

**PUBLIC SECTOR REFORM BILL 2009**

*Receipt and First Reading*

Bill received from the Assembly; and, on motion by **Hon Norman Moore (Leader of the House)**, read a first time.

*Second Reading*

**HON NORMAN MOORE (Mining and Pastoral — Leader of the House)** [5.39 pm]: I move —

That the bill be now read a second time.

The Public Sector Management Act was enacted by the then coalition government 15 years ago and has since come under review on a number of occasions. Principal amongst these reviews have been a comprehensive assessment of the act conducted by Commissioner Gavan Fielding in 1996, culminating in 87 proposals; Dr Des Kelly's 1997 review, which largely supported those proposals; the 2001 Machinery of Government Taskforce review, chaired by Mr Stuart Hicks, which focused on structural issues and implicitly endorsed the earlier reviews; and Mr Noel Whitehead's 2004 review, which focused substantially on industrial relations aspects.

The Corruption and Crime Commission and the Ombudsman have separately criticised the disciplinary provisions of the act for being overly prescriptive and inflexible. However, to date, no substantive amendments have been made to the act. In the Liberal Party's government accountability and public sector management platform, issued before the 2008 state general election, the government pledged to "restore the independence of the public sector". Central to this undertaking was the creation of a new position of public sector management and standards commissioner to serve as independent head of the public sector in Western Australia.

The establishment of a Public Sector Commissioner was announced on 30 September 2008 as an important first step in enhancing the independence, professionalism and integrity of Western Australia's public service. The setting up of an independent Public Sector Commission and the position of Public Sector Commissioner was one of the first acts of the Liberal-National government. Initially, the Public Sector Commission was established as a department, headed by a Public Sector Commissioner and operating independently of the Department of the Premier and Cabinet, from which it was effectively split, pending legislation to formalise the arrangement. The former Director General of the Department of the Premier and Cabinet, Mr Malcolm Wauchope, was transferred to the position of Public Sector Commissioner.

The Public Sector Reform Bill 2009 underpins the Public Sector Commissioner's capacity to operate as an independent statutory body with general responsibility for management and administration of the public sector. The role of the Public Sector Commissioner will be to provide leadership to the public sector; build the capacity of the public sector; evaluate the performance of the public sector; develop public sector management policies and practices; drive public sector reform; and advance the diversity and accountability agenda, including enshrining in legislation the operation of the lobbyists register. The Public Sector Commissioner has, by way of delegation, to date been performing practically all functions formerly administered by the Minister for Public Sector Management—with the most notable exceptions being those relating to employment of ministerial officers and the exercise of special inquiry powers. The delegated functions encompass responsibility for overall public sector operational efficiency; chief executive officers, including disciplinary matters; State Emergency Service management, including performance management; public service classification and appointment processes; redeployment and voluntary severance arrangements; and remuneration setting for government boards and committees.

The bill now proposes to formalise the devolution of current ministerial functions onto the Public Sector Commissioner. Indeed, it will extend these by allowing the Public Sector Commissioner to issue relevant instructions to meet these responsibilities, which will have to be complied with across the sector. It thereby seeks to strike the right balance of enabling CEOs to manage their organisations while ensuring there is an appropriate level of accountability for the way the public sector as a whole is administered.

Under the reforms, the roles of the Public Sector Commissioner and Commissioner for Public Sector Standards will be merged. Mr Mal Wauchope will continue in the role of Public Sector Commissioner and report independently to state Parliament on matters that the present Commissioner for Public Sector Standards currently does. Enhanced reporting provisions will mean that the new commissioner will provide to Parliament thorough across-the-board snapshots of the size, structure and management frameworks of the service. These will have the capacity to provide health check measures and incorporate benchmarks and indicators for organisations. This will deliver a more balanced and comprehensive picture of the public sector to Parliament and the community.

Overall, there will be a more logical and integrated approach to ensuring both management efficiency, which is currently the responsibility, under delegation arrangements, of the Public Sector Commissioner, and appropriate standards of conduct and behaviour, which responsibility now lies with the Commissioner for Public Sector Standards. This direction was endorsed by Parliament's Public Accounts Committee, which, in its report of June 2009 into the new Department of the Premier and Cabinet and the Public Sector Commission, recommended consolidation of public sector management into a single office.

Disciplinary processes are to be streamlined by the bill. The current three-stage investigative process will be rationalised into a single process. In addition, the effect of resignation or transfer of an employee who is the subject of disciplinary action will be addressed. There will be the capacity for an employing authority to continue to pursue disciplinary proceedings notwithstanding the resignation of an employee or the transfer of an employee to other employment in the public sector. The bill also addresses some minor technical anomalies within the current structure of the act which have become evident over time and which it is convenient to address at this time.

This government was elected on a platform of honesty and integrity. In its first 12 months the Liberal–National government has made significant progress in restoring community confidence in the public sector, including splitting departments where necessary to improve effectiveness of service delivery and clarify lines of accountability—for example, the Departments of Education and Training, Housing and Works and Planning and Infrastructure; appointing a substantive Information Commissioner; and winding up the State Supply Commission. The new Public Sector Commissioner is a further step towards a better government and a better state. I commend the bill to the house.

Debate adjourned, pursuant to standing orders.