designation of a PID officer
- the preparation and publication of internal PID procedures by each agency
- the number of PIDs received over the reporting period
- the results of any investigations conducted as a result of the disclosures
- the action, if any, taken as a result of each investigation
- allegations of non-compliance with the PID Act and the PID code
- monitoring of inquiries to the Commissioner
- monitoring reports to the Commissioner on PIDs received and action taken
- information obtained through the AAS
- information obtained through the EPS
- information obtained through the ABCS
- information obtained through the annual PID officers survey.

## Survey response rate

For 2011/12, 624 public sector authorities were required to complete and return the annual PID officers survey under the PID Act. Refer to 'Appendix D – List of agencies required to report under the PSM Act, PID Act and EO Act' for a list of those authorities that are required to report under the PID Act. The response rates by public authority type are listed below. Of the 624 public sector agencies, authorities and boards or committees requested to complete the annual PID officers survey, the following complied with the requirement:

- 98% of public sector agencies and authorities (120 sent and 117 received)
- 100% of local government authorities (140 sent and 140 received)
- 100% of public universities (4 sent and 4 received)

## Boards and committees

This year a broader group of registered boards and committees was approached to complete the PID officers' survey. In addition, for the first time the ABCS, containing questions on board governance, was distributed to boards and committees. The ABCS questions were based on the principles of good corporate governance contained in *Good governance for Western Australian public sector boards and committees*.

Of the 360 surveys distributed 184 responses were received. Of these, there were 28 surveys returned where it was not clear how the board or committee was established and therefore also unclear whether they were required to report to the Commissioner, hence they were removed from the sample. Based on this assessment it was deemed possible that a significant number of the outstanding 176 surveys may also fall into this category as feedback from various committees confirmed they had no decision making powers and that they were sub committees with only advisory powers reporting to a board. Examples of these are the many community health advisory committees.

The legislative status of these remaining 176 boards and committees will be established in 2013. This report therefore provides information on only the 156 completed surveys returned by boards where it was clear they were required to report to the Commissioner.



# Appendix B – *Public Sector Management Act 1994*

## **Enabling legislation**

The enabling legislation for this report is section 22D(1) of the PSM Act. The office of Public Sector Commissioner is established under section 16 of the PSM Act with the main functions and powers outlined in sections 21-25, 45, 46, 49- 51, and 97. The Commissioner principally assists the responsible minister (currently the Premier) in the administration of the PSM Act.

The Commissioner reports directly to parliament on the state of administration and management of the Public Sector and on the compliance or non-compliance by public sector bodies and employees, either generally or in particular, with the principles of human resource management in section 8(1)(a), (b) and (c), with the principles of official conduct in section 9, with public sector standards, codes of ethics and codes of conduct, and on any other matters of such significance as to require reporting in that manner.

The Commissioner is directed by section 22(1) to act independently in relation to the performance of his functions.

## **Principles of human resource management**

Section 8 of the PSM Act sets out the principles of human resource management. The principles relevant to this report are:

- 8(1)(a) all selection processes are to be directed towards, and based on, a proper assessment of merit and equity
- 8(1)(b) no power with regard to human resource management is to be exercised on the basis of nepotism or patronage
- 8(1)(c) employees are to be treated fairly and consistently and are not to be subjected to arbitrary or capricious administrative acts.

## Principles of official conduct

Section 9 of the PSM Act sets out the principles of official conduct that public sector bodies and employees must observe. They are:

- 9(a) to comply with the provisions of:
  - the PSM Act and any other Act governing their conduct
  - Commissioner's instructions, public sector standards and codes of ethics
  - any code of conduct applicable to the public sector body or employee concerned
- 9(b) to act with integrity in the performance of official duties; to be scrupulous in the use of official information, equipment and facilities
- 9(c) to exercise proper courtesy, consideration and sensitivity in their dealings with members of the public and employees.

## Public sector standards in human resource management

The six standards issued by the Commissioner set out the minimum standards of merit, equity and probity to be complied with in the Public Sector.

The standards have been developed and communicated to agencies to achieve the outcomes described below. Details of the minimum standards required to achieve these outcomes are available on the Commission's website.

### ***Performance Management Standard***

The performance of all employees is fairly assessed to achieve the work-related requirements of the public sector body while paying proper regard to employee interests.

### ***Redeployment Standard***

Redeployment decisions are equitable and take into account the organisation's work-related requirements and employee interests.

### ***Termination Standard***

Termination decisions are fair and all entitlements are provided.

### ***Discipline Standard***

The discipline process achieves procedural fairness. *Commissioner's Instruction No. 3 – Discipline – General* and *Commissioner's Instruction No. 4 – Discipline – Former employees* of 28 March 2011 apply.

### ***Grievance Resolution Standard***

The process used by an employing authority to resolve or redress employee grievances is fair.

## ***Employment Standard***

The *Employment Standard* requires the four principles of merit, equity, interest and transparency to be complied with when filling a vacancy (by way of recruitment, selection, appointment, secondment, transfer and temporary deployment [acting]) in the Western Australian Public Sector.

As of 21 February 2011, *Commissioner's Instruction No. 1 – Employment standard* became effective and repealed and replaced:

- *Public sector standards in human resource management 2001 - Recruitment, selection and appointment standard*
- *Public sector standards in human resource management 2001 - Transfer standard*
- *Public sector standards in human resource management 2001 - Secondment standard*
- *Public sector standards in human resource management 2001 - Temporary deployment (acting) standard.*

## ***Code of Ethics***

The *Code of Ethics* (issued by the Commissioner under s21(1)(b) PSM Act) sets out the minimum standards of conduct and integrity to be complied with by all public sector bodies and employees. It applies to all public sector employees, including chief executive officers, chief employees and ministerial staff, and public sector bodies covered by the PSM Act, which includes boards established under their own legislation.

The three key principles of the *Code of Ethics* are:

- Personal integrity – we act with care and diligence and make decisions that are honest, fair, impartial, and timely, and consider all relevant information.
- Relationships with others – we treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare.
- Accountability – we use the resources of the state in a responsible and accountable manner that ensures the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

On 3 July 2012, *Commissioner's Instruction No. 7 – Code of Ethics* became effective and repealed the *Western Australian Public Sector Code of Ethics* issued on 1 February 2008 by the former Commissioner for Public Sector Standards.

## **Codes of conduct**

Codes of conduct are formal written policies that expand on the principles set out in the *Code of Ethics*. Public sector bodies develop their own agency-specific code(s) of conduct that communicate further details to employees regarding expected standards of conduct. The PSM Act provides in s21(1)(c) PSM Act for each public sector body to develop, with the assistance of the Commissioner, a code of conduct consistent with the *Code of Ethics*.

# Appendix C –

## *Public Interest Disclosure Act 2003*

The *Public Interest Disclosure Act 2003* (PID Act) commenced on 1 July 2003 and applies to all Western Australian public authorities, as defined in the PID Act.

The object of the PID Act is to:

- facilitate the disclosure of public interest information
- provide protection for people who make disclosures
- ensure appropriate disclosures are investigated and, where required, action taken.

The PID Act covers disclosures of public interest information, which is information that relates to the performance of a public function by a public authority, public officer or public sector contractor (or public body). Public interest information must tend to show that the public body is, has been, or proposes to be involved in:

- improper conduct
- an offence against State law
- a substantial unauthorised or irregular use of, or substantial mismanagement of, public resources
- conduct involving a substantial and specific risk of injury to public health, prejudice to public safety or harm to the environment
- conduct relating to a matter of administration affecting someone in their personal capacity that falls within the jurisdiction of the Ombudsman.

Anyone, including members of the public, can make a disclosure of public interest information. A person making a disclosure must believe on reasonable grounds that the information they have is, or may be, true. A person commits an offence under the PID Act if they know, or are reckless about, whether the information they are providing is false or misleading in a material sense.

Disclosures can only be made to a proper authority—either to a designated PID officer with the public authority concerned, or to one of the named proper authorities, such as the Corruption and Crime Commission, the Office of the Auditor General, Ombudsman Western Australia or the Public Sector Commissioner, depending on the type of information being disclosed. The PID Act does not protect disclosures made to persons other than proper authorities.

A person who makes an appropriate disclosure under the PID Act is afforded immunities, including from legal action, disciplinary action and termination. These protections may be forfeited if:

- the person discloses information contained in the disclosure other than in accordance with the PID Act
- the person fails to assist in the investigation of the disclosure without a reasonable excuse.

The PID Act prohibits the disclosure of information that might identify, or tend to identify, a person who has made an appropriate disclosure or the subject of the disclosure, unless in certain circumstances.

Disclosures of public interest information must be investigated if the disclosure relates to a public body, or a matter or person that the authority has the function or power to investigate. The PID Act does not give public authorities any additional powers of investigation. A proper authority may refuse to investigate, or discontinue an investigation in certain circumstances. However, the discloser must be advised of this and provided with reasons for the decision.

The PID Act requires a proper authority to take action if it forms the view that a person may be, may have been, or may in the future be, involved in improper conduct. The proper authority must:

- take action to prevent the matter to which the disclosure relates from continuing or occurring in the future
- refer the matter to the Commissioner of Police or another person, body or organisation that has the power to investigate the matter
- take disciplinary action, or commence or enable disciplinary proceedings to be commenced against a person responsible for the matter.

The proper authority is limited to its existing functions and powers in taking such action, and must also be guided by what is necessary and reasonable in the circumstances.

Within three months of the disclosure being made the proper authority must notify the discloser of the action taken or proposed to be taken in relation to the disclosure. If an investigation is completed, the proper authority which carried out the investigation must provide a final report to the discloser once the investigation is complete. The report must state the outcome of the investigation and any action the proper authority has taken or proposes to take as a result of the investigation, and the reasons for taking the action or proposed action.

The above obligation to take action does not apply to the CCC or the Ombudsman where they have functions in relation to a disclosure under their own legislation. Provision relating to their actions after investigation is made in their own legislation.

Reprisal is an offence under the PID Act. Reprisal is where a person takes, or threatens to take, detrimental action against another because they have made, or intend to make, a disclosure under the PID Act. Penalties also apply where a person attempts to commit an offence or incites others to do so.

The PID Act also provides remedies to disclosers for acts of victimisation. A person who is subjected to detrimental action may either take civil proceedings for damages or make a complaint under the EO Act.

There are a number of obligations on principal executive officers under the PID Act, including protecting an employee who has made an appropriate disclosure from detrimental action, or the threat of such action, preparing and publishing internal procedures, and reporting annually to the Commissioner. The principal executive officer must also ensure that his or her public authority complies with the PID Act and the associated *PID Code of conduct and integrity*.

The *Evidence and Public Interest Disclosure Legislation Amendment Act 2012* was passed by parliament during the year, but had not been proclaimed to commence as at the date of this report.

# Appendix D –

## List of agencies required to report under the PSM Act, PID Act and EO Act

### Public sector agencies and Schedule 1 PSM Act authorities

Agency/authority	PSM Act	PID Act	EO Act	Agency type
Albany Port Authority		✓	✓	Schedule 1 entity
Animal Resources Authority	✓	✓	✓	Non-SES entity
Architects Board of Western Australia	✓	✓	✓	Non-SES entity
Botanic Gardens and Parks Authority	✓	✓	✓	SES organisation (Schedule 2)
Broome Port Authority		✓	✓	Schedule 1 entity
Building Commission	✓	✓	✓	Non-SES entity
Bunbury Port Authority		✓	✓	Schedule 1 entity
Bunbury Water Board (Aqwest)	✓	✓	✓	Non-SES entity
Burswood Park Board	✓	✓	✓	Non-SES entity
Busselton Water Board	✓	✓	✓	Non-SES entity
C. Y. O'Connor Institute	✓	✓	✓	SES organisation (Schedule 2)
Central Institute of Technology	✓	✓	✓	SES organisation (Schedule 2)
Challenger Institute of Technology	✓	✓	✓	SES organisation (Schedule 2)
Chemistry Centre (WA)	✓	✓	✓	SES organisation (Schedule 2)
Commissioner for Children and Young People	✓	✓	✓	Non-SES entity
Commissioner for Equal Opportunity	✓	✓	✓	Non-SES entity
Commissioner of Main Roads	✓	✓	✓	SES organisation (Schedule 2)
Construction Industry Training Fund (formerly Building and Construction Industry Training Board)	✓	✓	✓	Non-SES entity

Agency/authority	PSM Act	PID Act	EO Act	Agency type
Corruption and Crime Commission	✓	✓	✓	Non-SES entity
Country High School Hostels Authority	✓	✓	✓	SES organisation (Schedule 2)
Curriculum Council	✓	✓	✓	SES organisation (Schedule 2)
Dampier Port Authority		✓	✓	Schedule 1 entity
Department for Child Protection	✓	✓	✓	Department (Section 35)
Department for Communities	✓	✓	✓	Department (Section 35)
Department of Agriculture and Food	✓	✓	✓	Department (Section 35)
Department of Commerce	✓	✓	✓	Department (Section 35)
Department of Corrective Services	✓	✓	✓	Department (Section 35)
Department of Culture and the Arts	✓	✓	✓	Department (Section 35)
Department of Education	✓	✓	✓	Department (Section 35)
Department of Education Services	✓	✓	✓	Department (Section 35)
Department of Environment and Conservation	✓	✓	✓	Department (Section 35)
Department of Fisheries	✓	✓	✓	Department (Section 35)
Department of Health	✓	✓	✓	Department (Section 35)
Department of Housing	✓	✓	✓	Department (Section 35)
Department of Indigenous Affairs	✓	✓	✓	Department (Section 35)
Department of Local Government	✓	✓	✓	Department (Section 35)
Department of Mines and Petroleum	✓	✓	✓	Department (Section 35)
Department of Planning	✓	✓	✓	Department (Section 35)
Department of Racing, Gaming and Liquor	✓	✓	✓	Department (Section 35)
Department of Regional Development and Lands	✓	✓	✓	Department (Section 35)
Department of Sport and Recreation	✓	✓	✓	Department (Section 35)
Department of State Development	✓	✓	✓	Department (Section 35)
Department of the Attorney General	✓	✓	✓	Department (Section 35)



Agency/authority	PSM Act	PID Act	EO Act	Agency type
Department of the Premier and Cabinet	✓	✓	✓	Department (Section 35)
Department of the Registrar Western Australian Industrial Relations Commission	✓	✓	✓	Department (Section 35)
Department of Training and Workforce Development	✓	✓	✓	Department (Section 35)
Department of Transport	✓	✓	✓	Department (Section 35)
Department of Water	✓	✓	✓	Department (Section 35)
Disability Services Commission	✓	✓	✓	SES Department (Section 35 & Schedule 2)
Durack Institute Of Technology	✓	✓	✓	SES organisation (Schedule 2)
East Perth Subiaco Redevelopment Authority	✓	✓	✓	SES organisation (Schedule 2)
Economic Regulation Authority	✓	✓	✓	SES organisation (Schedule 2)
Electricity Generation Corporation (Verve Energy)		✓	✓	Schedule 1 entity
Electricity Networks Corporation (Western Power)		✓	✓	Schedule 1 entity
Electricity Retail Corporation (Synergy)		✓	✓	Schedule 1 entity
Esperance Port Authority		✓	✓	Schedule 1 entity
Fire and Emergency Services Authority of Western Australia	✓	✓	✓	SES organisation (Schedule 2)
Forest Products Commission	✓	✓	✓	Non-SES entity
Fremantle Port Authority		✓	✓	Schedule 1 entity
Gascoyne Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Geraldton Port Authority		✓	✓	Schedule 1 entity
Gold Corporation		✓	✓	Schedule 1 entity
Goldfields-Esperance Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Government Employees Superannuation Board (GESB)	✓	✓	✓	SES organisation (Schedule 2)

Agency/authority	PSM Act	PID Act	EO Act	Agency type
Great Southern Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Great Southern Institute of Technology	✓	✓	✓	SES organisation (Schedule 2)
Health and Disability Services Complaints Office (formerly Office of Health Review)	✓	✓	✓	Non-SES entity
Heritage Council of Western Australia	✓	✓	✓	Non-SES entity
Independent Market Operator		✓	✓	Schedule 1 entity
Insurance Commission of Western Australia	✓	✓	✓	SES organisation (Schedule 2)
Kimberley Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Kimberley Training Institute	✓	✓	✓	SES organisation (Schedule 2)
Law Reform Commission of Western Australia	✓	✓	✓	Non-SES entity
Legal Aid Commission of Western Australia	✓	✓	✓	Non-SES entity
Legal Practice Board	✓	✓	✓	Non-SES entity
Lotteries Commission (Lotterywest)	✓	✓	✓	SES organisation (Schedule 2)
Mental Health Commission	✓	✓	✓	Department (Section 35)
Metropolitan Cemeteries Board	✓	✓	✓	SES organisation (Schedule 2)
Metropolitan Regional Development Authority				
Mid West Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Midland Redevelopment Authority	✓	✓	✓	SES organisation (Schedule 2)
Minerals and Energy Research Institute of Western Australia	✓	✓	✓	SES organisation (Schedule 2)
Office of the Auditor General	✓	✓	✓	Department (Section 35)
Office of the Director of Public Prosecutions	✓	✓	✓	Department (Section 35)
Office of the Environmental Protection Authority	✓	✓	✓	Department (Section 35)

Agency/authority	PSM Act	PID Act	EO Act	Agency type
Office of the Information Commissioner	✓	✓	✓	Non-SES entity
Office of the Inspector of Custodial Services	✓	✓	✓	Department (Section 35)
Parliamentary Commissioner for Administrative Investigations (Ombudsman)	✓	✓	✓	Non-SES entity
Peel Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Perth Market Authority	✓	✓	✓	Non-SES entity
Pilbara Development Commission	✓	✓	✓	SES organisation (Schedule 2)
Pilbara TAFE	✓	✓	✓	SES organisation (Schedule 2)
Polytechnic West	✓	✓	✓	SES organisation (Schedule 2)
Port Hedland Port Authority		✓	✓	Schedule 1 entity
Potato Marketing Corporation of Western Australia		✓	✓	Non-SES entity
Public Sector Commission	✓	✓	✓	Department (Section 35)
Public Transport Authority of Western Australia	✓	✓	✓	SES organisation (Schedule 2)
Racing and Wagering WA		✓	✓	Schedule 1 entity
Regional Power Corporation (Horizon Power)		✓	✓	Schedule 1 entity
Rottneest Island Authority	✓	✓	✓	SES organisation (Schedule 2)
Small Business Development Corporation	✓	✓	✓	SES organisation (Schedule 2)
South West Development Commission	✓	✓	✓	SES organisation (Schedule 2)
South West Institute of Technology	✓	✓	✓	SES organisation (Schedule 2)
The National Trust of Australia (W.A.)	✓	✓	✓	Non-SES entity
Veterinary Surgeons' Board	✓	✓	✓	Non-SES entity
Water Corporation		✓	✓	Schedule 1 entity
West Coast Institute of Training	✓	✓	✓	SES organisation (Schedule 2)
Western Australia Police	✓	✓	✓	Department (Section 35) and Schedule 1 entity

Agency/authority	PSM Act	PID Act	EO Act	Agency type
Western Australian Alcohol and Drug Authority (Drug and Alcohol Office)	✓	✓	✓	SES organisation (Schedule 2)
Western Australian College of Teaching	✓	✓	✓	Non-SES entity
Western Australian Electoral Commission	✓	✓	✓	Department (Section 35)
Western Australian Greyhound Racing Association		✓	✓	Schedule 1 entity
Western Australian Health Promotion Foundation (Healthway)	✓	✓	✓	Non-SES entity
Western Australian Land Authority (LandCorp)		✓	✓	Schedule 1 entity
Western Australian Land Information Authority (Landgate)	✓	✓	✓	SES organisation (Schedule 2)
Western Australian Meat Industry Authority	✓	✓	✓	Non-SES entity
Western Australian Sports Centre Trust (VenuesWest)	✓	✓	✓	Non-SES entity
Western Australian Tourism Commission	✓	✓	✓	SES organisation (Schedule 2)
Western Australian Treasury Corporation		✓	✓	Schedule 1 entity
Wheatbelt Development Commission	✓	✓	✓	SES organisation (Schedule 2)
WorkCover Western Australia Authority	✓	✓	✓	SES organisation (Schedule 2)
Zoological Parks Authority	✓	✓	✓	SES organisation (Schedule 2)

## **Independent agencies reported by larger agency**

- Conservation Commission Western Australia is reported with the Department of Environment and Conservation
- Electoral Offices are reported as a part of the Department of the Premier and Cabinet
- Keep Australia Beautiful Council is reported with the Department of Environment and Conservation
- Office of the Public Advocate is reported with the Department of the Attorney General
- Public Trustee's Office is reported as a part of the Department of the Attorney General
- Salaries and Allowances Tribunal is reported as a part of the Department of the Premier and Cabinet
- State Administrative Tribunal is reported as part of the Department of the Attorney General
- State Supply Commission is reported with the Department Finance
- Swan River Trust is reported with the Department of Environment and Conservation.

## **Agencies removed in 2011/12**

- Department of Treasury and Finance
- Office of Energy
- Builders Registration Board of Western Australia
- Painters Registration Board of Western Australia

The following Boards joined the national registration and accreditation scheme administered federally by the Australian Health Practitioner Regulation Agency (AHPRA):

- Nurses and Midwives Board of Western Australia
- Pharmaceutical Council of Western Australia

## **New agencies for 2011/12**

- Metropolitan Regional Development Authority
- Department of Treasury
- Department of Finance
- Building Commission

## Local government authorities

Local government authority	PSM Act	PID Act	EO Act
City of Albany		✓	✓
City of Armadale		✓	✓
Shire of Ashburton		✓	✓
Shire of Augusta-Margaret River		✓	✓
Town of Bassendean		✓	✓
City of Bayswater		✓	✓
City of Belmont		✓	✓
Shire of Beverley		✓	✓
Shire of Boddington		✓	✓
Shire of Boyup Brook		✓	✓
Shire of Bridgetown-Greenbushes		✓	✓
Shire of Brookton		✓	✓
Shire of Broome		✓	✓
Shire of Broomehill-Tambellup		✓	✓
Shire of Bruce Rock		✓	✓
City of Bunbury		✓	✓
Shire of Busselton		✓	✓
Town of Cambridge		✓	✓
City of Canning		✓	✓
Shire of Capel		✓	✓
Shire of Carnamah		✓	✓
Shire of Carnarvon		✓	✓
Shire of Chapman Valley		✓	✓
Shire of Chittering		✓	✓
Shire of Christmas Island		✓	✓
Town of Claremont		✓	✓
City of Cockburn		✓	✓
Shire of Cocos (Keeling) Islands		✓	✓
Shire of Collie		✓	✓
Shire of Coolgardie		✓	✓

Local government authority	PSM Act	PID Act	EO Act
Shire of Coorow		✓	✓
Shire of Corrigin		✓	✓
Town of Cottesloe		✓	✓
Shire of Cranbrook		✓	✓
Shire of Cuballing		✓	✓
Shire of Cue		✓	✓
Shire of Cunderdin		✓	✓
Shire of Dalwallinu		✓	✓
Shire of Dandaragan		✓	✓
Shire of Dardanup		✓	✓
Shire of Denmark		✓	✓
Shire of Derby-West Kimberley		✓	✓
Shire of Donnybrook-Balingup		✓	✓
Shire of Dowerin		✓	✓
Shire of Dumbleyung		✓	✓
Shire of Dundas		✓	✓
Town of East Fremantle		✓	✓
Shire of East Pilbara		✓	✓
Shire of Esperance		✓	✓
Shire of Exmouth		✓	✓
City of Fremantle		✓	✓
City of Greater Geraldton		✓	✓
Shire of Gingin		✓	✓
Shire of Gnowangerup		✓	✓
Shire of Goomalling		✓	✓
City of Gosnells		✓	✓
Shire of Halls Creek		✓	✓
Shire of Harvey		✓	✓
Shire of Irwin		✓	✓
Shire of Jerramungup		✓	✓
City of Joondalup		✓	✓

Local government authority	PSM Act	PID Act	EO Act
Shire of Kalamunda		✓	✓
City of Kalgoorlie-Boulder		✓	✓
Shire of Katanning		✓	✓
Shire of Kellerberrin		✓	✓
Shire of Kent		✓	✓
Shire of Kojonup		✓	✓
Shire of Kondinin		✓	✓
Shire of Koorda		✓	✓
Shire of Kulin		✓	✓
Town of Kwinana		✓	✓
Shire of Lake Grace		✓	✓
Shire of Laverton		✓	✓
Shire of Leonora		✓	✓
City of Mandurah		✓	✓
Shire of Manjimup		✓	✓
Shire of Meekatharra		✓	✓
City of Melville		✓	✓
Shire of Menzies		✓	✓
Shire of Merredin		✓	✓
Shire of Mingenew		✓	✓
Shire of Moora		✓	✓
Shire of Morawa		✓	✓
Town of Mosman Park		✓	✓
Shire of Mount Magnet		✓	✓
Shire of Mount Marshall		✓	✓
Shire of Mukinbudin		✓	✓
Shire of Mundaring		✓	✓
Shire of Murchison		✓	✓
Shire of Murray		✓	✓
Shire of Nannup		✓	✓
Shire of Narembeen		✓	✓



Local government authority	PSM Act	PID Act	EO Act
Shire of Narrogin		✓	✓
Town of Narrogin		✓	✓
City of Nedlands		✓	✓
Shire of Ngaanyatjarrika		✓	✓
Shire of Northam		✓	✓
Shire of Northampton		✓	✓
Shire of Nungarin		✓	✓
Shire of Peppermint Grove		✓	✓
Shire of Perenjori		✓	✓
City of Perth		✓	✓
Shire of Pingelly		✓	✓
Shire of Plantagenet		✓	✓
Town of Port Hedland		✓	✓
Shire of Quairading		✓	✓
Shire of Ravensthorpe		✓	✓
City of Rockingham		✓	✓
Shire of Roebourne		✓	✓
Shire of Sandstone		✓	✓
Shire of Serpentine-Jarrahdale		✓	✓
Shire of Shark Bay		✓	✓
City of South Perth		✓	✓
City of Stirling		✓	✓
City of Subiaco		✓	✓
City of Swan		✓	✓
Shire of Tammin		✓	✓
Shire of Three Springs		✓	✓
Shire of Toodyay		✓	✓
Shire of Trayning		✓	✓
Shire of Upper Gascoyne		✓	✓
Town of Victoria Park		✓	✓
Shire of Victoria Plains		✓	✓

Local government authority	PSM Act	PID Act	EO Act
Town of Vincent		✓	✓
Shire of Wagin		✓	✓
Shire of Wandering		✓	✓
City of Wanneroo		✓	✓
Shire of Waroona		✓	✓
Shire of West Arthur		✓	✓
Shire of Westonia		✓	✓
Shire of Wickepin		✓	✓
Shire of Williams		✓	✓
Shire of Wiluna		✓	✓
Shire of Wongan-Ballidu		✓	✓
Shire of Woodanilling		✓	✓
Shire of Wyalkatchem		✓	✓
Shire of Wyndham-East Kimberley		✓	✓
Shire of Yalgoo		✓	✓
Shire of Yilgarn		✓	✓
Shire of York		✓	✓

## Public universities

Public university	PSM Act	PID Act	EO Act
Curtin University of Technology		✓	✓
Edith Cowan University		✓	✓
Murdoch University		✓	✓
University of Western Australia		✓	✓

## Boards and committees

Board or committee	PSM Act	PID Act	EO Act
Aboriginal Cultural Material Committee	✓	✓	✓
Aboriginal Lands Trust	✓	✓	✓
Adoption Applications Committee	✓	✓	✓
Agriculture Produce Commission	✓	✓	✓
Anaesthesia Mortality Committee	✓	✓	✓
Animal Ethics Committee (DAFWA)	✓	✓	✓
Animal Ethics Committee (DEC)	✓	✓	✓
Appeal Costs Board	✓	✓	✓
Aquatic Advisory Committee	✓	✓	✓
Aqwest - Bunbury Water Board	✓	✓	✓
Architects Board of Western Australia	✓	✓	✓
Armadale Land Redevelopment Committee	✓	✓	✓
Avon Industrial Park Advisory Board	✓	✓	✓
Board of the Water Corporation	✓	✓	✓
Botanic Gardens and Parks Authority Board of Management	✓	✓	✓
Building and Construction Industry Training Board	✓	✓	✓
Building Services Board	✓	✓	✓
Bunbury Port Authority Board	✓	✓	✓
Burswood Park Board	✓	✓	✓
Busselton Water Board	✓	✓	✓
C Y O'Connor Institute Governing Council	✓	✓	✓
Caravan Parks and Camping Grounds Advisory Committee	✓	✓	✓
Carers Advisory Council	✓	✓	✓
Central Institute of Technology Governing Council	✓	✓	✓
Central Perth Land Redevelopment Committee	✓	✓	✓
Challenger Institute of Technology Governing Council	✓	✓	✓
Charitable Collections Advisory Committee	✓	✓	✓
Coal Industry Superannuation Board	✓	✓	✓
Cockburn Sound Management Council	✓	✓	✓
Commission for Occupational Safety and Health	✓	✓	✓
Community Titles Advisory Committee Land Tenure Committee	✓	✓	✓

Board or committee	PSM Act	PID Act	EO Act
Conservation Commission of Western Australia Board	✓	✓	✓
Construction Industry Long Service Leave Payments Board	✓	✓	✓
Construction Industry Safety Advisory Committee	✓	✓	✓
Contaminated Sites Committee	✓	✓	✓
Control of Vehicles (Off-road Areas) Act Advisory Committee	✓	✓	✓
Council of the Government House Foundation of Western Australia	✓	✓	✓
Country Housing Authority Board	✓	✓	✓
Criminal Injuries Compensation	✓	✓	✓
DHAC: Blackwood District Health Advisory Council	✓	✓	✓
DHAC: Bunbury District Health Advisory Council	✓	✓	✓
DHAC: Leschenault District Health Advisory Council	✓	✓	✓
DHAC: Murchison District Health Advisory Council	✓	✓	✓
DHAC: Naturaliste District Health Advisory Council	✓	✓	✓
DHAC: Western District Health Advisory Council	✓	✓	✓
Dieback Consultative Council	✓	✓	✓
Digestive Health Network Executive Advisory Group	✓	✓	✓
Disability Services Commission Board	✓	✓	✓
Durack Institute of Technology Governing Council	✓	✓	✓
Electrical Licensing Board	✓	✓	✓
Electricity Networks Corporation (Western Power) Board	✓	✓	✓
Electricity Retail Corporation Board	✓	✓	✓
Environmental Protection Authority	✓	✓	✓
FESA Board of Management	✓	✓	✓
Fitzroy Futures Forum Governance Committee	✓	✓	✓
Fluoridation of Public Water Supplies Advisory Committee	✓	✓	✓
Forest Products Commission Board	✓	✓	✓
Fremantle Port Authority Board	✓	✓	✓
Gaming and Wagering Commission of Western Australia	✓	✓	✓
Gaming Community Trust	✓	✓	✓
Gascoyne Development Commission Board	✓	✓	✓
Gender Reassignment Board	✓	✓	✓
Geographe Catchment Council (Geocatch)	✓	✓	✓
Geraldton Port Authority Board	✓	✓	✓

Board or committee	PSM Act	PID Act	EO Act
Goldfields-Esperance Development Commission Board of Management	✓	✓	✓
Governing Board for the Chemistry Centre	✓	✓	✓
Great Southern Development Commission Board	✓	✓	✓
Independent Priority Assessment Panel	✓	✓	✓
Integrated Fisheries Allocation Advisory Committee	✓	✓	✓
Kalgoorlie-Boulder Cemetery Board	✓	✓	✓
Keystart Board	✓	✓	✓
Kimberley Development Commission Board	✓	✓	✓
Kimberley Regional Planning Committee	✓	✓	✓
Kimberley Training Institute Governing Council	✓	✓	✓
Land Surveyors Licensing Board of Western Australia	✓	✓	✓
Law Reform Commission of Western Australia	✓	✓	✓
Legal Costs Committee	✓	✓	✓
Library Board of Western Australia	✓	✓	✓
Local Government Advisory Board	✓	✓	✓
Local Health Authorities Analytical Committee	✓	✓	✓
Marine Parks and Reserves Authority	✓	✓	✓
Medical Radiation Technologists Registration Board of WA	✓	✓	✓
Metro Central Joint Development Assessment Panel (JDAP)	✓	✓	✓
Metro South-West Joint Development Assessment Panel (JDAP)	✓	✓	✓
Metropolitan Cemeteries Board	✓	✓	✓
Metropolitan Redevelopment Authority Board	✓	✓	✓
Minerals Research Advisory Committee	✓	✓	✓
Mining Industry Advisory Committee	✓	✓	✓
Ministerial Advisory Council on Disability	✓	✓	✓
Non-Government School Registration Advisory Panel	✓	✓	✓
PaRK Mental Health Service Steering Committee	✓	✓	✓
Parliamentary Superannuation Board	✓	✓	✓
Partnership Forum	✓	✓	✓
Perth Market Authority Board	✓	✓	✓
Pest Animal Control Ethics Advisory Committee	✓	✓	✓

Board or committee	PSM Act	PID Act	EO Act
Pharmacy Registration Board of Western Australia	✓	✓	✓
Pilbara Development Commission Board	✓	✓	✓
Pilbara Institute Governing Council	✓	✓	✓
Plumbers Licensing Board	✓	✓	✓
Port Hedland Port Authority Board	✓	✓	✓
Potato Marketing Corporation of Western Australia Board	✓	✓	✓
Prisoners Review Board	✓	✓	✓
Problem Gambling Support Services Committee	✓	✓	✓
Professional Combat Sports Commission Board	✓	✓	✓
Professional Standards Council	✓	✓	✓
Public Education Endowment Trust	✓	✓	✓
Racing and Wagering Western Australia Board	✓	✓	✓
Radiological Council	✓	✓	✓
Regional Power Corporation Board	✓	✓	✓
Register Committee	✓	✓	✓
Road Freight Transport Industry Council	✓	✓	✓
Road Safety Council	✓	✓	✓
Roadside Conservation Committee	✓	✓	✓
Royal Perth Hospital Animal Ethics Committee	✓	✓	✓
Royal Perth Hospital Biosafety Committee	✓	✓	✓
Rural and Remote Education Advisory Council	✓	✓	✓
Rural Business Development Corporation Board	✓	✓	✓
Rural, Remote and Regional Women's Network of Western Australia	✓	✓	✓
School Curriculum and Standards Authority Board	✓	✓	✓
ScreenWest Board	✓	✓	✓
Seniors Ministerial Advisory Council	✓	✓	✓
Shark Bay World Heritage Property Scientific Advisory Committee	✓	✓	✓
Small Business Development Corporation Board	✓	✓	✓
South West Development Commission Board	✓	✓	✓
South West Institute of Technology Governing Council	✓	✓	✓
State Records Commission	✓	✓	✓
State Training Board	✓	✓	✓
Stimulants Assessment Panel	✓	✓	✓

Board or committee	PSM Act	PID Act	EO Act
Subiaco Land Redevelopment Committee	✓	✓	✓
Supervised Release Review Board	✓	✓	✓
Swan River Trust Board	✓	✓	✓
Swan River Trust Board: River Protection Strategy Advisory Committee	✓	✓	✓
Taxi Industry Board	✓	✓	✓
Training Accreditation Council	✓	✓	✓
Veterinary Surgeons Board	✓	✓	✓
WA Alcohol and Drug Authority	✓	✓	✓
WARTC: Scientific Advisory Committee	✓	✓	✓
Waste Authority	✓	✓	✓
West Coast Institute of Training Governing Council	✓	✓	✓
Western Australian Aged Care Advisory Council	✓	✓	✓
Western Australian College of Teaching Board of Management	✓	✓	✓
Western Australian Electricity Review Board	✓	✓	✓
Western Australian Health Promotion Foundation (Healthway) Board	✓	✓	✓
Western Australian Land Information Authority Board of Management	✓	✓	✓
Western Australian Local Government Grants Commission	✓	✓	✓
Western Australian Lotteries Commission Board (Lotterywest)	✓	✓	✓
Western Australian Museum Board of Trustees	✓	✓	✓
Western Australian Planning Commission	✓	✓	✓
Western Australian Regional Development Trust	✓	✓	✓
Western Australian Sports Centre Trust Board	✓	✓	✓
Western Australian Technology and Industry Advisory Council	✓	✓	✓
Western Australian Tourism Commission Board	✓	✓	✓
Women's Advisory Council	✓	✓	✓
WorkCover Western Australia - Medical Committee	✓	✓	✓
WorkCover Western Australia Authority	✓	✓	✓
Zoological Parks Authority Board	✓	✓	✓
Please note numerous boards and committees report on PID matters through their affiliated public sector agency's PID officer.			

# Appendix E – Employee perception survey 2011/12

This appendix details the agencies participating in the EPS in 2011/12, number of surveys distributed, number of surveys returned and response rate.

Agency	Total Surveys Distributed	Total Surveys Returned	Response Rate (%)
Department of Education-South Metro (Canning and Fremantle Peel)	14 104	2766	19.6%
Department of Corrective Services	4305	583	13.5%
Department of Health – Child and Adolescent Health Service	2833	790	27.9%
WA Country Health Service – South West	2500	607	24.3%
Department of Finance	1544	616	39.9%
FESA	1442	524	36.3%
Challenger Institute of Technology	1038	324	31.2%
Department of Education – Kimberley	925	186	20.1%
Department of Mines and Petroleum	786	400	50.9%
Department of Treasury	303	160	52.8%
Pilbara Institute of Technology	210	101	48.1%
Lotterywest	183	94	51.4%
Rottneest Island Authority	154	83	53.9%
Western Australian Sports Centre Trust (Venues West)	143	52	36.4%
Botanic Gardens and Parks Authority	135	62	45.9%
Chemistry Centre (WA)	127	65	51.2%
Office of the Auditor General	111	51	45.9%
Mental Health Commission	58	41	70.7%
Department of the Registrar WA Industrial Relations Commission	38	19	50.0%
The National Trust of Australia (W.A.)	29	12	41.4%
<b>Total</b>	<b>30 968</b>	<b>7536</b>	<b>24.3%</b>



# Appendix F – Directed inquiries

Pursuant to section 24H(1) of the PSM Act, the Commissioner may on his own initiative, or shall under section 24H(2) at the direction of the Premier as the minister responsible for the PSM Act, arrange for the holding of a special inquiry into a matter related to the Public Sector.

In accordance with section 24H(4) of the PSM Act, the Commissioner is obliged to include the text of a direction given by the Premier in an annual report to parliament.

In 2011/12, the Commissioner was directed to arrange for two special inquiries:

- [Margaret River bushfire](#)
- [St Andrew's Hostel in Katanning](#)

Inquiry reports and further details are available on the Commission's website and in the Public Sector Commission's *Annual report 2011/12*.

# Appendix G – Ministerial directions regarding machinery of government changes

Pursuant to section 35(4) of the PSM Act, the Commissioner, at the direction of the Premier as the minister responsible for the PSM Act, must make recommendation to the Governor to:

- establish and designate departments
- amalgamate or divide existing departments and designate the resulting department or departments
- abolish departments
- alter the designations of existing department.

Further details regarding machinery of government changes can be found in the 'Profile and structure of the Western Australian public sector' section.

In accordance with section 25(5) of the PSM Act, the Commissioner is obliged to include the text of a direction given by the Premier in an annual report to parliament. There have been no ministerial directions in regard to machinery of government changes. All changes have arisen from decisions made by Cabinet.

# Appendix H – Abbreviations

AAS	Annual agency survey
ABCS	Annual board and committee survey
ABS	Australian Bureau of Statistics
ACL	Australian Consumer Law
AEDM	Accountable and ethical decision making
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ANZSOG	Australia New Zealand School of Government
CEO	Chief executive officer
COAG	Council of Australian Governments
DG	Director General
DPC	Department of the Premier and Cabinet
DQI	Data quality index
DVD	Digital versatile disc
EEO	Equal employment opportunity
EPS	Employee perception survey
FTE	Full-time equivalent
FYTD	Financial year to date
FoGHR	Foundations of government human resources
GP	General Practitioner
HR	Human resources
HRM	Human resource management
HRMOIR	Human resource minimum obligatory information requirement

ICT	Information and communications technology
KPI	Key performance indicator
LTI	Lost time injury
MOG	Machinery of government
OAG	Office of the Auditor General
OHS	Occupational health and safety
PID	Public Interest Disclosure
PID Act	<i>Public Interest Disclosure Act 2003</i>
PSM Act	<i>Public Sector Management Act 1994</i>
SES	Senior executive service
SOTS	State of the sector
TI	Treasurer's Instruction
TTL	Total time lost
WA	Western Australia
WCAG	Website Content Accessibility Guidelines
WGF	Website Governance Framework

# Appendix I – Glossary

## **Act**

A law made by the parliament, and known as an Act of parliament. An Act comes into being when a Bill that has passed all stages in the Legislative Assembly and Legislative Council and received royal assent from the Governor. They are sometimes also referred to as primary or principal legislation.

## **Annual agency survey (AAS)**

The annual survey conducted by the Commission for the purpose of gathering information for the State of the Sector Report. It collects information from all public sector CEOs relating to compliance with the general principles of human resource management, the *Code of Ethics*, agency codes of conduct and overall agency administration and management.

## **Australian Consumer Law (ACL)**

The full text of the Australian Consumer Law is set out in Schedule 2 of the *Competition and Consumer Act 2010*, which is the new name of the *Trade Practices Act 1974*.

## **Breach of standard**

A determination by the Commissioner that one or more of the requirements of a public sector standard have or have not been complied with.

## **Code of conduct**

A formal written policy applicable within each public sector body that expands on the principles set out in the *Code of Ethics*. See 'Appendix B – Public Sector Management Act 1994' for further information.

## ***Code of Ethics***

The public sector *Code of Ethics* outlines the minimum standards of conduct and integrity for public sector bodies and employees. See 'Appendix B – Public Sector Management Act 1994' for further information.

## Commencement

A commencement occurs when an employee begins employment with one public sector body.

## Commission

The Public Sector Commission of Western Australia. The agency principally established to assist the Commissioner in the management, administration and performance of the WA public sector.

## Commissioner

The Public Sector Commissioner appointed under section 17 of the PSM Act.

## Commissioner's instruction

A written instruction issued by the Commissioner under section 21 or 22A of the PSM Act that provides direction to public sector bodies and/or employees on matters relating to the Commissioner's functions, administration and management of the public sector, and the application of the PSM Act. Existing instructions include:

- *Commissioner's Instruction No. 1 – Employment Standard*
- *Commissioner's Instruction No. 2 – Filling a public sector vacancy*
- *Commissioner's Instruction No. 3 – Discipline – general*
- *Commissioner's Instruction No. 4 – Discipline – former employees*
- *Commissioner's Instruction No. 5 – Publishing a public sector notice*
- *Commissioner's Instruction No. 6 – Workforce data reporting obligations*
- *Commissioner's Instruction No. 7 – Code of Ethics*
- *Commissioner's Instruction No. 8 – Codes of conduct and integrity training.*

## Compliance framework

The key elements of the public sector compliance framework are to educate and persuade public sector bodies to comply with standards and ethical codes; to develop their capacity to comply; and to deter non-compliance.

## **Compliance inquiries**

Inquiries relating to the principles of official conduct. Pursuant to section 21 of the PSM Act, compliance inquiries can address areas beyond the scope of a breach of standard claim process and can provide information to assist the Commissioner to monitor compliance. The Commissioner can choose to undertake an inquiry or a review as a result of a compliance inquiry.

## **Compliance monitoring**

The process of monitoring the extent of compliance with public sector standards and ethical codes at either an agency or sector-wide level pursuant to sections 8 and 9 of the PSM Act.

## ***Equal Opportunity Act 1984 (EO Act)***

The Act providing for the principles of equal opportunity in Western Australia. It addresses discrimination in the areas of employment, accommodation, education and the provision of goods, facilities, services and activities on the following grounds:

- sex
- sexual orientation
- gender history
- family responsibility or family status
- marital status
- race
- religious or political conviction
- age
- impairment
- pregnancy

Part IX of the EO Act provides specifically for equal opportunity in public employment, and establishes the statutory position and functions of the Director of Equal Opportunity in Public Employment.

## **Employee perception survey (EPS)**

A survey provided by the Commission to employees from a sample of public sector agencies. It provides an opportunity for employees to submit their perspectives on how integrity and human resource management policies and practices are operating within their agency.

## Equity index

An index that compares the distribution of women or a diversity group in the workforce to the distribution of the workforce as a whole. If a group has a similar distribution across all ranges as the total workforce the equity index is 100. An equity index of less than 100 indicates compression of a group at the lower salary ranges. An equity index of more than 100 indicates compression of a group at the higher salary ranges.

## Ethical codes

Ethical codes are made up of the *Code of Ethics* together with the individual codes of conduct of public sector bodies. See 'Appendix B – Public Sector Management Act 1994' for further information on the *Code of Ethics* and codes of conduct.

## *Financial Management Act 2006*

The Act providing for the management, administration and reporting of the public finances of the State of Western Australia, and for related purposes.

## Government 2.0

Government's use of the new collaborative tools and approaches of Web 2.0 to encourage open and transparent government, provide the public with an increased role in policy formation and improve access to government information. Web 2.0 involves the use of social media and networking tools (e.g. Facebook, Twitter, YouTube, blogs and wikis) to allow users to interact and collaborate, as opposed to static websites where users are limited to a passive role.

## Likert scale

A scale measuring the extent to which a person agrees or disagrees with a question. A typical example of a 1 to 5 Likert scale would be: 1=strongly disagree, 2=disagree, 3=not sure, 4=agree, and 5=strongly agree.

## Machinery of government (MOG)

Changes made to public sector structures or administrative arrangements arising from decisions of executive government. MOG changes include the creation, amalgamation, abolition or division of departments or organisations or the movement of functions between departments or organisations.



## Management tiers

Tier 1 management directs and is responsible for the organisation, as well as its development as a whole. They have ultimate control of, and responsibility for, the upper layers of management. Typical titles include Director General, CEO, General Manager, Executive Director and Commissioner.

Tier 2 management sit directly below tier 1 management and assist tier 1 management by implementing organisational plans. They are directly responsible for leading and directing the work of other managers of functional departments below them. They may be responsible for managing professional and specialist employees. They do not include professional and graduate staff (e.g. example, engineers, medical practitioners and accountants) unless they have a primary management function.

Tier 3 management is responsible to tier 2 management. They formulate policies and plans for their area of control, and manage a budget and employees. They are the interface between tier 2 management and lower level managers. They do not include professional and graduate staff (e.g. example, engineers, medical practitioners and accountants) unless they have a primary management function.

## Ombudsman

The Parliamentary Commissioner for Administrative Investigations appointed under section 5 of the *Parliamentary Commissioner Act 1971*. The Ombudsman has three principle functions, which are:

- resolving complaints about the decision making and practices of public authorities
- improving the standard of public administration through investigations initiated by the Ombudsman about significant public sector issues; making suggestions and recommendations to improve public administration; and providing advice and guidance to public authorities
- reviewing and investigating sudden or unexpected deaths of children in Western Australia.

## ***Occupational Safety and Health Act 1984 (OSH Act)***

The OSH Act promotes and improves standards for occupational safety and health, establishes the Commission for Occupational Safety and Health, provides for a tribunal for the determination of certain matters and claims, and facilitates coordination of the administration of the laws relating to occupational safety and health.

## Principal executive officer

The chief executive officer or chief employee of a public authority.

## **Public administration and management principles**

Section 7 of the PSM Act sets out the principles of public administration and management to be observed in and in relation to the Public Sector.

## **Principles of human resource management**

Section 8 of the PSM Act sets out the principles of human resource management. See 'Appendix B – Public Sector Management Act 1994' for further information.

## **Principles of official conduct**

Section 9 of the PSM Act sets out the principles of official conduct. See 'Appendix B – Public Sector Management Act 1994' for further information.

## **Proper authority for receiving a public interest disclosure**

A PID must be made to a proper authority. See 'Appendix C – Public Interest Disclosure Act 2003' for further information.

## **Public authority**

Public authority is defined in section 3 of the PID Act to mean:

- a department of the Public Service established under section 35 of the PSM Act
- an organisation specified in column 2 of Schedule 2 of the PSM Act
- a non-SES organisation within the meaning of that term in section 3(1) of the PSM Act
- a local government or a regional local government
- a body that is established or continued for a public purpose under a written law
- a body that is established by the Governor or a minister
- any other body or the holder of an office referred to in subsection (2) of the PID Act that is declared by the regulations to be a public authority.

## **Public Interest Disclosure (PID)**

A disclosure of public interest information made under the PID Act. See 'Appendix C – Public Interest Disclosure Act 2003' for further information.

## **Public Interest Disclosure Act 2003 (PID Act)**

The Act facilitating the disclosure of public interest information, to provide protection for those making disclosures and for those who are the subject of disclosures. See 'Appendix C – Public Interest Disclosure Act 2003' for further information.

## **Public Interest Disclosure (PID) officer**

A person who occupies a position within a public authority designated to receive disclosures of public interest information. See 'Appendix C – Public Interest Disclosure Act 2003' for further information.

## **Public interest information**

Public interest information is defined in section 3 of the PID Act. See 'Appendix C – Public Interest Disclosure Act 2003' for further information.

## ***Public Sector Management Act 1994 (PSM Act)***

The Act providing the legislative framework for the structure, administration and management of the WA public sector. The PSM Act covers areas such as:

- public sector conduct obligations
- the role and functions of the Public Sector Commissioner
- functions and responsibilities of chief executive officers (CEOs)
- dealing with substandard performance and disciplinary matters for some employees
- appointments to the Senior Executive Service (SES).

## **Public sector standards in human resource management**

A set of standards issued by the Public Sector Commissioner that set out minimum levels of merit, equity and probity in accordance with section 21 of the PSM Act. See 'Appendix B – Public Sector Management Act 1994' for further information.

## **Reporting period**

In respect to this report, the financial year 1 July 2011 to 30 June 2012.

## Senior Executive Service (SES)

The SES comprises senior executive roles (including senior executive officers and CEOs) as constituted under section 43 of the PSM Act. The purpose of the SES is to provide a group of executive officers capable of:

- providing high level policy advice and undertaking managerial responsibilities
- being deployed within, and between, agencies
- promoting the efficiency of individual agencies.

CEOs are appointed by the Governor under section 45 of the PSM Act. An officer may be appointed as a member of the SES in accordance with section 53 of the PSM Act. The position will be higher than the Public Service and Government Officers General Agreement 2011 (PSGOGA) level eight, however not all employees above level eight are SES members.

## Separation

A separation occurs when an employee ceases to be employed by one public sector employing authority.

## Treasurer's Instructions

Instructions issued by the Treasurer under section 78 of the *Financial Management Act 2006* that contemplate matters of financial administration. They prescribe minimum requirements on such matters as accounting for revenue, expenditure and property, the standards of reporting and such other matters necessary to achieve the objects and purposes of the Act. They must be observed by all agencies to which they apply.

## Workforce planning

A generic term encompassing the systematic identification and analysis of future labour market needs. From an organisational perspective it involves understanding the make-up of the current workforce, an investigation into future service needs and an analysis of the type and size of the workforce required to meet this demand.

## **Website Content Accessibility Guidelines (WCAG)**

Web Content Accessibility Guidelines provide a single shared standard for web content accessibility that meets the needs of individuals, organisations, and governments internationally. They cover a wide range of recommendations for making Web content more accessible to a wider range of people with disabilities, including blindness and low vision, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity and combinations of these. Following these guidelines also makes web content more accessible for users in general.

## **Website Governance Framework (WGF)**

A framework developed in consultation with agencies to ensure a consistent approach to the development and management of Western Australian Government websites. It assists agencies in delivering information and services that are user friendly and aligned to the needs of citizens and business. It also ensures that websites project a more unified and positive image of the Western Australian Government and the services it provides. CEOs are required to ensure that their agency's websites comply with the WGF.

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# Appendix M – Acknowledgements

## Contributions of information and statistics

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