Independent Review of the Public Sector Commission

Carmel McGregor PSM
Acknowledgements

In preparing this report I have been very ably assisted by a fine team – Imogene Blair, Teneale Currie and David Klup from the Public Sector Commission.

My thanks to Lindsay Warner, Acting Public Sector Commissioner for ensuring that the team was assembled so quickly and with the right skills and expertise to assist with our engagement strategy and analysis.

Thanks to senior leaders of the Western Australia public sector with whom I met individually and collectively and to many others from across Western Australia we interviewed and who participated in focus groups. They all gave of their time generously and were most thoughtful in their ideas for improvement.

Additionally, I would like to thank the number of current and former senior leaders in other jurisdictions with whom we met. Their ideas and wisdom were of great help in learning from their journeys and comprehending what could be adopted in Western Australia.

Finally, I would like to acknowledge the contributions of PSC staff who participated in consultation in a variety of ways. Their ideas and enthusiasm for a renewed organisation I hope can be realised through implementation of the recommendations.

Carmel McGregor PSM
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Foreword

While the Service Priority Review (SPR) identified many issues similar to those highlighted by this Review, our focus has been on how to strengthen the Public Sector Commission (PSC) to embrace the thrust of the SPR recommendations and to give effect to public sector reform – in effect, to position the PSC to lead, engage and collaborate with the rest of the Western Australian public sector for its success and future positioning.

This report has focused on the following four themes:

Role and identity

Clearly identifying with a future focus, and workforce reform and development lens, the role of the PSC and the support and accountability of the office.

Leading for the WA public sector

Positioning the PSC to strategically lead and support senior talent identification, diversity and future workforce. This is in concert with the central agencies, CEOs and the sector as a whole.

Collaboration for success

Ensuring PSC is in partnership with the sector and providing the mechanisms to enable the sector to work as ‘one sector’. This includes increased awareness and involvement from outside of the sector.

Internal and organisational reform

The PSC needs to structure and organise itself to be able to fulfil the articulated role. There is significant work internally that is required, particularly in strategic planning, as well as staff and resource management.

The recommendations go to how the PSC organises itself and suggests mechanisms to remedy and improve practices. However, systems and processes are not enough. A mindset change is needed, not only within the PSC but also within the broader public sector so that there is a mutual understanding of respective roles.

In essence, this is a cultural journey on which the PSC must embark. The stakeholders, particularly CEOs, are signalling that they would welcome change. Whilst not diminishing the critical role of maintaining standards and public trust, the emphasis needs to shift to one of capability-building and education rather than a case-based approach to acting on individual problems.
Future State

The Consultation Findings section of this report details current inadequacies and areas for improvement within the Public Sector Commission (PSC). Virtually all of those consulted or those who provided input to this Independent Review of the Public Sector Commission (Review) envisage a positive and active role for the PSC of the future.

The PSC is a critical entity for the Western Australian public sector and a partner in forging progress in many areas of public sector reform. There is a challenge ahead to plan, prioritise and sequence efforts so that the PSC doesn’t fail or repeat the errors of the past by taking on too much and being unable to deliver to expectations.

A proposed sequencing of first initiatives for the incoming Public Sector Commissioner (Commissioner) is set out at the conclusion of this report. Essentially, early efforts must focus on the PSC’s ‘getting its own house in order’ – but not to the exclusion of early steps to reconnect with the rest of the sector, importantly, through the Leadership Council and the Chief Human Resource Officer network.

The Service Priority Review (SPR) laid out challenges for the PSC. This Review’s findings and recommendations need to be viewed alongside the SPR and other reviews. There is a need to harmonise the intent of the recommendations and to see them as the basis of an overall program of reform for the PSC itself. A coherent narrative which ties all the threads of the Reviews together to chart the future direction of PSC is required, rather than an approach to each recommendation as a separate task.

Mindful of the appointment of a new Commissioner, the Review does not wish to be too prescriptive about structure and resource attribution.

The incoming Commissioner needs the latitude to make decisions which will support the reforms and position the PSC to be the active partner the public sector needs. The Review has pinpointed where disproportionate effort and emphasis have been deployed to date, together with the practices and decision making which sit more appropriately with agencies. The challenge is to recalibrate the PSC’s efforts and resources and to ensure that people are skilled to acquitted new roles.

It should also be acknowledged that the PSC is not stagnating at present. Throughout the period of the Review, the Acting Commissioner and the Corporate Executive have been implementing improvements, some of which have been noted in this report. The successful renewal of the PSC is reliant on cooperation and engagement with and by the WA public sector leaders and staff.
As part of moving into a new operational mode, it is important for organisations to focus on the desired outcome, rather than on the past. Hence, the Review describes below what a revamped PSC could become. Implicit in this statement is the need for the PSC to operate in a very different way. This will be a challenge for some within the PSC and across the sector.

**Standards, Performance, Reform**

The PSC will:

- be a reinvigorated, active leader of and contributor to the development of the public sector now and in the future

- discharge its statutory functions in a manner that allows it to maintain an important independent role in specific functions, but at the same time become a proactive partner focusing on the upstream functions of educational, facilitative and advisory roles

- be a repository of leading-edge knowledge of human resources, workforce, leadership and public sector management practice

- facilitate and grow capability by leveraging good practice across the sector and elsewhere

- play an integral role in maintaining and lifting standards of integrity – using its knowledge to assist agencies to grow a positive culture

- be a role model for workforce performance

- support CEOs to acquit their accountabilities – moving from a position of control to that of trusted partner

- collaborate and engage with agencies to plan for and resolve workforce challenges and opportunities

- be an employer of choice for WA public sector employees – known for a culture and practices that support a productive workforce.
Recommendations

Role and identity

1. Role clarity
The Public Sector Commission (PSC) needs to reassert its role and ensure all elements of the role described in the Public Sector Management Act 1994 (PSM Act) (and other legislative functions bestowed on it) are acquitted. The PSC should specifically note s. 21A(a-d) and explicitly prioritise diversity in the public sector.

To support this, the PSC needs to develop a comprehensive communication and engagement strategy which clarifies and explains its role, purpose and how the PSC will work with central agencies and other public sector agencies.

2. Independent Advisory Board
An independent Advisory Board be established by the Premier as the Minister for Public Sector Management to assist the PSC to develop and pursue a strategic direction and longer-term work program. The Board should include representation from outside the public sector.

It is recommended that the PSM Act be amended so that the Advisory Board’s role and functions are clearly prescribed. If it is legislated, a role of the Board should include input into the appointment, and performance of the Commissioner.

3. CEO Employment
That the Premier, as the Minister for Public Sector Management, be the employer of public sector Chief Executive Officers (CEOs).

To effect this, the PSM Act be amended to recognise the Premier, as Minister for Public Sector Management, as the employing authority for CEOs. The responsibility for the development and support of CEOs is to be a function of the Public Sector Commissioner.
4. **Commissioner accountability**
A more robust performance assessment process be developed for the office of Public Sector Commissioner which describes clearly the expectations and how they will be held accountable. Initially, this may be by agreement of parties but should also be included in amendments to the PSM Act.

5. **CEO accountability**
That PSC develop a revised delegation framework to devolve decision making to CEOs where the approval currently resides with the Commissioner. This should be done in conjunction with the Leadership Council and as part of a commitment to reducing red tape for the sector.

In the first instance, devolution of executive structures and Senior Executive Service related frameworks (Approved Procedure 2) need to be considered.

6. **Misconduct**
Corruption and Crime Commission be responsible for management of misconduct. To effect this, the definition, and responsibility for misconduct oversight and education within the CCM Act be amended.

In the absence of the removal of the function from the PSC, redesign how the PSC fulfils the function and oversight with a view to better internal delegation and the devolution of responsibility to CEOs as the employing authorities.

7. **Diversity & Inclusion**
Revise the functional role of the PSC to explicitly make Diversity and Inclusion part of its key responsibilities.

The role of Director of Equal Opportunity in Public Employment (DEOPE) be abolished and the PSM Act be amended to acknowledge CEOs taking greater responsibility for diversity in their organisations, with PSC leading diversity strategy.

In the absence of legislative change, the statutory obligations of DEOPE need to be fulfilled in the most effective way, with the PSC to lead the sector as part of its responsibility for the future management and operation of the public sector.

That the PSC work with the Leadership Council and Talent Council to develop initiatives to increase the representation of women in the executive in the public sector and over time, other diversity groups.
8. Talent & Diversity Councils
Establish two supporting subsidiary councils under the guidance of the Leadership Council:

- Talent Council to oversee a program of talent, mobility and succession planning for the sector. Early initiatives should include improving women’s participation in senior leadership, succession planning discussions with CEOs around second tier officers, and mobility program.
- Diversity Council to oversee the whole-of-sector diversity strategy and establish targets to increase representation.

The PSC to support the Councils and develop and report to them on sector-wide performance.

9. CEO performance assessment
Public Sector Commissioner develop a multi-sourced performance assessment process for CEOs to assist the Premier, Ministers and Board to acquit their responsibilities as the responsible authority.

10. CEO development & succession
Establish a CEO development initiative to support CEOs. This initiative is to include an annual program of meetings between the Commissioner and individual CEOs to discuss CEO professional development needs and their agency’s second tier, mobility and succession planning. The Public Sector Commissioner as appropriate, should engage Directors General, as portfolio heads to actively assist with supporting the development of all public sector CEOs. This will be built into talent identification and intelligence for consideration by the Talent Council.

11. Employee census & data
PSC develop a whole-of-sector employee census to gather data as part of its responsibility pursuant to s. 21A(C) of the PSM Act for the future management of the public sector. The data can contribute to future workforce strategies, provide for comparative analysis of the sector and inform the capability reviews.
12. **Chief People Officer**
That a Public Sector Chief Human Resource Officer be established in the PSC titled *Chief People Officer*. This role will work actively with CHROs across the sector to build capability and shared practice, but also to build internal capability within the PSC around issues of workforce and capability development.

13. **Strategic Workforce Council**
The Chief People Officer to establish a Public Sector Strategic Workforce Council with cross sector representation. Work program to include workforce strategy development and to inform Diversity and Talent Councils.

14. **Public Sector Labour Relations**
PSC and the Public Sector Labour Relations Division of the Department of Mines, Industry Regulation and Safety develop a set of protocols and operating procedures to confer on instructions and advice to agencies before these are finalised.
15. Leadership & Engagement
PSC needs a more inclusive style of leadership which works to empower staff. To achieve this, the PSC should:
- establish sessions to engage with staff to actively discuss the PSC’s culture, and
- create mechanisms through which all staff can contribute ideas to the Executive.

16. Strategic planning
PSC develop a multi-year strategic plan aligned to Government and public sector priorities which informs business, team and individual planning arrangements.

17. Budget development
PSC develop transparent, internal budget process and staff allocations linked to improved planning processes and priorities to ensure the most effective management of resources. The Commissioner may seek assistance from the Department of Treasury in this process and also in relation to analysis of charging arrangements for learning and development programs.

18. KPI’s
PSC establish new KPI’s which provide a full and balanced picture of the work the PSC undertakes, taking into account both the quality and cost of services the PSC provides.

19. Organisational structure
PSC develop an organisational structure which:
- restores resourcing to capability and workforce development,
- reduces resources in compliance activities and corporate teams, and
- is mindful of the PSC’s strategic direction.
Improvements need to be pursued through business process redesign which alleviate the internal workload internally as well as the impost on agencies. When an organisational structure is determined, funded positions should be filled as soon as possible to avoid long term uncertainty and acting arrangements.
20. Internal workforce plan
PSC undertake a skills audit and develop an internal workforce plan. This plan should be cognisant of the PSC’s strategic priorities and commit to creating learning and development opportunities for staff. This plan should also clearly articulate PSC recruitment processes for vacant positions, clarify expectations in relation to staff professional development and set high expectations for the performance of professional development planning.

21. Governance committee arrangements
PSC commit to re-establishing governance committee arrangements and ensuring that outcomes are provided in line with respective charters of these committees.

22. Internal communication strategy
In collaboration with a cross-section of staff, the PSC develop and implement an effective internal communication strategy. As a part of this strategy, the PSC should:
- commit to regular whole-of-PSC meetings to create direct communication between Corporate Executive and staff,
- commit to regular team or divisional meetings, and
- encourage the development and use of contemporary internal communication processes and tools to encourage staff engagement and foster innovation.

23. External communication strategy
PSC develop a communication and engagement strategy, incorporating contemporary collaboration tools with agencies. As a priority this should include the redevelopment of the PSC website.

24. ICT systems
The PSC review its internal ICT systems to ensure they are meeting the designed purpose, and consider rationalising its systems where appropriate. In doing so the PSC should approach its information systems from a forward looking whole-of-PSC perspective to create internal systems that suit the PSC’s long term needs and those of their customers.
Background

History of PSC functions

On 1 October 1994, the Public Sector Management Act 1994 (PSM Act) came into effect, repealing the Public Service Act 1978 and providing a new framework for the management of the whole of the Western Australian public sector.

The PSM Act established the independent office of the Commissioner for Public Sector Standards. The office of the Public Sector Standards Commissioner had discrete and independent responsibility for human resource standards, chief executive recruitment (although not appointment), codes of ethics and codes of conduct. The PSM Act prescribed that the Minister for Public Sector Management had the responsibility for the overall effectiveness and efficiency of the public sector.

This arrangement continued until the introduction of the Public Sector Reform Act 2010 which arose out a number of reviews and reports relating to the operation and effectiveness of the management of the WA public sector.¹

The PSR Act came into effect on 1 December 2010, establishing the Public Sector Commission (PSC) as an amalgamation of the role of the Public Sector Management Division (formerly within the Department of the Premier and Cabinet supporting the Minister for Public Sector Management) with the role of the Commissioner for Public Sector Standards.

As a part of this amalgamation, the Public Sector Commissioner (Commissioner) received powers to conduct reviews, special inquiries and investigations, which both the Minister for Public Sector Management and the Commissioner for Public Sector Standards previously held.

Under the PSR Act, the Commissioner also became the employer of CEOs within the Senior Executive Service. This was previously the role of the Minister for Public Sector Management.

The PSC has responsibilities under the Public Interest Disclosure Act 2003 (PID Act) to monitor compliance with the PID Act; to assist public authorities and public officers to comply with the PID Act; and to report annually to Parliament on compliance with the PID Act.

¹ These include the Review of the Public Sector Management Act (Fielding Review); Report on the Recommendations on the Amendments Proposed by the Fielding Review (Kelly Report); Government Structures for Better Results: The report of the taskforce established to review the machinery of WA’s Government (Hicks Report); and the Inquiry into the Implications of the New Structure and Functions of the Department of the Premier and Cabinet and the Public Sector Commission- Public Accounts Committee 2008-2013.
The PSC, through administrative arrangement, also supports the unfunded role of Director of Equal Opportunity in Public Employment (DEOPE) established under the *Equal Opportunity Act 1984*. The role of the DEOPE has historically been held by a senior officer employed within the PSC.

In 2015 the *Corruption and Crime Commission Amendment (Misconduct) Act 2014* came into effect, transferring the responsibility for the oversight of minor misconduct of public officers and for misconduct prevention and education from the Corruption and Crime Commission to the PSC.

The Public Sector Commissioner

The inaugural Public Sector Commissioner was appointed in 2008 and was the incumbent in this role until July 2018.

A process has commenced to recruit and appoint a new Commissioner. Pursuant to s.17 of the PSM Act, the Commissioner is appointed by the Governor of Western Australia on the recommendation of the Minister for Public Sector Management.

Public Sector Reform

The Western Australian Government is currently undertaking major reform of the WA public sector. The reform aims to create a more efficient, accountable and high-performing public sector that delivers better services to the community.² This reform will be shaped by recommendations arising out of the Service Priority Review (SPR), the Special Inquiry into Government Programs and Projects (Special Inquiry) and the Sustainable Health Review.³ This reform will also be informed by recommendations provided by three CEO Working Groups with different focuses (public sector efficiency, local service delivery and workforce management) which reported to the Government in 2017.⁴

Service Priority Review

A key element of this reform is the SPR, a wide-ranging review into the functions, operations and culture of the WA public sector. The final report of the SPR was completed in October 2017 and set out 17 recommendations and 31 actions.

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³ Ibid.
The SPR identified the PSC as the lead agency to implement the following four recommendations:

- Recommendation 10: Develop a shared public sector workforce identity to support purposeful collaboration.
- Recommendation 11: Strengthen employee capability through better workforce planning and talent management.
- Recommendation 12: Modernise the employment framework to support employees and assist agency heads.
- Recommendation 13: Redesign executive performance systems to clarify contemporary leadership expectations and to measure success.

The SPR also identified the PSC as an agency to assist in relation to the following three recommendations:

- Recommendation 9: Improve governance, accountability and transparency for public sector entities.
- Recommendation 14: Strengthen the capacity of central agencies to take on a sector stewardship role.
- Recommendation 16: Introduce a regular cycle of agency capability reviews to drive ongoing improvement across the sector.

Special Inquiry into Government Programs and Projects

In May 2017 the State Government appointed Mr John Langoulant AO to conduct the Special Inquiry under s.24 of the PSM Act. This inquiry examined 31 government programs and projects, focusing on their governance arrangements, decision making processes and financial consequences.

In addition to making recommendations for individual agencies, the Special Inquiry identified a number of recommendations aimed at both individual agencies and at the whole-of-government level.

The Special Inquiry identified the following recommendations for the PSC related to ‘governance’:

- The PSC must ensure all departments have core governance practices applying through their organisations and the Auditor General should audit the consistency of these arrangements within 12 months.
- The PSC should be required to develop a capability statement to sit beneath the PSM Act to elaborate on the requirements of Part 3B s.29 (1)(a) of the PSM Act, in which chief executives and chief employees are charged with provision of leadership, strategic direction and a focus on results for that department or organisation, so that the expectations on chief executives and chief employees across government are clearly understood.\(^5\)

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The Special Inquiry identified the following recommendations for the PSC related to ‘public sector capability’:

- The training opportunities available to public servants and politicians need to be enhanced to include skill development in financial management, risk management, business case development and project and contract management.
- The public sector must renew its commitment to the recruitment of graduates.\(^6\)

The Special Inquiry identified the following joint recommendation for the Department of Finance and the PSC relating to the ‘use of temporary personnel common use arrangements’:

- The Department of Finance and the PSC should jointly develop a simple framework that allows all agencies to provide reporting on their use and management of contracts for temporary personnel and information and communications technology services. The framework will allow agencies to provide verifiable reports bi-annually.\(^7\)

Machinery of Government changes

The State Government implemented significant Machinery of Government changes which came into effect on 1 July 2017. These changes created a number of new amalgamated departments and changed the functions or focus of some other departments. These changes were aimed at ‘creating collaborative departments focused on whole-of-government objectives and delivering services in a more efficient and effective way’.\(^8\)

The PSC gave effect to these MOG changes under ss.21A, 22B and 35 of the PSM Act. The PSC also supported agencies working through these changes by establishing teams of PSC officers to work in conjunction with each new agency.

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\(^6\) Ibid.
\(^7\) Ibid.
Reform implementation

A working group and steering committee have been established to oversee the public sector reform program.\textsuperscript{9} This reform program will be guided by the Public Sector Leadership Council, a group of 19 Directors General.\textsuperscript{10}

A reform implementation unit has been established within the Department of the Premier and Cabinet which will work across the public sector to assist agencies to implement reform.\textsuperscript{11}

The DPC has indicated that a reform implementation plan will be presented to the Government in mid-2018.\textsuperscript{12}

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\textsuperscript{9} Department of Premier and Cabinet. 2018. Public Sector Reform. \\
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\textsuperscript{10} Ibid.
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\textsuperscript{11} Ibid.
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\textsuperscript{12} Ibid.
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Methodology

On Monday 9 April 2018 the Western Australian Premier, the Hon Mark McGowan MLA, appointed Ms Carmel McGregor PSM to commence an Independent Review of the Public Sector Commission (Review). Ms McGregor was asked to review the PSC’s capability, functions, structure and performance and to recommend any changes necessary to ensure the PSC has the ability to meet the Government’s reform objectives and future challenges. The terms of reference are in the following section.

Ms McGregor was supported by a Secretariat.

Consultation

The Review sent out consultation letters to various government and non-government entities, Ministers, Parliamentary Committees, PSC employees, unions and representative bodies as well as other jurisdiction integrity bodies in South Australia, Queensland, the Australian Capital Territory and New Zealand.

Requests for information were made to the Public Sector Commission (PSC) which also provided the Review with a formal submission.

Methods used

Survey

During consultation, the Review identified several key areas in which to gain the views and ideas of PSC employees about how they perceive the PSC’s ability to meet the Government’s reform objectives and future challenges. These were consolidated into a series of nine questions sent to all PSC employees by way of a confidential survey. The survey was open for a two-week period, with 70 responses received.

Facilitated workshops

The Review engaged Ms Hannah Fitzhardinge from Integral Development as an independent facilitator to assist with staff workshops. Workshops for chief executives and Chief Human Resource Officers (CHROs) were facilitated by Ms McGregor.

Public Sector Commission staff

An invitation was sent to all PSC staff, including those on secondment and leave, to attend one of six facilitated sessions. The sessions were split into four groups to enable open peer-based discussion. A total of 81 PSC staff attended these sessions.
Chief Executives
Chief executives were also invited to attend facilitated sessions with Ms McGregor. Three sessions were run, capturing the views of a diverse group of the following 18 agency heads.

- Ralph Addis, Department of Primary Industries and Regional Development
- Margaret Allen, State Library of Western Australia
- Alec Coles OBE, Western Australian Museum
- Peter Deague, Metropolitan Cemeteries Board
- Anne Driscoll, Department of Training and Workforce Development
- Terry Durant, South Metropolitan TAFE
- David Eaton, Small Business Development Corporation
- Michelle Hoad, North Metropolitan TAFE
- Nina Lyhne, Department of Transport
- Gail McGowan, Department of Planning, Lands and Heritage
- Richard Mann, Department of Finance
- Bruce Manning, Great Southern Development Commission
- Timothy Marney, Mental Health Commission
- Mike Rowe, Department of Water and Environmental Regulation
- Grahame Searle, Department of Communities
- Mark Webb PSM, Department of Biodiversity, Conservation and Attractions
- Mark Woffenden, Minerals Research Institute of Western Australia
- Chris White, WorkCover Western Australia

Chief Human Resource Officers
CHROs were invited to attend a facilitated workshop with Ms McGregor. The following represented 13 government entities

- Brian Appleby, Public Transport Authority
- Karen Callaghan, Department of Health
- Michael Eaton, Department of Treasury
- Grant Edmunds, Insurance Commission of Western Australia
- Graham Edwards, Department of Biodiversity, Conservation and Attractions
Meetings
The Review conducted a comprehensive consultation program. A total of 46 meetings were held.

List of individual meetings and submissions

Western Australian Government Ministers
Hon Mark McGowan MLA, Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations
Hon Sue Ellery MLC, Minister for Education and Training
Hon Bill Johnston MLA, Minister for Mines and Petroleum; Commerce and Industrial Relations; Electoral Affairs; Asian Engagement

Parliament
Hon Dr Mike Nahan MLA, Shadow Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations; Leader of the Opposition

Estimates and Financial Operations Committee

WA Public Sector
Michael Barnes, Under Treasurer, Department of Treasury
Dr John Byrne, Acting Commissioner, Equal Opportunity Commission
Jodi Cant, Chief Executive, Landgate
Sarah Cowie, Director, Health and Disability Services Complaints Office
Chris Field, Ombudsman, Ombudsman WA
Darren Foster, Director General, Department of the Premier and Cabinet
Susan Hunt PSM, Acting Chief Executive, Lottery West & Healthway Leadership Council
Alex Lyon, Department of Mines, Industry Regulation and Safety
Hon John McKechnie QC, Commissioner, Corruption and Crime Commission
Maxine Murray, former Western Australian Public Standards Commissioner
Sharyn O'Neill, Director General, Department of Education
Public Sector Commission Corporate Executive members (individually)
Michelle Reynolds, Acting Executive Director, Rottnest Island Authority
Fiona Roche, Executive Director, Department of Jobs, Tourism, Science and Innovation
Dr David Russell-Weisz, Director General, Department of Health
Emeritus Professor Margaret Seares AO, Chair, Salaries and Allowances Tribunal
David Smith, Director General, Department of Mines, Industry Regulations and Safety
Lindsay Warner, Acting Commissioner, Public Sector Commission WA
Mal Wauchope AO, Commissioner (retired), Public Sector Commission WA
Rod Whithear, Chief Executive, Insurance Commission of Western Australia

Non-government entities
Meredith Hammat, Secretary, Unions WA
Dan Hill, Secretary, Health Services Union
Gavin Lewis, Chief Executive, Institute of Public Administration Australia WA
Carolyn Smith, Secretary, United Voice
Toni Walkington, Branch Secretary Community & Public Sector Union / Civil Service Association of WA

Inter jurisdictional
Graeme Head, NDIS Quality and Safeguards Commissioner, Department of Social Services (former NSW Public Service Commissioner)
Peter Hughes CNZM, Commissioner, State Services Commission NZ
Hon John Lloyd PSM, Australian Public Service Commissioner, Australian Public Service Commission ACT
Terry Moran AC, Chair, Centre for Policy Development (former Secretary, Department of the Prime Minister and Cabinet)
Dr Martin Parkinson AC PSM, Secretary, Department of the Prime Minister and Cabinet

Liz Quinn, Group Manager, Centre for Leadership and Learning, Australian Public Service Commission

Erma Ranieri, Commissioner for Public Sector Employment, Office of the Public Sector SA

Robert Setter, Commission Chief Executive, Public Service Commission QLD

Professor Peter Shergold AC, Chair, Public Service Commission Advisory Board NSW

**Western Australian Government-initiated reviews**

Robyn Kruk AO, Independent Chair, Sustainable Health Review

John Langoulant AO, Special Inquirer, Special Inquiry into Government Programs and Projects

Stephen Price MLA, Ministerial Review of the State industrial relations system

Iain Rennie CNZM, Chair, Service Priority Review

Mark Ritter SC, Ministerial Review of the State industrial relations system


**Submissions**

Listed in order of receipt

Anonymous

Anonymous

Public Sector Commission WA

Community & Public Sector Union/Civil Service Association of WA

Government Employees Superannuation Board

Member of the public
Terms of Reference

Background

The final report of the independent Service Priority Review (SPR) recommended a long-term reform blueprint for the State Government.

The SPR made it clear that none of the reforms will be achieved without strong contemporary central agencies supporting the public sector. This was underscored separately by the findings of the Special Inquiry into Government Programs and Projects.

The Public Sector Commission (PSC) is the peak agency overseeing the effectiveness of the public sector. It is central to maintaining high standards of performance, integrity and accountability across the sector, and is also responsible for promoting workforce diversity, innovation and quality services.

The SPR identified a need for the PSC to increase its level of engagement with the public sector and to provide greater expertise and leadership in workforce related matters.13

The Government has appointed an independent expert, Ms Carmel McGregor PSM, to review the PSC’s capability, functions, structure and performance and to recommend any changes necessary to ensure the PSC has the ability to meet the Government’s reform objectives and future challenges.

Ms McGregor will recommend any changes, where necessary, to legislation governing the work of the PSC, especially the Public Sector Management Act 1994 (PSM Act), but also relevant parts of the Corruption, Crime and Misconduct Act 2003, the Public Interest Disclosure Act 2003 and the Equal Opportunity Act 1984 (EO Act).

Terms of reference

The independent expert will review and make recommendations with specific reference to:

- structure and operation to ensure the high performance of the PSC
- the PSC’s capacity and capability on workforce-related matters
- the functions of the PSC and the extent to which these enable it to take a leadership role ensuring a contemporary public sector focused on delivering community needs
- the PSC’s collaboration with public sector agencies and cross-sector leadership to build workforce capability
- how the Public Sector Labour Relations oversight role is best performed under the PSC (consistent with SPR Recommendation 12.iii) so that it remains responsive to the Government’s priorities

• the governance and accountability arrangements of the PSC under the PSM Act 1994 and the extent to which the arrangements support a high-performing public sector
• any changes that may be required to the PSM Act 1994 to support longer-term public sector reform
• the functions of the Director of Equal Opportunity in Public Employment and any changes that may be needed to the relevant Part IX of the EO Act 1984 to support the workplace diversity role of the PSC
• any changes that may be required to those parts of the CCM Act 2003 and the PID Act which relate to the role and function of the PSC and the Public Sector Commissioner.

These are to be considered in the context of relevant previous reviews of the PSC and the operating model of equivalent organisations in other jurisdictions, both nationally and internationally.
Consultation findings

In considering the Public Sector Commission (PSC) and how it acquits its role within the broader public sector, the Independent Review of the Public Sector Commission (Review) contends that considerable improvement in practice and approach is needed. The opportunities and appetite for reform across the Western Australian public sector will be helpful ingredients to shape how the PSC rebuilds and reconnects.

The Service Priority Review (SPR) identified that a commitment to comprehensive and sustained reform was needed.\(^\text{14}\)

The Review, through comprehensive consultation, focused on the structure, role and enabling environment of the PSC and the Public Sector Commissioner (Commissioner) to fulfil its role of promoting the overall efficiency and effectiveness of the public sector and to plan for the sector’s future management and operation.\(^\text{15}\)

The PSC currently has disparate statutory functions and, in fulfilling these roles, it has become uncertain and unclear regarding key areas of focus. In attempting to be responsive to possible future changes posed by the Government, it has been without a permanent structure for a substantial period of time and has had a budget approach that has seen funded full-time equivalent employee positions unfilled. This is not an optimal or sustainable approach for the PSC or the public sector or, indeed, an effective response to significant change initiatives. This lack of coherent structure has been adversely complemented by a lack of strategic planning and governance measures that should be formalised in business, project and corporate planning arrangements.

Current state of supporting the future direction for the sector

In comparison to other jurisdictions, the WA public sector has not kept pace with the reforms pursued elsewhere to sustain and grow a future-focused workforce. The PSC has a significant role to play as the central agency charged with a lead role and this was emphasised by the Service Priority Review in recommending the PSC as the lead agency for many key initiatives.

Where other jurisdictions have embraced shared, collaborative leadership models to steer their sectors, the PSC has acquitted its role in a directive, aloof manner. Some of this has been explained as the need to maintain its independence. However, this approach has resulted in a less engaged PSC and has created a vacuum in areas it should have led.

In other jurisdictions, external experts have been co-opted or appointed through a variety of mechanisms to challenge the status quo and bring fresh thinking to public sector practices. It would be of benefit to Western Australia to adopt similar

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\(^{15}\) As these are the functions of the Public Sector Commissioner under s21A of the PSM Act.
approaches so that finding and adopting emergent practice becomes a routine facet of operation. The tyranny of distance is real – hardwiring external input into the way the PSC conducts its business could result in early analysis and adoption of contemporary practice.

Stakeholders’ view of the current state of the PSC

Public Sector Commission

In consulting widely with staff through an initial anonymous survey\textsuperscript{16} and focus groups with staff\textsuperscript{17} the following were consistent themes for the Review:

- That there is a lack of clarity about what the PSC does and that the PSC is perceived to be risk averse and bureaucratic.
- Staff are unclear of PSC planning arrangements and how these drive individual expectations.
- The organisation has been without a unifying structure for some time and, through constant change, has lurched from priority to priority. This has led to lack of certainty and high levels of leaders in long-term acting positions.
- Corporate executive and governance arrangements have not operated in the way that they should, including at sub-committee level.
- There is poor communication, with no strong engagement internally and externally.
- The PSC is hierarchical, with all decision making vested at the top.
- Staff are confused and cynical and are eager for clear direction.
- Staff want to be part of the broader reforms of the WA public sector.

Chief Executives

These observations from staff have been consistent with the Review’s consultation with stakeholders. In meeting individually with chief executives and in workshops with collective groups of CEOs, the following views were captured:

- That the PSC invokes its independence at the expense of leading, assisting and supporting the sector and that its independence is very much related to compliance and intervention.
- That there is no consistent support for the development of CEOs and that the performance framework does not provide meaningful opportunity for discussion with the Commissioner, as the employer, about improvement and development.
- That policy frameworks are restrictive, including employment policies, and the role of PSC in these areas hinders CEOs authority to manage their workforce.
- That CEOs and agencies will attempt to find a ‘work around’ for PSC policies and processes in an attempt to achieve an outcome. This is either

\textsuperscript{16} Survey was issued to PSC employees on 17 April 2018 and closed on 1 May 2018. An overview is provided in Attachment A

\textsuperscript{17} Focus groups were delivered by an independent facilitator. An overview is provided in Attachment B
with a view to timeliness or to achieving what they perceive to be the most appropriate outcome, not process.

- There are good staff working in the PSC and they can be very helpful with advice; however as soon as an initiative is formalised, a convoluted process appears to commence and the written advice is not as helpful or tailored to needs.
- There is a perception of secrecy and a view that PSC should do more to assist and work with agencies.

Chief Human Resource Officers

Given the significant remit the PSC has pertaining to human resource and workforce capability and the sentiments shared through the SPR, a workshop was held with Chief Human Resource Officers (CHROs) representing a cross-section of the public sector. The information from this important stakeholder group was consistent with all stakeholders and included the following:

- The PSC has at times worked well with the sector in garnering intelligence to inform policy directions, but there is often a lack of follow-through.
- Numerous potentially worthwhile initiatives such as the Centre for Public Sector Excellence, Workforce Plan and HR Capability projects were disbanded without any clear rationale or explanation.
- The PSC needs to provide strategic human resource advice but is not currently doing this.
- The PSC is trying to do too much.
- The PSC does not engage well with CHROs or with the sector.
- The PSC did change some of the frameworks to enable more flexibility in HR practices but agencies have not embraced these. There is some correct criticism of agencies instituting or keeping rules that don’t have a basis and this reflects the more risk-averse nature of HR in the sector.
- The minor misconduct function, as it is undertaken by the PSC, does not add value; there is a cumbersome process in which the PSC is notified twice – initial assessment notification and routine reporting.
PSC current state of functions

The PSC has functions specifically defined in the following legislation:

- *Public Sector Management Act 1994*
- *Corruption, Crime and Misconduct Act 2003*
- *Public Interest Disclosure Act 2003*
- *Integrity (Lobbyists) Act 2016*

The PSC also supports the functions of the Director of Equal Opportunity in Public Employment (DEOPE) defined in the *Equal Employment Opportunity Act 1984*.

It is considered that the PSC, consistent with the feedback above, is always willing to assist the sector and the Government, possibly to the detriment of its core activities. This includes an approach in which the PSC will undertake reviews or investigations on behalf of agencies rather than provide support to the employing authority to resolve the issues.

Throughout the Review, feedback from CEOs indicated some frustration at their lack of autonomy around workforce matters for which they have accountability. This response was particularly focused on executive positions where the PSC was the determining authority in relation to the classification and advertising of all Senior Executive Service positions.

Since 2015, the *Corruption, Crime and Misconduct Act 2003* has conferred on the PSC responsibility for functions with respect to misconduct by public officers. These relate to assessment of allegations of minor misconduct and misconduct education and prevention.

The operating model for the PSC in fulfilling these functions has increasingly had an over-reaching, interventionist approach with less focus on building agency capability. The Review believes the compliance and oversight mandate has influenced the means by which the PSC fulfils all of its functions.

Matters relating to the way in which the PSC fulfils its role in relation to minor misconduct and other roles are explored further in the *Role and identity* section.

PSC current state of interaction with the sector

The PSC has numerous roles that result in its interacting with the sector and the Government in different ways.

The Review heard from many stakeholders who believed that the PSC took an approach of developing policies or initiatives unilaterally and then provided them to the sector as *faits accomplis*. Stakeholders would prefer early and genuine engagement from a PSC seeking their views in an environment of trust to better inform an effective policy. Some of the examples provided relate to the development of policies around government initiatives and the Review recognises that, at times these have their own parameters. However, finding an opportunity to bring a few CEOs together in confidence to discuss the challenge and the end
game will not only result in a policy or instrument that can be more effective, it will also have sector buy-in from the outset.

The Review received examples of the PSC’s interacting well and supporting the sector through initiatives, but unfortunately these were examples of initiatives that commenced and then petered out without follow-through or completion.

An example of the above is the work of the PSC in relation to the CHROs. As part of inter-jurisdictional work, the PSC in 2016 established a CHRO network, asking CEOs to nominate the most senior person responsible for workforce management and planning in their organisation. A key initiative of the PSC was a Conversation Series for CHROs held three to four times throughout the year. The initiative commenced in March 2016 and subsequent events were held in June and November, all coinciding with strategy releases from the DEOPE. No sessions were held in 2017. So far in 2018, no decision has been made on the resumption of the sessions.

In addition, the PSC established two communities of practice in 2016 for CHROs, one related to Workforce Planning and Management and one for Unconscious Bias Awareness Raising. The PSC reports that these communities of practice are no longer active due to Machinery of Government and reform initiatives.

The Review believes that the CHROs are a key group within the WA public sector. This view is further emphasised by the SPR’s observations that strengthening the strategic HR capability across the sector is key to the reform of the sector. At a time of significant change and challenge for the sector and the CHRO cohort, 2017 would have been the opportune time for the PSC to bring such a network together to lead and partner with it to build a whole-of-sector approach to critical areas of workforce planning and other communities of practice.

In the absence of the PSC’s undertaking this role, some CHROs have developed their own peer groups to discuss their challenges, particularly those brought about in the MOG reform of 2017.

The Review believes that organic, sector-led groups constitute an important function that should flourish and be fostered, but also believes the PSC should have played more of a leadership role in the past and that it needs to do so in the future.

Sustained communication and meaningful engagement will be critical to the PSC’s future direction and achieving this will take time. This is discussed further in Internal and Organisational Reform.
PSC current state of structure and staffing

The PSC is an agency that, while having disparate roles, has distinct functions; it is not a large agency. It was difficult for the Review to ascertain with a high degree of certainty where all resources were deployed and how the reporting lines operated.

What became clear was that:

- The establishment was significantly different to the actual arrangements and had been for a very long period of time.
- A significant number of staff were undertaking roles on an acting basis for sustained periods of time.
- There has been no stability in the second and third tiers.
- From the information available, there were areas that appeared well resourced to the detriment of other areas; those that were poorly resourced tended to be in the areas where reform efforts need to be supported.

From the information the Review did receive, it was observed that whole of Commission service areas (Communications and ICT Governance; Finance; Human Resources and Office of the Commissioner) make up approximately 28% of the PSC FTE. If this included Management Consultants, who are CEOs or Senior Executive Service officers, that through displacement have become employees of the PSC, this is 30%. The Review understands that in addition to these FTE, there are service level arrangements in place with the Department of the Premier and Cabinet for a number of services related to these areas where there is a further budget implication for the PSC. From the information available, the Review believes that this is disproportionate and from the feedback in consultation, has been to the detriment of having sufficient resources for key functional areas of the PSC.

The Review, through staff consultation, was advised that many matters relating to staffing and structure had been in a state of flux for many years. Staff noted that the last time there was a stable, logical structure was in 2013 when functions were organised within three divisions.

The Review was advised that the PSC in recent years has been contracting in size. At its largest, in 2011-12, the PSC’s establishment was 151 while the actual FTE was 145. In 2016-17 the FTE establishment was 145 while the actual FTE was 106. In this year, at a time of very significant impost on the PSC and when legislative functions had increased, the PSC operated at 27% below its establishment level. The PSC has advised that for 2017-18 the estimated FTE figures have increased to 125 and the budget for 2018-19 has increased to 131.18

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18 Public Sector Commission. 18 May 2018. Submission to Public Sector Commission Review.
These decisions exacerbated an already pressured environment and contributed to the PSC’s inability to respond to the needs of stakeholders. It also explains the level of staff dissatisfaction revealed to the Review and the perception of stakeholders that the PSC was trying to do too much and was not acquitting its workload well. Better decisions regarding management of staffing resources could have been made.

The continued acting arrangements for sustained periods of time are destabilising for all involved and should have been resolved.

Since October 2017, 29 of the 114 staff have been on higher duties allowances for at least six months and, of those, 22 staff have been on HDAs for more than nine months with a number receiving HDAs for periods exceeding 18 months.

The Review does not accept that the PSC could not have remedied this situation and it has impacted on staff morale and capability.

After consulting and surveying staff, the Review can understand why structure and staffing are the most significant matters affecting them.

“Given the Commission has been in one ‘interim’ structure after another, staff are simply disengaged as to what is expected of them, what the agency is trying to achieve, where the agency is going and if the agency holds a future for them.”

– Anonymous staff survey response

The Review was heartened by the genuine enthusiasm and commitment from staff to operate in a more engaged and positive way with the rest of the sector and to play a considerable role in the wider public sector reforms. Many suggestions and ideas that were raised with the Review by staff are explored in Internal and Organisational Reform.

PSC current state of resources (budget)

The PSC is an agency in which the majority of its budget is FTE.

The Review observed the following:

- The PSC was fiscally conservative in fulfilling its staffing levels.
- Budget decisions were vested at the top with very little discretion or delegation to other senior officers.

The most significant matter that the Review grappled with in relation to the budget, which has no doubt had an impact on the PSC’s ability to perform, was the fact that it had been operating at well below budget in order to quarantine money for the payment of non-PSC public officers.
This relates specifically to senior executive officers or, most often, CEOs performing other functions. The decision relating to each of these depends on individual circumstances. The most significant cost period related to the MOG changes, when nearly $3m ($2.995m) of the PSC’s total cost of services ($26.915m) was for the payment of displaced CEOs. In previous years, when the impact has not been as stark but was still significant, it has been over $1m.

The Review is aware that there was only one year in which the PSC sought supplementary funding for this additional cost because it had fulfilled its budget that particular year. In subsequent years it appears that there was a decision to underspend the agency budget to allow for these costs.

From the perspective of the Review, the PSC essentially has little control over the displacement of CEOs, especially as a result of MOG changes. Therefore, the PSC should not be required to quarantine money for this purpose. This practice has had an impact on the functioning and staffing of the PSC.

The Review will discuss the matter of CEOs on other functions and the PSC budget later in the report.

**Behaviour and culture**

Given the observations made above about the structure, staffing and resourcing of the PSC, it is unsurprising that the morale of the PSC staff is low. The Review observed a culture that has become quite insular, reactive and risk averse. There were points of contradiction where stakeholders noted quite an interventionist, interfering approach by the PSC to what departments and agencies deemed were their core accountabilities, yet when needed it was an unhelpful, invisible presence.

Through its anonymous survey and focus groups with staff, as well as with staff outside the PSC, the Review became aware of examples of poor behaviour and perceptions of unfair decisions relating to staff selections and development opportunities. Staff also spoke of an environment of complicity because of the potential for detrimental results.

The Review is concerned that PSC has not been alert to these staff concerns or made necessary improvements to build a positive culture. A new Commissioner will need to give early priority to work with staff to build a positive and supportive culture.

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19 Response from PSC to request for information on 17 May 2018.
20 Ibid.
PSC current state of distribution of effort

In understanding the functions, structure and role of the PSC, the Review attempted to comprehend the relative resource distribution. Stakeholders and staff both commented that some functions were resourced generously, to the detriment of others.

The Review believes that the PSC has been disproportionately focused on fulfilling oversight and compliance functions. This is accepted as important, as most often these are statutory roles. The Review, however believes that the distribution of effort (staffing) and the fulfilment of these functions have been undertaken in ways that are potentially onerous, over-engineered and duplicate effort that should be acquitted at the agency level. The detrimental impact is that the effort focused in these areas is at the expense of supporting, enhancing, educating and enabling agencies.

This is also compounded by the lack of delegation of decision making, with nearly all matters being referred to the Commissioner for a decision.

In appreciating the way PSC operated, coupled with comments relating to PSC, the Review notes that for a small organisation resourcing ad hoc bodies of work can have an impact on resourcing functions. The Review recognises that this work needs support and that central agencies are often the ones that are relied upon for this. The Review believes PSC can advise on these but does not have to insert itself as the lead. When it is deemed appropriate, joint funding and staffing from central and other agencies needs to be negotiated to mitigate the impact on PSCs functions.
Role and identity of the Public Sector Commissioner and the Public Sector Commission

The Public Sector Commission (PSC) plays an important central role within and on behalf of Western Australia. The way in which it undertakes its functions is fundamental to how it relates to its stakeholders.

As a senior executive from another jurisdiction articulated: “someone needs to wake up every morning worrying about the public sector”; and it isn’t only worrying – it is about being excited, passionate and thriving on the success of the sector’s achievements.

The general functions of the Public Sector Commissioner (Commissioner) are described in s.21A of the Public Sector Management Act 1994 (PSM Act):

- to promote the overall efficiency and effectiveness of the public sector, having regard to the principles set out in s.7
- to advise Ministers, chief executives and chief employees of changes, improvements and management practices which, in the opinion of the Commissioner, should be implemented in order to improve the efficiency and effectiveness of the whole or any part of the public sector
- to plan for the future management and operation of the public sector
- to perform other functions that are conferred on the Commissioner under this Act or any other Act.

The PSM Act also prescribes specific functions of the Commissioner, including responsibility and authority in relation to particular roles, together with special inquiries, investigations and the appointment of chief executives.

The PSC has a clear legislative remit that in itself establishes it as a steward of the public sector. This is primarily related to the PSM Act. As outlined in the Background section, there has been a period of ‘adding on’ functions to the PSC. These include the addition of the minor misconduct function pursuant to the Corruption Crime and Misconduct Act 2003; the housing of the Director of Equal Opportunity in Public Employment (DEOPE) role and function; responsibility for the Public Interest Disclosure Act 2003; and the Integrity (Lobbyists) Act 2016.

The rationale for the PSC’s taking on some of these functions is related to the absence of an agency with a clear mandate of responsibility, or where there was a perceived inadequacy in the agency with the responsibility. The add-on and subsequent impost of these functions, particularly in relation to the minor misconduct function, has, in the view of the Independent Review of the Public Sector Commission (Review), led to focus less aligned with support and development of the sector but rather with compliance and intervention.
The relationships with agencies and chief executives are based on how the PSC conducts itself. The following chapter explores specific areas and functions that have formed the basis of a role and identity that is authoritative and usurping decision-authority of CEOs rather than enabling, supporting and delegating. The Commissioner needs to play an active role as System Leader, both individually and collectively, with the Leadership Council and the broader public sector leadership cohort. Managing the way the PSC works and more clearly defining its role will be paramount.

**Acting independently does not mean acting alone**

The PSC has specific functions which require it to be undertaken independently, while fulfilling other functions effectively requires working with and within the sector.

From the consultation, the Review understands that, historically, the PSC has interpreted the legislation strictly and conservatively. The statutory obligation to act independently has been deemed by the PSC to be an impediment to participating more actively in public sector workforce matters.21

Overwhelmingly, stakeholders, including public sector CEOs, want the PSC to be leading and working with the sector on the future workforce and do not accept that the legislation’s intent is to be so constraining. They question how the Commissioner can acquit the broader role prescribed in the PSM Act to ‘plan for the future management and operation of the public sector’ if it chooses to operate so independently.

This was considered and observed in the SPR’s report22 and the panel came to the conclusion that the tensions outlined by the PSC are able to be managed and, indeed, need to be so managed.

Equally, PSC equivalents in other jurisdictions manage dual roles of ‘integrity and independence’ and ‘stewardship of the public sector’ which can at times be potentially competing. As observed by a head of the Premier’s Department in another jurisdiction: “Independence is a necessary condition, but in fact the relationship is more like inter-dependence”. Another former Commissioner observed the “relationship between PSC, DPC and other agencies is one of partnership and collaboration”. This was echoed in the sentiments shared by CEOs in the workshops the Review held with them.

This important inter-dependence comes from the Director General, DPC being the CEO of the Premier’s portfolio agency and a public officer. The Public Sector Commissioner has the responsibility supporting its functions as they relate to the public sector but is not a public officer so only together and working closely is the stewardship of the sector fulfilled.

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21 Information provided in response from PSC to request for information 5 June 2018. PSC Correspondence to the Service Priority Review. 20 October 2017, p.15.
The duality of roles should not impede the PSC’s taking an active role in the broader WA public sector reform. This Review recommends that the PSC reviews the way in which it interprets its role and ensures that it puts in place resourcing effort and emphasis so that the full gamut of functions as prescribed in the PSM Act are acquitted.

This will require an active communication strategy, both internally within the PSC and more broadly across the sector, because the interpretation and actions to date are quite entrenched in both approach and practice.

**Strategic and external input**

The PSC needs to embrace ideas and opportunities which may emerge elsewhere. Noting the complexity of geographic isolation, the WA public sector has become insular in some respects and this was also noted regarding the PSC. Trends in modernised workforce practice and cultural reform have not been adopted and this has stymied performance. This is seen as very important by the Review and builds on the SPR’s vision of a broader, community-focused approach from the sector that supports co-design.

The Review believes that in order to lead the 110,000-strong public sector workforce as effectively as possible, the PSC would benefit from the creation of a specialist body to provide assistance with PSC’s strategic, longer-term vision and planning.

While consulting with other jurisdictions, the Review recognised the benefits of setting up an Advisory Board to the PSC. The jurisdictions of Victoria and New South Wales both illustrated an effective model that assisted their PSC-equivalents in very specific aspects which still allowed the respective Commissioners to perform their functions. Whilst the Review understands that PSC has had consultative bodies in the past, the benefit of this model is that it brings in people external to the system to provide perspective and diversity. It is also an important vehicle to develop long term vision for the agency and the sector.
The Victorian Public Sector Commission Advisory Board is established under the Public Administration Act to provide advice in relation to the preparation of the VPSC’s annual and strategic plans and matters relevant to its objects and functions.

The Advisory Board assists the VPSC to develop its strategic direction in light of the Government’s public sector governance and reform objectives, which seek to maintain and build on Victoria’s strong public sector governance practices and institutions, and strengthen the sector’s capacity to engage with the wider public purpose sector.

The membership of the VPSC Board currently includes representations from the tertiary, private and commercial sectors as well as senior central public sector agencies.23

Accountability and oversight for the PSC

Unlike other statutory officeholders such as the Corruption and Crime Commissioner, who report to the Joint Standing Committee on the Corruption and Crime Commission, neither the Commissioner nor the PSC is required to report on their own performance to any oversight body or position. In addition, unlike the situation of other public sector CEOs, it is not bound by the CEO performance framework pursuant to the PSM Act.

The accountability of the PSC and the Commissioner was considered as part of the Public Accounts Committee’s Inquiry into the Amendments to the Public Sector Management Act 199424 and many stakeholders raised the question: ‘who oversees the PSC and the Commissioner?’.

WA public sector stakeholders observed that some oversight is provided through the Parliamentary budget process. The Commissioner is not required to enter into a performance agreement with the Premier as the Minister for Public Sector Management. However, it is noted that the Commissioner has since 2012 provided a ‘Statement of Intent’ to the Premier to ensure the PSC’s priorities are complementary to the Government’s agenda.

This was formalised following recommendations from the Public Accounts Committee’s 2014 final report. However, it does not include the assessment against the Statement or an exploration of other aspects.

Not only does the limitation of any process of providing oversight constrain practice improvement, it also limits opportunities to provide input or perspective into the role, which could be of benefit.


The Review believes that a more robust system of accountability of the PSC’s performance is required. In concert with observations relating to the benefits of an Advisory Board, there is the opportunity for the relationship of these two to be considered for formal inclusion in the PSM Act; such inclusion would not hamper the PSC’s ability to undertake specific independent functions appropriately.

Workforce matters: CEO employment and development

In understanding the role and functions of the Commissioner pursuant to the PSM Act and in practice, the Review was cognisant of the SPR’s exploration of CEO support, development and relationship with the PSC and the Commissioner.

Pursuant to the PSM Act, the Commissioner:

- is the employing authority for CEOs
- establishes the framework for CEO performance agreements
  - the agreement is between the CEO, the responsible authority(ies) and the Commissioner
  - the assessment of the performance is the responsibility of the responsible authority(ies).

For the purposes of the PSM Act, responsible authorities are the relevant portfolio Minister(s) and, if applicable, the Board(s). For most CEOs there is one responsible authority; for others there is a Minster and a Board; for recently established larger departments there are multiple Ministers and, for a few, multiple statutory Boards.

CEOs advised the Review that the arrangement of their employment, performance and, potentially, the cessation of their employment was ambiguous and that they didn’t feel the PSC acquitted its role effectively.

> While the PSC is the actual employing authority, many chief executives have indicated that they have limited interaction with that role compared with the Minister to whom they are accountable for agency and professional performance.\(^{25}\)

Employment of CEOs

The PSC is responsible for the recruitment of chief executives pursuant to s.45 of the PSM Act with s.45(1) – (7) prescribing the recruitment stage of the process. Practically, this includes the Commissioner understanding any matters that responsible authorities wish to be taken into account, arranging for a suitable panel, making the recruitment process publicly known, being clear of the requirements of the office, and examining the applicants. It is reasonable that decisions relating to this are well considered and merit based.

Following this stage, the Commissioner, then pursuant to s.45(8), decides on a person suitable for appointment. Prior to making a decision, pursuant to s.45(7), the Commissioner may seek advice from such sources or persons as the Commissioner thinks fit to assist him or her decide. By convention, these are the responsible authorities, in particular the support of the Minister responsible. Prior to recommending the prospective appointee to the Governor, the Commissioner, through the Minister for Public Sector Management, seeks Cabinet support.

While it is understood that the 2010 legislative amendments were intended to provide for a clearer separation, it appears to the Review that the role of the Commissioner regarding decisions on employment matters is episodic and bound by convention rather than by legislation. It is the reality that the Minister needs to support and work with CEOs and therefore should have explicit input to CEO appointments.

In considering the practicality of the current arrangements and in looking at the information from other jurisdictions relating to employment relationships, the Review is of the view that the PSC is well placed to support recruitment processes as already outlined in the PSM Act, but that the decision from that process on a person suitable for appointment is made by the Minister for Public Sector Management who makes the recommendation to the Governor and is the employing authority.

This arrangement is consistent with the arrangements for the recruitment and appointment of CEOs when there was an Office for Public Sector Standards from 1994-2010, prior to the recent reforms.

This would also mean that the responsibility for reappointment processes and cessation would lie with the Minister for Public Sector Management. This would provide further clarity for CEOs: in examples provided to the Review, when occasions have arisen that a CEO is no longer supported in a role, it is the Minister as the responsible authority who has formed this view and who has, in turn, informed the Commissioner as the employing authority.

The Review believes that by clarifying more clearly the role of the responsible authorities and the Minister for Public Sector Management in the final decision of appointment, there can be a more straightforward role for the PSC in supporting the performance agreement process and development of CEOs.

**Performance framework**

In regard to performance, pursuant to s.47(4) it is the responsible authority who assesses the extent to which the CEO meets the criteria set out in their agreement. The Commissioner currently has no legislative or active role through the performance assessment or development discussions with CEOs.
The SPR noted the lack of support for the current process and the fact that, from the perspective of CEOs, the mechanism has not provided beneficial discussions or support in relation to their professional development or performance. There was also confusion again about the differentiation of the role of the employing authority versus responsible authorities.

In regard to the performance framework for CEOs, the Review understands that following the SPR the PSC, through the Public Sector Reform program, is responsible for leading the work related to ‘improving CEO performance management to support a focus on system stewardship and whole-of-government objectives by clarifying responsibilities and introducing a mechanism for performance-based remuneration’.\textsuperscript{26} Given this mandate and consideration of the potential legislative changes required, the Review believes that initiatives included in \textit{Leading for the WA public sector} for the Commissioner to have a more direct supporting relationship and active role in the performance framework with the CEOs would be welcomed.

\textbf{Agency versus PSC responsibility}

There is a further issue which must be addressed in repositioning the PSC in a more active role. The Review was apprised of numerous examples of ‘overreach’ by the PSC into the legitimate remit of Directors General and agency heads. In addition to overreach, the Review also considered functions of the PSC where, because of the prescription of the instrument, the approval was with the PSC although it sat more appropriately with the employing authority. This includes executive structures and senior executive positions as well as processes relating to notifications of minor misconduct. Consistent with a differently conceived modus operandi of collaboration and partnering, the PSC needs to work with CEOs on where the points of devolution of authority and reduction of centrally-imposed rules need to be clarified and actioned. This will not remove the need for a level of oversight and accountability that the PSC will need to consider.

The Review is also of the view that this is an opportune time to progress work with CEOs. It was observed that with the Machinery of Government changes, there are fewer agencies and also, larger agencies that when fully fledged, should have increased capability. Therefore, there is greater opportunity for devolution and redesign in a more meaningful and collaborative way.

\textbf{Workforce matters: PSC’s role in agency senior executive}

The PSM Act establishes departments pursuant to s.35.

s.36 of the PSM Act prescribes that the employing authority may determine organisational structures and arrangements and create, transfer or abolish offices.

The functions of the CEO as the employing authority are prescribed in s.29 of the PSM Act to manage that department or organisation. These include ensuring the appropriate deployment and redeployment of resources, and ensuring the proper organisation of that department, including the devising of organisational structures.

All of these are subject to relevant supporting instruments.

Through Approved Procedure 2 – Senior Executive Service (AP2), agencies are required to involve the PSC in relation to certain actions relating to positions and officers within the Senior Executive Service (SES). The PSC uses the information obtained through these requirements under AP2 to maintain a database of all SES positions and officers. This database provides useful information to the PSC as to the current and previous state of the SES.

Under AP2, agencies require PSC approval to:

- create or vary an SES position
- classify or reclassify an SES position
- advertise and fill an SES position
- reappoint an SES officer to an SES position
- transfer an SES officer
- pay a temporary special allowance to and SES officer.

From the information provided by the Commission to May 2017-18, of the 35 presented, all were approved by the PSC at the classification of the agency except one which the PSC approved at a higher classification. In 2016-17, of the 71 proposed and approved, the PSC approved a different classification for 12 (the PSC approved a higher classification for one of these).

AP2 also requires that agencies advise the PSC of all SES acting arrangements and of SES terminations, exclusions and non-reappointments. Agencies are also required to forward a copy of SES employment contracts to the PSC under AP2 once recruitment processes are completed and appointments made.

In accordance with Approved Procedure 7 Attraction and Retention Incentives, agencies must also request approval from the PSC for the payment of attraction and retention incentives to SES officers. Similarly, under Approved Procedure 6 Specialist Positions – Determining Remuneration, agencies seeking to remunerate non-SES officers in specialist roles above the scope of the relevant award or agreement must seek the approval of the PSC.

s.38 of the PSM Act gives the Commissioner the responsibility for determining or varying positions which are included within the ‘Special Division’ of the public sector. These positions are then remunerated based upon determinations by the Salaries and Allowances Tribunal.

s.59 of the PSM Act gives the Commissioner the responsibility for determining appropriate compensation for members of the SES whose employment is ended prior to the expiry of their contract of employment.
Prior to May 2018, the PSC did not have any formal delegations in place in relation to the above matters. This means that every request received by the PSC in relation to the above matters was reviewed and signed by the Commissioner. In May 2018, the PSC introduced formal delegations allowing a number of these requests to be approved by the Deputy Commissioner.

**Future directions**

Consistent with earlier observations, the PSC needs to clarify its role in decision making and delegate authority to CEOs who need to have the authority and flexibility to adapt their own structures and workforces to their own pressures.

The PSC should set the frameworks and assist agencies, but CEOs should not be bound by the PSC on issues such as structure – CEOs know more about the context and practicalities of these decisions.

*Give us the freedom but hold us accountable*

-CEO Workshop

The PSC should play a supporting role for agencies and CEOs to manage their workforces and, if necessary, provide a mechanism to be aware of the structures and officers in the sector and also provide guidance on what could be better models.

There is no education or skill development of the sector by the PSC in this area of strategic human resources, with the exception of advice from the Executive Services team. Their efforts would be better placed in developing a clearer framework of classification and remuneration and building the knowledge and capability within the agency against an agreed set of work level standards. This is consistent with what occurs in the Australian Public Service and demystifies much of the process, including where there is a distinction between SES, non-SES and Salary and Allowances Tribunal ‘Special Division’ offices.

This is consistent with the Special Inquiry into Government Programs and Projects and the following suggestion relating to clarity of the role of the CEO and the support:

*The Public Sector Commission should be required to develop a capability statement to sit beneath the Public Sector Management Act 1994 to elaborate on the requirements of Part 3B s.29 (1)(a) of the Act in which chief executives and chief employees are charged with provision of leadership, strategic direction and a focus on results for that department or organisation, so that the expectations on chief executives and chief employees across government are clearly understood.*

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The PSC’s submission to this Review indicated an appetite for the ‘devolution of decision-making responsibilities to agencies’. Through the recent introduction of internal delegations, the PSC has signalled an intention to reduce inefficiencies in its internal processes. It appears that the PSC has identified the need to ‘empower agencies, reduce red tape and free up Commission resources’ in relation to the management of the SES. While the PSC still has responsibilities for the SES under the PSM Act, the PSC needs to redefine its role in this space and take positive steps to encourage an efficient, mobile and high-performing SES.

As part of looking at appropriate and supported devolution to CEOs, the PSC should reconsider the scope of AP2 and remove unnecessary approvals and notification processes, enabling CEOs to make decisions about their SES employees.

s.42 of the PSM Act states that the purpose of the SES is to create a group of high-level officers who can easily be deployed between agencies and promote the efficiency of agencies. The manner in which the PSC currently manages the SES is heavily compliance focused. While the SES may have been created under the PSM Act to encourage mobility and efficiency, the PSC’s focus in relation to SES management creates barriers to mobility and efficiency. The SPR was critical of the way the SES operated, and the role of the PSC in supporting the senior executive of the sector is discussed further in Leading for the WA public sector.

Workforce matters – Addressing minor misconduct in the public sector

PSC’s functions under the CCM Act

On 1 July 2015 amendments to the Corruption, Crime and Misconduct Act 2003 (CCM Act) came into effect, changing the responsibility for the oversight of misconduct in the WA public sector. Prior to the changes, the Corruption and Crime Commission was solely responsible for the oversight of misconduct matters in the WA public sector. The amendments to the CCM Act transferred the responsibility for the oversight of minor misconduct of public officers and for misconduct prevention and education programs from the CCC to the PSC. The Review understands that the primary intention of the transfer of the minor misconduct function was so that the CCC could more effectively fulfil the serious misconduct function, not because of a preferred alignment of minor misconduct with the PSC’s role or activities. This is particularly relevant in considering the impact that the addition of this function has had on the PSC as is discussed further.

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29 Ibid.
The CCM Act creates a system in which the oversight of allegations of misconduct is split into ‘serious misconduct’, dealt with by the CCC, and ‘minor misconduct’ dealt with by the PSC. Certain officers within the public sector are obliged to notify the CCC or PSC of any matters which they reasonably suspect relates to serious or minor misconduct, respectively. Similarly, any person may report a suspicion of serious misconduct to the CCC or minor misconduct to the PSC.

It is a function of the PSC to ensure that an allegation involving minor misconduct is dealt with in an appropriate way, as it is with the CCC for serious misconduct. The terms ‘serious misconduct’ and ‘minor misconduct’ are defined within the CCM Act. As a part of assessing allegations of misconduct, both the CCC and PSC consider whether the alleged conduct falls within the definition of serious or minor misconduct. Mechanisms exist within the PSC and the CCC for matters to be referred between these authorities where the alleged conduct falls within the jurisdiction of other authority.

The Western Australian misconduct oversight framework is unique in that it is the only jurisdiction in Australia in which two oversight bodies receive allegations of corrupt behaviour/misconduct. In other jurisdictions, misconduct or corrupt conduct is dealt with by specific anti-corruption bodies such as the Independent Commission Against Corruption in New South Wales, the Independent Broad-Based Anti-Corruption Commission in Victoria and the Crime and Corruption Commission in Queensland. The PSC is unique as a State jurisdiction it is the only public sector commission in Australia which also has a role overseeing misconduct.

In comparison to other Australian jurisdictions, WA appears to have one of the lowest thresholds for the level of conduct required to be notified to an oversight body. This is potentially reflected in the fact that in 2016-17 the two WA misconduct oversight bodies dealt with more misconduct matters/allegations than did New South Wales,\textsuperscript{30} Victoria\textsuperscript{31} or South Australia.\textsuperscript{32}

**The minor misconduct function in practice**

The manner in which the PSC carries out its functions under the CCM Act was considered by this Review. s.45J of the CCM Act gives the PSC the authority to issue guidelines about what matters are or are not required to be notified to the PSC. Currently, the PSC has not issued any guidelines under s.45J.

Consultation with human resource practitioners indicated that the current method of notifying minor misconduct is ‘cumbersome’ and ‘doesn’t add value’. There also appears to be support among some Directors General for lower level misconduct matters to be dealt with solely by the relevant employing authority.

The PSC also does not currently have any delegations in place for the assessment of minor misconduct allegations. This means that all formal correspondence related to the 534 minor misconduct matters that the PSC received in 2016-17 was reviewed and signed by the Commissioner. There is a view within the PSC that the minor misconduct function is unnecessarily resource-intensive, and that the resources used for the compliance aspects of the function could be better diverted towards the misconduct prevention and education function.

The purpose of the amendments which transferred the minor misconduct function from the CCC to the PSC was on ‘refocusing the CCC as the State’s pre-eminent corruption-fighting body’.33 Through consultation, the Review found that the addition of this function has impacted PSCs overall approach to its work and in the way it has undertaken the role has potentially been to the detriment of prevention and education activities.

The addition of the minor misconduct functions not only brought into the PSC new functions, but also a new client base. Under the CCM Act the PSC has responsibility not just for overseeing minor misconduct in the WA public sector agencies, but also WA local governments and a number of government trading enterprises. Prior to the introduction of these functions, the PSC’s interaction with local governments was quite limited, relating only to public interest disclosures. With the expansion of the PSC’s jurisdiction into local government for minor misconduct matters, the PSC put significant effort into understanding, working with and building relationships with local governments. While this would be expected, the resource impost of engagement with local governments has been significant, and has potentially impacted on the ability of the PSC to be more active on the misconduct prevention and education.

Review of the minor misconduct function

In 2016 the PSC engaged Mr Iain Rennie CNZM to conduct a review of the PSC’s ‘processes for the prevention and assessment of minor misconduct’.34 In the Review of the Minor Misconduct Function for the Western Australia Public Sector Commission (Rennie Review) Mr Rennie made the following recommendations to the PSC in relation to the minor misconduct function:

- assign clear, organisation-wide leadership for the minor misconduct function
- develop a simple three year ‘roadmap’ for the minor misconduct function
- introduce more explicit governance of the minor misconduct work program
- place education and prevention work at the centre of the PSC’s work program
- enhance the PSC’s capability and capacity

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34 Information provided in response from PSC to request for information 10 April 2018. Ian Rennie CNZM. Review of the Minor Misconduct Function for the Western Australia Public Sector Commission. 11 January 2017, p.2.
• use co-location and structure to bring some of the core minor misconduct functions more closely together.\textsuperscript{35}

The Rennie Review was completed in January 2017. In response to these recommendations the PSC has under-taken some structural realignment to bring functions together under a single division. The Commissioner’s office has led community engagement activities and the Conduct and Compliance Division commenced some preliminary work towards the development of a ‘roadmap’.

The PSC has advised that there has been significant turnover in roles with responsibility for the overall function and that resourcing constraints have prevented an appropriate effort towards education and prevention functions at the centre of the PSC’s work program.\textsuperscript{36} Although these constraints have influenced the PSC’s ability to respond to these recommendations, action taken by the PSC in response to the Rennie Review has been limited. The PSC has been unable to develop a maturity around the minor misconduct function which would create better outcomes for the WA public sector.

\textbf{Opportunities for a new direction}

As the threshold for the level of notifiable misconduct is higher in a number of other Australian jurisdictions, it would not be inconsistent with other jurisdictions if the PSC were to devolve lower level matters to be dealt with entirely by agencies. s.45J of the CCM Act contemplates that the PSC may identify that certain minor misconduct matters may not be required to be notified to the PSC. Therefore, the CCM Act provides a mechanism through which the PSC may be able to devolve lower level, minor misconduct matters to public authorities. Through the use of s.45J guidelines, the PSC could reduce the resource impost of thoroughly assessing every minor misconduct matter and to reallocate resources to the prevention and education side of the minor misconduct function.

A number of public authorities have sophisticated units with relevant expertise to adequately deal with lower level misconduct matters. The Review concurs with the view expressed by a number of CEOs and many others that minor misconduct matters relate directly to the responsibilities of CEOs as employing authorities and their relationships with their employees. As such, minor misconduct matters are, in most instances, a workforce management issue, and therefore should be most appropriately by dealt with by public authorities.

The PSC has indicated that it intends to progress internal delegations to simplify the minor misconduct assessment processes. The PSC has also shown an inclination towards using s.45J guidelines to create efficiencies in the notification of minor misconduct allegations. PSC should accelerate these actions. If the PSC intends to readjust its minor misconduct role, it would be appropriate for the PSC to consult with the Leadership Council to ease the transition in devolution of the PSC’s responsibilities to public authorities.

\textsuperscript{35} Ibid, pp.9-14.
\textsuperscript{36} Response from PSC to request for information on 10 April 2018.
Consistent with reviewing how the function is undertaken elsewhere, the Review believes that the minor misconduct function does not sit well with the PSC and that the sector will benefit more if this function was performed by the CCC. The additional benefit would be that the one agency is responsible for misconduct and would have the intelligence and data to support the function to support and educate the sector.

The definitional demarcation between serious and minor misconduct is problematic. The effort spent by the CCC, PSC and public authorities in deciphering an artificial distinction between serious and minor misconduct is inefficient. It is similarly inefficient to have a process of referrals of misconduct matters between two oversight agencies based upon this definition. A single definition of misconduct, with matters being overseen by one agency is inherently a more efficient model.

If consideration were to be given towards repositioning all misconduct matters within one agency, it would also be appropriate to consider reviewing the current definition of misconduct in the CCM Act. With the low threshold for minor misconduct, a significant number of minor misconduct matters being dealt with are largely matters of workforce management. It is generally appropriate that workforce management issues are dealt with by employing authorities. By recasting the definition of misconduct in the CCM Act, significant efficiencies could be gained by removing workforce management issues from misconduct oversight. A rationalisation of misconduct oversight into the CCC, in addition to a more discerning definition of misconduct, would not only create a more efficient system for managing misconduct, but also allow the PSC to shift its focus into other areas which this Review believes should be the fundamental role of the PSC. The PSC would still have a role in supporting the sector with conduct and ethics pursuant to s. 21 of the PSM Act and would work with the CC in a collaboration approach to supporting and educating the sector.

The Review recognises that transferring the minor misconduct function back to the CCC would require legislative change. A change can be made to the PSC’s current approach to the minor misconduct function. By refocusing and redirecting their effort, the PSC could effectively fulfil the requirements of the function and correctly reposition the responsibility for workplace related conduct matters with the relevant CEOs. By adjusting their focus towards intelligence gathering and research, the PSC could have an increased emphasis on misconduct prevention and education. If the PSC is to be involved in misconduct matters, its role should be an appropriate level of oversight balanced by prevention and education activities. If the PSC were to step back and allow more sophisticated public authorities to deal with workforce management matters themselves, the PSC would then be better resourced to provide support to agencies with less expertise. The PSC might be more productive operating on an audit and assurance model for these more sophisticated agencies, rather than immersing itself in the details of specific allegations.
Workforce matters: Breach of standards

The Commissioner has responsibility under s.21(1)(a) PSM Act to establish "public sector standards in human resource management". Under the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 the Commissioner may receive and provide relief for breaches of public sector standards.

The assessment and determination of claims for breaches of public sector standards is a largely compliance based activity. In assessing claims by individual people, with the power to provide relief to claimants, the PSC is also exercising a quasi-judicial function. The Review notes that the PSC only has power to review breaches of certain public sector standards, with others being dealt with by the WA Industrial Relations Commission.

The Review believes that the role of the PSC in relation to public sector standards should be to establish standards and to provide a general level of oversight in relation to those standards. It may be appropriate if individual claims of breaches of standards were dealt with by another authority with relevant expertise to deal with such matters.

The Review met with the Ministerial Review of the State industrial relations system (Ministerial Review), which is currently considering the state industrial relations system as a whole. In relation to the responsibility for breach of standards claims it would be appropriate for this Review to defer to the Ministerial Review, given the Ministerial Review’s scope of work considers the entire state’s industrial relations system. This Review however wishes to note that it does believe that the breach of standard claims function is not a “best fit” within the PSC.

Workforce matters: Diversity in public sector employment

The SPR emphasised that diversity ‘requires ongoing commitment from senior leadership, a clear understanding of why workforce diversity is a priority, and a range of interventions appropriate to each diversity group’.  

The increased recognition of the value of diversity in understanding customers; improving team performance; encouraging innovation and creativity; and boosting attractiveness as an employer has led to contemporary thinking about how best to achieve it.

The PSC has a central role in relation to diversity for the WA public sector. This primarily relates to:

- Since its establishment in 2008, the PSC has supported the role of the DEOPE. The role of DEOPE is a statutory role defined in the Equal Employment Opportunity Act 1985.

38 Chignell, B. 2018. Five reasons why diversity and inclusion at work matters
• General functions of the Commissioner pursuant to s.21 of the PSM Act related to efficiency, effectiveness, and to plan for the future management and operation of the public sector.

• Human resource principles pursuant to s.8 of the PSM Act including that there is to be no unlawful discrimination against employees or persons seeking employment in the public sector.

WA is somewhat unique in that the role of the DEOPE is a separate statutory role distinct from the PSC. The DEOPE has evolved to be more compliance focused rather than leading and advising on proactive strategies to drive diversity. Legislative provisions in other jurisdictions have a more contemporary approach for the PSC equivalents in advocacy and enhancement.

The role and initiatives of the DEOPE

Pursuant to the Equal Opportunity Act 1984 (EO Act) the role of the DEOPE is to:

• advise and assist authorities to develop Equal Employment Opportunity (EEO) management plans
• evaluate the effectiveness of EEO management plans
• report to the Minister on the operation of EEO management plans.

The DEOPE reports annually on the compliance of public authorities in regards to the requirements of the EO Act. In addition, it has pursued some strategies to encourage agencies to increase their diversity representation.

These include:

• Attract, appoint and advance: An employment strategy for Aboriginal people.
• See my abilities: An employment strategy for people with disability.

These strategies, while more facilitative in nature than the reporting processes on EEO management plans, do not appear to be well regarded by the sector or haven’t achieved better results for the participation of Aboriginal people or people with disability in public sector employment, or the workforce more generally, as illustrated below.

<table>
<thead>
<tr>
<th>Groups Representation (%)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Australians</td>
<td>3.0</td>
<td>2.9</td>
<td>2.8</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>People with disability</td>
<td>2.6</td>
<td>2.3</td>
<td>2.2</td>
<td>2.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Table 1: Representation of Aboriginal Australians and people with disability.39

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The Review believes a more contemporary focus on actively supporting and enhancing representation is required and that this is currently not being delivered through the legislative role of the DEOPE.

The PSC needs to recast its efforts, through the Chief People Officer,\textsuperscript{40} and work with CEOs through the Leadership Council and with CHROs to assist departments and agencies to grow and nurture a more diverse workforce.

This view is supported by the 2014 review of the EO Act which is discussed further in this section.

**The role of the Public Sector Commission in diversity**

Diversity needs to be considered within workforce planning and other processes. The leadership of the agency is accountable for performance. By the PSC/DEOPE intervening at points and assuming responsibility for some initiatives, there is confused responsibility and accountability and less desirable outcomes.

For example, the PSC established the Aboriginal Traineeship Program in 2012 as part of its approach to achieving the Council of Australian Government’s Closing the Gap target.

The traineeship program, facilitated by the Aboriginal Employment Unit (AEU) of the PSC, employs about 40 trainees annually and places them with host agencies for 12 months. The participants are well supported during this period by the PSC as their employer, with the agencies providing the workplace learning. These are small numbers for a sector as large as WA. The retention rate has increased throughout the years of the program and is testament to the hard work of the AEU, particularly in its mentoring support of the participants. There have been some instances of not being able to place trainees at the end of the traineeship as the PSC, rather than the agencies, is the employer.

The Review recognises the important role of this program and believes the PSC should continue to promote it and engage with prospective candidates. However, there would be a more beneficial impact if all departments and agencies took responsibility as employers and incorporated the trainees as part of their efforts to build stronger Aboriginal representation in their own workforces. The PSC should advise and support the sector and can look at other pipeline and support initiatives for further Aboriginal employment and development in the sector without administering what is really core responsibility of an agency.

This approach will need a transition plan so that the program outcomes are not reduced. The PSC will need to engage with agencies and the Diversity Council\textsuperscript{41} to clarify respective roles and responsibilities.

\textsuperscript{40} See *Collaboration for success: Working with and for the sector*

\textsuperscript{41} The Diversity Council is proposed in *Leading for the WA public sector.*
2014 Review of organisational structures under the *Equal Opportunity Act 1984*

In 2014 a comprehensive review (EO review) was undertaken of the EO Act. It examined the legislative framework and the mechanisms supporting the legislation.

As the role of the DEOPE is prescribed in the EO Act, the EO review examined its role and effectiveness in the modern public sector. Given the EO Act predated the PSM Act, it was an opportunity to look at the crossover of functions.

The EO review recommended that ‘the statutory role of the DEOPE be abolished and its statutory functions transferred to the role of the Public Sector Commissioner’.

**Diversity being core to PSC functions for future public sector workforce**

Further to the recommendation of the EO review of the EO Act in 2014, this Review concurs that the function of the DEOPE be absorbed into the PSC, and that the PSC takes on a broader proactive role in driving this agenda as well as supporting CEOs in achieving more diverse workforces.

Under the current arrangements, the PSC and the DEOPE at present lag behind other jurisdictions in terms of contemporary approaches and strategies to lead and build diversity. While taking an active ‘hands on’ role in terms of running employment initiatives, their efforts are having a limited impact at the expense of a broader whole-of-sector role. Effectively, their present role takes the responsibility and accountability away from CEOs.

Some key features from other jurisdictions which are not present in WA and which may be of use are:

- Clear enunciation that the responsibility for diversity lies with CEOs, and that the role of the PSC is to drive diversity through strong analytics and research on contemporary practice.
- High level groups/networks (e.g. CEOs, Directors General) which meet regularly with the focus on discussing how to improve diversity within the public sector.
- Specific targets for CEOs in relation to diversity, possibly to be set by the Government through CEO performance agreement.

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**Future direction**

Since the 2014 EO review there has been a lack of clarity and mandate for the role of the DEOPE and it is important that this is remedied as soon as possible.

While some goals in ensuring a contemporary approach can be achieved, there are benefits in hardwiring some features legislatively within the PSM Act and removing the role of the DEOPE from the EO Act. This would include clarifying the responsibility for diversity within the PSM Act with CEOs.

The legislative framework in NSW appears to be a strong and contemporary example of how the responsibility for managing diversity is articulated in legislation. The approach that chief executives are responsible for diversity in their organisations, with a role for the PSC to lead strategies towards achieving diversity, is a robust model. This is also consistent with sentiments expressed through consultation with various Directors General that driving diversity should be the primary responsibility of individual agencies.

The WA Government’s Public Sector Reform program identified the PSC as the leader of the development of a whole-of-sector diversity strategy. As such, engagement with senior executives within the WA public sector to drive diversity must be a key component of any action taken to improve diversity within the WA public sector. The Review contends that this could be implemented through the Leadership Council, with the subsidiary Diversity Council providing the necessary authorising environment. Within PSC, the functional lead would most appropriately be the proposed Chief People Officer.

It was also observed through the Review process that WA lags behind other jurisdictions in terms of gender equality, particularly at senior leadership levels. Whilst initiatives such as recent Machinery of Government changes coupled with Senior Executive Service reductions have not had detrimental impacts on representation of women there was a missed opportunity for PSC and the sector to ensure that deliberate consideration of diversity was part of decision making. This could and should be remedied, with the PSC playing a key facilitative role which is explored in the following.

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43 s.63 Government Sector Employment Act 2013 (NSW).

44 See Collaboration for success: Working with and for the sector
Women in leadership: PSC taking the lead

Given the current focus through the SPR on the leadership of the sector, diversity and, particularly, representation of women in the senior executive, the PSC should be leading the public sector to make more progress in this area. The WA Government has signalled an eagerness to improve gender diversity on Government Boards, and specific targets relating to women in leadership may be driven by the PSC.

Given the current strong focus on women in leadership, the PSC can proactively assist CEOs in supporting and targeting Tier 2 and Tier 3 women for leadership opportunities and development.

Whilst a program to improve the representation of women at the senior levels needs to be cognisant of the context and operating environment, there are common approaches and practices adopted elsewhere which could apply in WA public sector. They tend to focus around the following themes:

- Committed leadership support
- Talent management and succession planning
- Workplace flexibilities
- Attraction, recruitment and selection
- Support and development – including mentoring and sponsorship
- Governance and infrastructure – policies, advice and HR systems

CEO performance agreements may also be a mechanism through which the PSC could set targets and work on improving key diversity objectives. This can be enhanced through concerted efforts through the Talent Council of the Leadership Council (see Leading for the WA public sector).
Recommendations: Role and Identity

1. Role clarity
The Public Sector Commission (PSC) needs to reassert its role and ensure all elements of the role described in the Public Sector Management Act 1994 (PSM Act) (and other legislative functions bestowed on it) are acquitted. The PSC should specifically note s. 21A(a-d) and explicitly prioritise diversity in the public sector.

To support this, the PSC needs to develop a comprehensive communication and engagement strategy which clarifies and explains its role, purpose and how the PSC will work with central agencies and other public sector agencies.

2. Independent Advisory Board
An independent Advisory Board be established by the Premier as the Minister for Public Sector Management to assist the PSC to develop and pursue a strategic direction and longer-term work program. The Board should include representation from outside the public sector.

It is recommended that the PSM Act be amended so that the Advisory Board’s role and functions are clearly prescribed. If it is legislated, a role of the Board should include input into the appointment, and performance of the Commissioner.

3. CEO Employment
That the Premier, as the Minister for Public Sector Management, be the employer of public sector Chief Executive Officers (CEOs).

To effect this, the PSM Act be amended to recognise the Premier, as Minister for Public Sector Management, as the employing authority for CEOs. The responsibility for the development and support of CEOs is to be a function of the Public Sector Commissioner.

4. Commissioner accountability
A more robust performance assessment process be developed for the office of Public Sector Commissioner which describes clearly the expectations and how they will be held accountable. Initially, this may be by agreement of parties but should also be included in amendments to the PSM Act.
5. CEO accountability
That PSC develop a revised delegation framework to devolve decision making to CEOs where the approval currently resides with the Commissioner. This should be done in conjunction with the Leadership Council and as part of a commitment to reducing red tape for the sector.

In the first instance, devolution of executive structures and Senior Executive Service related frameworks (Approved Procedure 2) need to be considered.

6. Misconduct
Corruption and Crime Commission be responsible for management of misconduct. To effect this, the definition, and responsibility for misconduct oversight and education within the CCM Act be amended.

In the absence of the removal of the function from the PSC, redesign how the PSC fulfils the function and oversight with a view to better internal delegation and the devolution of responsibility to CEOs as the employing authorities.

7. Diversity & Inclusion
Revise the functional role of the PSC to explicitly make Diversity and Inclusion part of its key responsibilities.

The role of Director of Equal Opportunity in Public Employment (DEOPE) be abolished and the PSM Act be amended to acknowledge CEOs taking greater responsibility for diversity in their organisations, with PSC leading diversity strategy.

In the absence of legislative change, the statutory obligations of DEOPE need to be fulfilled in the most effective way, with the PSC to lead the sector as part of its responsibility for the future management and operation of the public sector.

That the PSC work with the Leadership Council and Talent Council to develop initiatives to increase the representation of women in the executive in the public sector and over time, other diversity groups.
Leading for the WA public sector

As discussed earlier in this report, the Public Sector Commissioner (Commissioner) has a duality of roles. From its inception, the role was created to serve with responsibility for ensuring workforce standards and providing leadership for the sector.

There will be times when the Commissioner needs to act independently and in an unconstrained manner. It is important that the Commissioner and their staff are not disassociated from the public sector they serve, support and lead.

In practice, the effectiveness of the Commissioner’s stewardship, decision-making and advice will be more robust and will provide a longer term benefit to the public sector, government and community where there is an engaged, connected and collaborative approach.

With the emergence of the Leadership Council, arrangements are in place by which the Public Sector Commission (PSC) can play a leading partner role to bring forward strategies and initiatives which will position the WA public sector workforce to meet future challenges. With a seat at the table, the Commissioner can bring the analysis and research to high-level discussions and work with CEOs to implement them for best effect.

The PSC has an important leadership role in the following areas:

- talent identification and supporting the future leaders of the sector
- diversity enhancement
- a strategic approach to sector leadership initiatives and guiding the development of the sector
- complementing strategy with intelligence and workforce data
- supporting CEOs.

The Independent Review of the Public Sector Commission (Review) believes that the Leadership Council would be strengthened by having formal governance mechanisms in place to progress the important roles of talent management and succession and to forge better progress in terms of a diverse workforce.

Leading talent development

CEOs recognise that the PSC is not solely responsible for talent identification and support for the contemporary public sector. The recent development of the Leadership Council is an example of a collegial approach for matters that transcend a single agency. The Leadership Council provides for sharing and learning and, importantly, is an opportunity for CEOs to work together on key leadership issues and challenges.
The Review supports strongly the development of the Leadership Council as a mechanism for the PSC to support the leadership and talent of the public sector and proposes that a Talent Council be established as a sub-committee of the Leadership Council.

The Talent Council, with the support of the PSC, through the proposed specialised role of Chief People Officer, will develop a contemporary approach to talent identification and support at the executive level. The Talent Council will complement the actions of the PSC and have as a focus the capacity to forge progress in fostering and managing talent.

The purpose of the Talent Council is to ensure that talent strategy connects with business strategy – including the identification, support and development of senior leadership for the sector. This will include mobility of key individuals to build greater sector-wide leadership rather than singular agency experience. Equally, the Talent Council may target career movement of talent to build for future critical roles. The Talent Council will be highly cognisant of the diversity agenda of the sector and the State Government in considering its approach.

The SPR identified the need to strengthen leadership across the sector and considered that the SES should be ‘re-established as a strategic, collaborative and mobile leadership group’. It was noted that there were inherent legacy complexities about interpretation and attribution of status within this cohort. This should not be a limiter to expanding and building a strong cadre of leaders for the WA public sector. Over time, the PSC should lead a process which seeks to harmonise the conditions and arrangements for the SES where they can move more interchangeably and optimise the experience and value that individuals from across the sector can deploy. It will be a significant exercise but is worth pursuing over the longer term. The Talent Council should oversee these arrangements.

While WA has participated in executive level development programs such as Australian and New Zealand School of Government (ANZSOG) programs, the process for selection has lacked transparency and has not been part of any overall talent strategy. The PSC has involved the ANZSOG alumni in other development programs as presenters, which is a commendable use of expertise. In totality, the impact and coverage is light, lacks transparency and has not informed the future pipeline of executives.

The PSC should ensure that the professional development arrangements complement the talent strategy, both for the SES and the pipeline of potential successors.

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45 See *Collaboration for success: Working with and for the sector*
Relatedly, the PSC needs to play a role in which it develops appropriate learning and development offerings for the whole of the sector in a systematic, data-driven way – aligned to workforce needs and emerging challenges. This is covered in more detail later in this chapter.

An early initiative for the Commissioner would be to build a picture of the current talent pool and skill of the group of CEOs and second tier staff. Given the large number of CEOs, there could be a role for some portfolio-based discussions of CEOs with Directors General who may be members of the Talent Council. Over time, this approach could become a routine feature of performance discussions. The PSC, through its enhanced census data, will support the Talent Council and Leadership Council in this agenda.

**Talent Council terms of reference**

The Talent Council will be supported by the PSC whose role it should be to bring forward a program that will:

- promote building capability and capacity to identify, nurture and build talent
- provide advice on matters relating to succession and talent management
- contribute their individual operational and positional expertise and interests to the discussion, and develop outcomes that best meet the Talent Council objectives
- actively support Talent Council decisions and promulgate these messages to their respective colleagues, where appropriate.46

**Leading and supporting a diverse public sector**

Further to the discussion in *Role and identity* related to diversity, there is clear direction for the PSC and the public sector to be undertaking a more effective and sustainable approach.

As argued previously in this report, developing a diverse public sector is a core function for the PSC and it needs to be future focused. There is also a need to have an appropriate mechanism to effect change.

In a similar proposal to that of the Talent Council, there is a role for a Diversity Council to operate as a sub-committee of the Leadership Council.

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Commission’s current role in learning and development

The Review identified a plethora of initiatives\(^ {47}\) to enhance the public sector workforce for which the PSC is involved and for which it took a specific role in implementing. In effect, it actually alleviated the responsibilities of the departments/agencies – particularly in the area of Aboriginal trainees and trainees with a disability.

The Review was unable to establish any strategic approach to the learning and development interventions and it would appear to have been some time since they were evaluated or refreshed. Their efforts have been in progressing a series of events which lack coherence or strategy.

In undertaking this work, the Review consulted extensively with other jurisdictions and the PSC-equivalents. These consultations reinforced the perception of the disparate nature of all the various initiatives the PSC had in place; these range from entry level employment, specific interests and groups and specific workforce matters to employing CEOs.\(^ {48}\)

Its attempt to have coverage across all these initiatives without a clear strategic direction or ability to report on their effectiveness means that the PSC, as was emphasised during the consultation process, is not able to fulfil any of its remit with meaningful effect.

In earlier years the PSC had developed a Strategic Workforce Plan for the WA public sector. This needs to be refreshed with the input of departments/agencies (workforce council) and from census findings. Learning and development priorities can then be identified and inform the strategic program as to how they can best be delivered.

The Review was also made aware of the work of the PSC in recent years regarding the establishment of the Centre for Public Sector Excellence (CPSE), but it does not appear that this initiative continued.

The PSC’s website contains details about the CPSE, established to build the skills, behaviours and expertise for a capable, future-focused and sustainable workforce. The relevant webpage was last updated in 2014, and the CPSE does not currently appear in the PSC’s organisational structure. However, there were elements of the CPSE which could be reinvigorated to achieve some of the outcomes the Review believes need to be pursued.

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\(^ {47}\) Attachment C Learning and development initiatives identified by the Review.

\(^ {48}\) It is noted that PSC is in the unique circumstance of also having the role related to minor misconduct which this Review examines in *Role and identity of the Public Sector Commissioner and the Public Sector Commission*. Therefore, the following does not relate to functions under the CCM Act.
The PSC website relating to the CPSE includes a strategic plan which establishes the aim, objectives, stakeholders and advisory Board of the CPSE. The strategic plan also identifies a range of skills, expertise and behaviours that support public performance, and identifies key initiatives run by the PSC through the CPSE.

By way of example, New South Wales and Victoria both have a Leadership Academy that is explicitly responsible for executive development on behalf of the sector. They are designed with robust assessment and development processes and governed by a Secretaries Board.

New South Wales Leadership Academy

The NSW Leadership Academy runs programs targeted at key transition points for NSW public sector leaders, specifically:

- Leading the Sector (an opt-in program for current secretaries)
- Leading an Agency (from leading executives to leading an agency or cluster, current Band 3 and equivalent)
- Leading Executives (from leading other managers to leading executives, current Band 1 & 2 and equivalent)
- Leading Managers (from leading a team to leading other managers, current Grade 11/12 and equivalent).

There is also an opt-in program for current secretaries.

The NSW Leadership Academy is a whole-of-government-run initiative, facilitated by the NSWPSC and governed by the Secretaries Board.

The NSW Leadership Academy also has an alumni program which includes alumni events, a closed group online platform for discussions and a mentoring program offering six and 12-month options for peer or classic mentoring.

Entry to Leadership Academy programs (except for the ‘Leading the Sector’ program for current secretaries) is through nomination by appropriate agency delegates and selection in line with each department’s internal processes. The Public Service Commissioner and the Secretaries Board have final review of the selected nominees.
The Australian Public Service Commission (APSC) has a Talent Management Guide and Toolkit and, like the above Academy, a Centre for Learning and Leadership that focuses on executive development for the jurisdiction.

Through its Centre, the APSC is building the learning and development of the sector, and has developed an annual learning and development calendar of external program and initiatives as well as a panel of external service providers. This strategic role by the APSC enables it to support and guide the sector development without needing to take on the onerous role of training provision.

Discussed further in this section is the view, supported by the analysis of other jurisdictions, that the PSC needs to be clear about its role and that of other agencies within the sector. Given the PSC’s legislative base, it should strategically support CEOs and leaders and, through the CHROs, develop and enhance their workforces. The PSC needs to do this collaboratively and informed by agency needs.

The Service Priority Review (SPR) was clear about the need to support the leadership of the public sector. To bolster the ability for the PSC to develop a strategic approach is to have the sector working with it, together with support of the Talent Council, on a clear defining sector strategy.

Complementing strategy with intelligence and workforce data

There is little evidence of any analysis to inform the multiplicity of initiatives which the PSC pursues in its workforce program. Similarly, there is little evidence of any evaluations to assess their impact.

From the information on initiatives in Attachment D about program participation it does not appear that, given the size of the public sector, there has been a significant penetration into the targeted cohorts.

While program evaluations are undertaken where the content and the participant’s feedback is reviewed, the impact of participation is not assessed either as part of a long-range assessment of the sector or for the individual’s career progression.

The Review understands that the PSC primarily utilises an annual Agency Survey for all public sector agencies and a rolling program of the Employee Perception Survey to gather data from agencies. The data provides information on staffing numbers and full-time equivalent employee arrangements, and qualitatively on information such as initiatives introduced by an agency in relation to a specific measure (code of conduct development, accountable and ethical decision making training). There is no evidence to suggest how this information is used to inform workforce strategies or learning and development needs.
The PSC has a very beneficial statutory role to report on the state of administration and management of the public sector; compliance or non-compliance in relation to human resource principles; codes of ethics and codes of conduct public sector standards or matters relating to the performance of the Commissioner’s functions.\(^{49}\)

These reports take the form of the State of the Sector reports, and the PSC also develops reports specifically for agencies in relation to how they compare with one another. The PSC has also made the information publicly available for the sector and others through the Statistical Bulletin, meaning agencies can utilise the data for their own reporting purposes.

This Review believes the use of this important data is currently under-utilised and is not complemented by workforce tracking and movement intelligence.

To bolster the capability to inform better workforce strategies, the Review supports the development of a whole-of-sector employee census to enhance the intelligence gathering. The sector-wide data collected would provide the ability for the PSC to understand the workforce and for senior leaders to understand comparative strengths and gaps in their workforces and talent pipeline as well as give insights to sector challenges in terms of skills and culture.

A more robust census approach will enhance the intelligence available regarding attraction, progress and retention as well as the suite of learning initiatives needed to build the necessary capabilities. Individual agency report results could be used as input for CEO performance agreement processes and agency capability reviews.

It is understood that enhancements of data collection have at times been considered by the PSC and the Review strongly supports avenues to enhance this data through a census and the Western Australian Government Number.

Whilst the Review heard throughout the consultation criticism about the purpose and benefit of the current State of the Sector reports, it and other data driven strategies should support PSC future work in anticipating trends and planning responses. With census driven data, a strategic workforce plan with forward projections and analysis over a broader time period will be critical and important tools for the PSC and the public sector going forward.

Supporting CEOs and public sector senior executives

The PSC has an important role in relation to the development of chief executives and the SES, not only from a legislative base in terms of the employment of CEOs, but in being responsible for the future management, stewardship and operation of the public sector\(^{50}\) which is directly attributable to workforce planning and development.

\(^{49}\) s.22D PSM Act.
\(^{50}\) s.21A PSM Act.
In considering all jurisdictions with similar remits, the support and development of the executive is core to the PSC equivalents.

As discussed above, many jurisdictions have discrete areas (academies or centres) focused on this cohort.

**Chief Executives**

In supporting CEOs, the PSC can play an important role through supporting a chief executive as an individual and as an agency head. This will then have a flow on effect to a deeper succession pipeline.

The PSC is currently responsible for the recruitment and employment of CEOs. Through consultation, the Review was advised repeatedly that CEOs do not feel well enough supported in their employment or performance development. This sentiment was also articulated through the SPR.\(^{51}\) The Review notes that the PSC has recently enhanced its induction process for CEOs. However, following induction, there is no ongoing systematic program of support.

The PSC should be well placed to enhance its efforts in this area.

The Review believes that the PSC should have a role in a CEO support and development program akin to other jurisdictions, particularly the South Australian Office for the Public Sector Chief Executive Development Suite.

This support should include tailored initiatives but also collective initiatives such as:

- Induction program
- Coaching and mentoring
- Roundtable discussions/network
- Annual CEO conference
- Advice on professional development such as IPAA and Leadership WA

As has been observed already, this is not solely a role for the PSC but one that can be acquitted by engaging or co-opting members of the Leadership Council as key mentors/advisers. This could be augmented by potential involvement of retired CEOs to impart wisdom and experience.

Earlier in this report, the Review recommends amendments to the *Public Sector Management Act 1994* (PSM Act) for the employment of CEOs to become the responsibility of the Premier. It is envisaged that the development and support of CEOs would be separate to this employment relationship and would be an ongoing role for the PSC. This would overcome the concerns raised by CEOs with the Review and through the SPR.

CEO Performance Framework

The PSM Act prescribes that a performance agreement is required for CEOs. The SPR noted that the current framework lacks clarity of roles and responsibilities as the assessment is required to be undertaken by the responsible authority. In the case of most CEOs, this is the Minister or, in some cases, multiple Ministers or also includes Board chairs.

The Review understands that the Government, through its Public Sector Reform initiative, has charged the PSC with strengthening the CEO Performance Framework to specifically fulfil the following recommendations:

- **SPR Recommendation 13**
  - Improve CEO performance management to support a more effective focus on system stewardship and whole-of-government objectives.
  - Amend applicable legislation to: clarify responsibilities for CEO appointment, performance management and termination, and development and introduce a mechanism for performance-based remuneration for CEOs.
- **Special Inquiry into Government Programs and Projects**
  - Develop a capability statement to elaborate on the requirements of Part 3B s.29 (1)(a) of the PSM Act, so that expectations of chief executive officers and chief employees are clearly understood.

The Review supports the need for this leadership from the PSC and believes that a more robust system can be developed that supports CEOs and responsible authorities in fulfilling their responsibilities. In looking at more contemporary approaches in other jurisdictions, the Review was impressed by the progressive leadership profiling and insights that the NSW and Victorian sectors had in place.

In concert with the Review’s consideration of clarifying employment of CEOs and proposing the Premier as the Minister for Public Sector Management as the employer, the Review believes that with the Commissioner not statutorily responsible for the employment of CEOs, the Commissioner can better support the development of CEOs, facilitate the assessment of their performance and discuss and build their talent pipelines (discussed in Talent Council arrangements).

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52 Refer to Role and identity of the Public Sector Commissioner and the Public Sector Commission (Workforce matters: CEO employment and development).
The Review envisages a system supported by PSC that:

- Has an active role for the Commissioner or their agent
- Is centred on the CEO to enable it to transcend responsible authority or agency.
- Provides a meaningful framework with common standards to provide consistency
- Draws on central and agency input.
- Recognises the role of responsible authorities in regards to particular areas as it relates to them but not necessarily all areas of the framework.
- Facilitates meaningful and balanced discussions.

These arrangements should be introduced with education sessions for parties involved i.e. Ministers, CEOs, Board chairs and the Commission.
Recommendations: Leading for the WA public sector

8. Talent & Diversity Councils
Establish two supporting subsidiary councils under the guidance of the Leadership Council:
- Talent Council to oversee a program of talent, mobility and succession planning for the sector. Early initiatives should include improving women’s participation in senior leadership, succession planning discussions with CEOs around second tier officers, and mobility program
- Diversity Council to oversee the whole-of-sector diversity strategy and establish targets to increase representation
The PSC to support the Councils and develop and report to them on sector-wide performance.

9. CEO performance assessment
Public Sector Commissioner develop a multi-sourced performance assessment process for CEOs to assist the Premier, Ministers and Board to acquit their responsibilities as the responsible authority.

10. CEO development & succession
Establish a CEO development initiative to support CEOs. This initiative is to include an annual program of meetings between the Commissioner and individual CEOs to discuss CEO professional development needs and their agency’s second tier, mobility and succession planning.
The Public Sector Commissioner as appropriate, should engage Directors General, as portfolio heads to actively assist with supporting the development of all public sector CEOs.
This will be built into talent identification and intelligence for consideration by the Talent Council.

11. Employee census & data
PSC develop a whole-of-sector employee census to gather data as part of its responsibility pursuant to s. 21A(c) of the PSM Act for the future management of the public sector. The data can contribute to future workforce strategies, provide for comparative analysis of the sector and inform the capability reviews.
Collaboration for success

The Service Priority Review (SPR) reflected on the current state of the Western Australian public sector and observed the need for a new model that supported one public sector working together to achieve big, bold initiatives. The SPR emphasised the need for a ‘culture of collaboration, continuous learning and looking outside for new ideas’.53

The Independent Review of the Public Sector Commission (Review) strongly supports that intent and believes that it is very pertinent for the Public Sector Commission (PSC). It will need to be achieved by changes to practice, attitude and new ways of working and engaging with the broader sector and beyond – including industry, not-for-profits, academia and professional associations.

The resounding message for the PSC from the Review’s consultations was that it needed to collaborate, co-design, consult and work with the sector much more actively and early-on initiatives that will support and drive the public sector.

“PSC to go out to the agencies and talk to agencies and departments, stay connected, establish strong relationships, make sure the Commission is seen as a body that can help, contribute and get things done instead of a blocker and a hindrance.”

– PSC employee

“We need to be more face to face with stakeholders through forums, info sessions, and community practices. We need to focus on bringing people together, bringing sector together. We are the facilitator.”

– PSC employee

Working with and for the sector – Chief People Officer

In pursuing a strategic direction for workforce and talent management, and the large agenda that entails, the PSC needs to build capability quickly. At this point in time, the Review believes that it is critical to augment the current staffing with the creation of a senior position akin to a Public Sector Chief Human Resource Officer, titled ‘Chief People Officer’ (CPO).

The office could be for a specified period of three years and would support and work with the Public Sector Commissioner (Commissioner), CEOs through the Talent Council and the Diversity Council and, most importantly, bring together the Chief Human Resource Officers (CHROs). The incumbent needs to have contemporary skills in the areas of human resources, workforce, leadership and talent strategy as well as an ability to collaborate and work with CHROs across the sector.

A key role will also be to lift the sector’s human resource capacity, support the PSC’s responsibility for public sector diversity, workforce planning and talent development and reinvigorate initiatives which incorporate professional development for the HR employees.

The PSC has a record of commencing some very good initiatives: the CHRO work in 2016, the CPSE and also the work of a selected group of Senior Executive Service (SES) officers which reported directly to the Commissioner on key matters that could bring them, as the second tier, together to work through whole-of-government matters.

This work, referred to by the group as Building the Fourth Dimension, provided some innovative ideas for the PSC to consider in preparing the sector for future challenges and contemporising the workplace and workforce. Through a CPO, this work could be revisited with a view to a sustaining effort for this initiative. Given the good will and enthusiasm demonstrated by many across the sector the CPO needs to develop networks and communities of practice who can play roles in pursuing a wider reach of workforce initiatives.

The position of the CPO should be a senior position within the PSC and the appointee should be a member of the Corporate Executive. In consideration about organisational structure by the incoming Commissioner, it may be appropriately aligned with a position that it is a permanent part of the structure but it should not be an addition to a role that has functions that do not align with the priorities above related to workforce development, support and collaboration.

In particular, the SPR identified the following role for the PSC in its proposition for functional leadership in key areas for the sector:

> If one of the objectives of functional leadership is to build capacity in particular functions, there is argument for the PSC to be ‘head of profession’ or the functional leader for development of human resource managers across the sector, and to take a more active role in devising and promoting whole-of-sector strategies to address contemporary workforce challenges.  

### Supporting the workforce in collaboration

It was clear to the Review that PSC staff want to be actively engaged in supporting the sector. Current practice, risk-averse culture and arrangements are stymying their efforts.

The intrinsic relationship between the PSC and human resource practitioners was explored by the Review. There is a mutually reliant relationship between the two and, depending on the matter being discussed, there are strengths and weaknesses on both sides.

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The PSC has responsibility for a number of instruments that govern or guide the HR functions within agencies. There is a mutual interest in ensuring the HR practitioners in agencies comprehend their responsibilities and that the PSC engages in a manner that acknowledges the complexities of the agencies’ operating environments. There is a mutual dependence and a need for collaborative design as these instruments are developed and implemented.

The SPR noted that the strategic HR capability of the sector was not as developed as was needed if the sector was to be undertaking a significant change in delivery and approach. In addition, the instruments may not be effective for fulfilling these new mandates.

So this relationship of mutual dependence sets the scene for sustained and collaborative relationships.

Further to the Review’s earlier observations about PSCs less than optimal engagement with CHROs, the Review sees an immensely valuable role, through the CPO for the PSC and public sector CHROs to be working together in sustained and outcome-focused ways.

The Review believes that through a CHRO Strategic Workforce Council (Workforce Council), the PSC through the CPO, and the sector can work collaboratively and in an engaged way to understand and work through relevant workforce-related matters.

The Workforce Council will assist CHROs and the sector to:

- share knowledge, provide intelligence and trends to inform future workforce plans and capability initiatives
- use enhanced data from census and other analyses to develop a multi-year workforce plan which would include a revamped set of learning and development offerings
- provide input to talent and diversity councils
- co-design a program of work that tackles the major HR policy areas which agencies determine are priorities
- develop partnerships with universities, the IPAA and others who can help build capability.

The Workforce Council will also assist the PSC to determine where the best efforts for learning and development could be deployed – either centrally or by leveraging from good practice in larger and smaller agencies, as well as assisting with the development of a costing model to determine when fees are charged for courses.

55 Refer to Consultation findings.
In consulting with other jurisdictions, all sectors grapple with workforce matters, including the contemporising of public sector human resources and enabling a strategic workforce focus. There are some examples of good practice that can be drawn upon: in Queensland a joint group similar to the proposed Workforce Council has developed a 10-year human capital outlook and three-year cycle of priorities.\(^{56}\)

The other perceived benefit of the Workforce Council is that as work progresses in relation to functional leadership initiatives,\(^{57}\) it will provide an important vehicle for better understanding agency crossover in regard to workforce development initiatives and leadership program subscriptions that will enable a coordinated approach, as well as leading to potential whole-of-government efficiencies.

There will be a reciprocal relationship between the Workforce Council and the Talent and Diversity Councils of the Leadership Council. From the consultation, the Review makes the critical observation that the proposed Workforce Council will be supported by the PSC but not directed by or utilised as a vehicle only for matters relating to the PSC. Importantly, like the Leadership Council, the group will be a peer-led and focused group.

**How the CHRO Strategic Workforce Council, Talent Council and Diversity Council will work**

![Diagram of the CHRO Strategic Workforce Council, Talent Council and Diversity Council]

Table 2: PSC and the proposed Talent Council, Diversity Council and CHRO Strategic Workforce Council.


Collaboration and partnerships

The PSC, in addition to utilising the mechanisms outlined above for specific matters, needs to have a first and foremost approach of seeking the sector’s input.

In addition, it needs to look at the opportunities outside the sector.

Stronger relationships build networks of diverse knowledge. Many sectors and bodies are keen to work with the public sector – not solely in a business sense but also to focus on a common goal perspective.

The PSC needs to develop and illustrate a commitment to collaboration which will assist it to communicate effectively with stakeholders about its role. First and foremost, this should include the development of Principles of Engagement.

“PSC needs to get a practical approach to communicating that gets other agencies on board (i.e. don’t only communicate when we want something done, agencies need to be on our side and follow our advice.”

– PSC employee

Role of the PSC with the centre and agencies

The SPR refers in detail about the increased need for the central agencies in particular to be working well and together on key initiatives for the sector\(^\text{58}\) and the Review strongly agrees. As outlined in other sections, the Review recommends stronger involvement by the PSC with the Leadership Council and other collaborative and consultative mechanisms.

Collaboration and relationships beyond the sector

Especially given the physical distance from other States and Territories, it is important that the WA sector and, importantly, the PSC keep abreast of developments in other jurisdictions and elsewhere.

In particular, like many jurisdictions, the PSC has an arrangement with the Australian and New Zealand School of Government which has provided some direction for its initiatives. However, there are closer relationships that could have real benefits and would enable the PSC to be positioned strategically as a thought leader rather than with tactical delivery. A relationship with the Institute of Public Administration Australia (WA) may enable the PSC to be positioned in this way. The PSC needs to foster relationships with other stakeholders as well – and there are many within the private sector, academia, think tanks and NGOs, both within and outside WA. Representatives from these sectors could assist the Advisory Board as well.

Both the SPR and this Review note there are many developments within other jurisdictions that would be most beneficial for the PSC to pursue. Building these relationships, or being the conduit for these relationships, is important,

particularly given the perceived tyranny of distance and less adaptation by movement of staff between sectors.

Public sector labour relations

With responsibility for public administration and management, the PSC’s responsibility for instruments and frameworks for workforce matters intersects with the roles and functions of the Public Sector Labour Relations division (PSLR) of the Department of Mines, Industry Regulation and Safety.

The SPR noted the following:

- As observed by many stakeholders, maintaining a separation of these functions does not appear to be the most effective approach given their significant intersection.
- Job classification, work value, change processes, performance management, attraction and retention, termination and severance all have human resources and industrial relations implications.
- Bringing industrial relations and human resources management functions together will both generate operational efficiencies and assist the Government to embark on the longer-term change process.\(^{59}\)

The Review discussed this crossover of functions with a range of stakeholders and can appreciate there are divergent views on where a function perceived to be Government policy most appropriately sits in comparison with the established role of the PSC. The Review foresees many benefits, in particular, better single source advice and assistance for the end user – the WA public sector – be it CHROs or CEOs.

“It is often difficult to identify what the PSC does and does not do; eg, for some attraction and retention incentives it is the role of PSC, for others it is the role of the Department of Commerce.”

– CHRO workshop

A decision relating to the PSLR is a matter for Government consideration. The Review supports this amalgamation and, in consultation sessions with public sector CEOs and CHROs, there appeared to be consensus that it was most appropriate, particularly from an end-user perspective. The Review notes that with the amount of significant work coming to the PSC as a result of public sector reform initiatives and also the work that is required for an incoming Commissioner in relation to the matters identified in this Review there should be consideration of the appropriate timing for such a change to be made, if there is a decision to do so.

The Review does not consider there to be an impediment to the PSLR function being within the PSC, particularly if the intention is for it to operate in a similar way as currently where the Premier’s Circular 2017/03 – Coordination and

Governance of Public Sector Labour Relations and where the Executive Director PSLR supports the Minister for Industrial Relations.

In the absence of the PSLR joining the PSC – or in the meantime – the Review believes that improved outcomes for the sector in relation to industrial relations and human resource management functions can be made through the building of a stronger relationship between the two, possibly through a Memorandum of Understanding, regular joint working groups, possible employee exchanges and other collaborative measures.

Recommendations: Collaboration for success

12. Chief People Officer
That a Public Sector Chief Human Resource Officer be established in the PSC titled Chief People Officer. This role will work actively with CHROs across the sector to build capability and shared practice, but also to build internal capability within the PSC around issues of workforce and capability development.

13. Strategic Workforce Council
The Chief People Officer to establish a Public Sector Strategic Workforce Council with cross sector representation. Work program to include workforce strategy development and to inform Diversity and Talent Councils.

14. Public Sector Labour Relations
PSC and the Public Sector Labour Relations Division of the Department of Mines, Industry Regulation and Safety develop a set of protocols and operating procedures to confer on instructions and advice to agencies before these are finalised.
Internal and organisational reform

The Public Sector Commission (PSC) is facing an exciting but ambitious and challenging future as it delivers on many features of the Western Australian Government’s reform program. But it will need to recalibrate its approach, practice and method of engaging and collaborating with others to acquit its role.

The Independent Review of the Public Sector Commission (Review) is optimistic that with the advent of an incoming Public Sector Commissioner (Commissioner) and a clear mandate for internal reform, significant improvements can be made. It will be critical to have some clarity around the relative priority of initiatives and the sequencing of their implementation.

Staff have an appetite for change and improvement to how they work, and are looking forward to playing an active role in the broader reform agenda. Improving the PSC’s structure, processes, instruments and frameworks will be a significant component of repositioning the PSC. However, creating cultural change is even more critical. An incoming Commissioner will need to create an environment in which all staff can contribute ideas and feel empowered to take responsibility, therefore achieving a more positive culture and one that sees them able to lead and collaborate with the sector on mutual areas of interest and responsibility.

Culture and morale

An overwhelming number of PSC staff responses to the Review’s anonymous survey identified a less than optimal culture and indications of low morale as significant issues. Staff responses identified a number of recurring factors which had contributed to poor culture and morale within the PSC. These include:

- failure to introduce a permanent organisational structure
- a lack of knowledge about the strategic direction
- the PSC operating in a ‘siloed’ manner
- perception of preferential treatment to certain staff because of a lack of transparency around opportunities and acting arrangements
- instances of bullying and grievances amongst staff
- poor internal communication
- a lack of commitment to effective professional development
- lack of decision making due to risk-averse culture.

“We’ve had a temporary structure for so long now that the only constant is that it is always changing.”

“People don’t feel supported or empowered, personal politics and constant changes at the Director / Corporate Executive level are exhausting.”

– Anonymous staff survey responses
Staff also identified that a lack of strategic direction, coupled with a risk-averse culture, is contributing to staff disengagement. The concerns voiced by staff about leadership has also created a culture in which staff feel they haven’t been able to work to their full potential and feel disempowered to make decisions.

Another recurring theme revealed through staff consultation was the view that the PSC operates in a very ‘silod’ manner, and that collaboration and information sharing between teams was poor. For an organisation of fewer than 120 people, it is concerning that this could occur and that teams have been operating in such an isolated manner. Staff were keen to identify, through the consultation, that increased cross-divisional collaboration could lead to the PSC operating more efficiently and creating better outcomes for stakeholders.

“Staff morale is very low and there is often a lack of communication between areas leading to a silo effect.”

“[The PSC] is too disjointed in its current structure. A silo structure, no communication, poor culture, we need collaboration and internal leadership and management.”

– Anonymous staff survey responses

It was unhelpful that there was a lack of clarity and transparency about staff appointments. This uncertainty has caused some staff to feel mistrustful of their colleagues.

“HDA awards need to be reviewed for consistency.”

“Previously there have been development opportunities only given to a ‘chosen few’, which is demoralising.”

– Anonymous staff survey responses

Of significant concern were the instances of bullying behaviour brought to the attention of the Review. Although this view was not expressed by all staff, the concern was repeated by a number of staff.

Internal communication within the PSC is viewed as inadequate; this is hard to understand within a relatively small organisation. Staff were unaware of the business decisions of Corporate Executive (Corp Ex) meetings. Very limited feedback was provided on papers provided to the Executive and work stalled or was stymied. Staff were placed in invidious situations when trying to explain the lack of progress to stakeholders.
As mentioned above, the practice and decisions around higher duties allowances has not been open or transparent. Nor have these decisions been openly communicated with staff.

“Regular, open communication directly from the Commissioner and the Division heads would help to rebuild trust and greatly assist in becoming 'One Commission' with a shared purpose.”

“When the Executive have Corp Ex meetings, very little information is then provided to staff on what decisions were made, or the reasons why.”

– Anonymous staff survey responses

Staff also identified a lack of a whole-of-commission commitment to effective professional development being a contributing factor to poor morale. The view was expressed that professional development was often treated as a 'tick box' exercise, rather than a legitimate attempt to enhance working relationships between staff and managers and provide opportunities for staff to develop.

“[The PSC needs the] introduction of agency-wide, formal (not token) performance management and development process which provides an even playing field of opportunities for all.”

“[The PSC needs] more training opportunities for staff. A request for professional development has been pending for over six months.”

– Anonymous staff survey responses

A lack of decision making or deferring of decision making has compounding effects such as the risk adverse culture; the lack of structural stability and authorising environment and perception that the Commissioner would have to agree, approve or be aware of all activities.

“Current system of risk aversion, and delayed decision making is hampering our ability to be innovative and effective.”

– Anonymous staff survey responses

There is no simple solution to creating corporate cultural change. But it will need to be tackled assiduously by the leadership and staff. The focus groups conducted through the Review were favourably received and this information needs to be discussed within the PSC to rebuild the optimal organisation in which staff then thrive, contribute and improve the performance of the PSC.

As a matter of urgency, the incoming Commissioner will need to commence work building a positive and supportive culture and engage actively to bring about cultural change. Staff have many suggestions for improvements and they 'wish to be part of the solution'.
Further to the issue of siloes, the PSC is not operating as a single entity with clear direction in which the skills and ideas of its employees are fully utilised. The PSC needs a leadership group with an inclusive style which can empower staff to achieve their best, and in turn drive the PSC to be a leader within the sector and an exemplar of best practice.

“We have some really good people within the Commission, lots of potential… give them a chance.”

– Anonymous staff survey response

Strategic planning

The PSC has published a strategy referred to Our LIVED Values and Strategic Priorities (LIVED Strategy). The LIVED Strategy was released in 2017 and while it articulates a number of key initiative areas for the PSC, there was little evidence that in fact the strategy had gained traction or that it was implemented. Staff spoke disparagingly about the dissonance between the written and prescribed strategy and the practices and behaviours in general.

The Review has canvassed and examined information relating to strategic planning processes and how they may be connected to business and project planning. Neither with the LIVED Strategy or otherwise does there appear to be any business or strategic planning.

In 2014 the PSC developed the Good governance guide for public sector agencies which included an operational matrix for good governance. This matrix sets out the requirements for means of achieving and methods of monitoring success in organisational performance and accountability. This document identifies that agencies need to have a primary document to set key strategic goals as well as ‘operational plans and programs of work exist that define critical success factors and outline how key strategic goals and outcomes will be accomplished at all levels of the organisation’.60 This matrix also identifies that measures of performance need to be ‘defined and monitored for the organisation’s strategic goals’.61

While the PSC has developed the LIVED Strategy to set strategic priorities, they have not filtered down into operational planning for divisions or teams. Similarly, there is no relationship between these strategic priorities and the PSC’s key performance indicators identified in the PSCs annual report.62 Strategic priorities should inform individual performance and development planning; however, given the lack of connection between strategic priorities and operational plans and programs, this has not occurred either.

61 Ibid.
Given that the strategic priorities identified within the LIVED Strategy do not carry through into operational plans and programs, it is unsurprising that the strongest recurring theme throughout PSC staff consultation was the view that the PSC lacked strategic direction.

This Review has recommended that an Independent Advisory Board be established to assist the PSC to develop and pursue a longer-term work program. This Advisory Board could provide support to the PSC in developing strategic priorities, assist the PSC to ensure these priorities filter down to an operational level and support the PSC to incorporate strategic goals connected to its priorities into key performance indicators.

Since 2012 the Commissioner has provided a Statement of Intent to the Premier to ensure the PSC’s priorities are complementary to the Government’s agenda. There needs to be a clear implementation plan with milestones and reports on achievement of the Statement of Intent.

**Budget planning and execution**

Earlier in the report, the Review considers the staffing and budget environment of the PSC.

In 2016/17 employee costs accounted for around 70% of PSC’s total budget.

Because a component of its budget was quarantined for management consultants (CEOs or SES members on other functions) less resources were able to be invested in ongoing PSC staffing in priority areas. The Review understands that this quarantining has occurred in multiple financial years.

The Review was advised that PSC did not avail itself of potential supplementation from Treasury for these costs with the exception of one year. The Review believes that these costs can only be described as outside of PSC’s control and cannot be forecast or planned for and to quarantine for them is at the detriment of fulfilling its budget and results in less resources being invested in fulfilling its functions and priority work.

The PSC has a delegation framework in terms of procurement thresholds for signing off purchases and incurring costs, but there has been a practice that approval to commit funds has been only with authorisation of the Commissioner. Coupled with the lack of strategic, divisional or budget planning it has been difficult to establish a coherent picture of resource deployment.

The lack of clear strategic and budget planning with decision making at appropriate Divisional or other levels has led to a lack of budget knowledge, influence and management. As part of setting a strategic framework and plan that informs project planning and an annual forecast of work effort, the PSC can rebuild its capability to appropriately plan and execute its budget to effectively fulfil its functions.
Setting meaningful performance targets

‘To maximise their benefit, KPIs should give a full and balanced picture of the work agencies carry out’. Currently, the PSC sets the following two types of KPIs:

- ‘key effectiveness indicators’ which paint an overall picture of client satisfaction with the PSC, and
- ‘key efficiency indicators’ which are divided into service areas and measure the average cost (or time taken) to achieve specific outcomes.

The PSC’s current KPIs do not demonstrate how well each service area is performing. A measure of average cost of an outcome does not accurately represent performance if there is no specific corresponding measure of quality of that outcome. To gain a full understanding of the performance of a function, both quantitative and qualitative measures of performance need to be considered in relation to that function.

This Review recommends that the PSC establish new KPIs which report on workforce and leadership capability programs, integrity interventions, action taken to deliver on public sector reform and the PSC’s own performance in supporting the WA public sector.

It would be appropriate in developing new KPIs that the PSC considers the relationship between the PSC’s strategic priorities and its measures of performance. The activities the PSC undertakes should be informed by the strategic outcomes the PSC is trying to achieve. Therefore, the measurement of the performance of those activities should be framed within the context of the strategic objective of those activities.

Organisational structure

The PSC has operated without a structure or, at best, with an interim organisational structure for a significant period of time. Despite requesting copies of the structure and resource attribution as its first piece of information, the Review received multiple different structures which did not provide clarity as to how the PSC was organised and its functional responsibilities. It is concerning that an agency of fewer than 120 people is unable to quickly and clearly illustrate where each of their employees sits within the organisation. A strong and clear organisational structure is paramount in ensuring that staff understand how their organisation functions. Ongoing interim structures, unclear roles and relationships, constant change and mystery about acting arrangements breed uncertainty and distrust and ultimately damage staff morale.

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65 Ibid.
“The Commission has been in one ‘interim’ structure after another, staff are simply disengaged as to what is expected of them, what the agency is trying to achieve, where the agency is going and if the agency holds a future for them.”

“Structures are fluid, no organisation structures are available, no one knows who is acting in what position.”

– Anonymous staff survey responses

Additionally, the Review contends that the PSC is unnecessarily compliance focused and that resources have been usurped from other areas to bolster compliance activities. Far less focus and resource therefore has been available to engage and collaborate with agencies.

“It appears that the PSC’s resources are taken up by routine compliance activities.”

– CHRO workshop

It is also apparent that the PSC’s current processes are too ‘top heavy’ and that delegations could both free up resources and expedite internal processes. The introduction of delegations could also facilitate the freeing up of resources to focus on other priorities.

“Currently every action/decision/correspondence goes through the Commissioner; authority needs to be delegated to the appropriate tier.”

– Anonymous staff survey response

In establishing a new organisational structure, the PSC needs to consider its strategic priorities. The PSC’s strategic direction should inform where it intends to place its effort, which in turn should inform the PSC’s structure. Feedback from consultation suggests that the PSC should be more strongly focused on capability and workforce development. In developing a new organisational structure, priority should be restored to these areas and resources freed up from compliance and corporate teams. Business process redesign and fewer hierarchical arrangements in compliance-based activities would allow these resources to be diverted towards achieving the PSC’s strategic objectives. Additionally, a devolution of compliance functions from the PSC to agencies would also result in a reduction in compliance impost.
Workforce planning and development

This Review has been provided with little evidence to suggest that the PSC is undertaking comprehensive workforce planning or is showing a strong commitment to staff development. Staff consultation indicated that the PSC does not currently prioritise workforce planning and staff development.

“[The PSC needs] Better succession planning, performance management and opportunities... More training and staff development.”

– Anonymous staff survey response

In order to progress the internal reforms suggested in this report, it is critical that the PSC undertakes an internal skills audit and develops an internal workforce plan. An assessment of existing skills will inform succession planning and identifying areas for staff development. This internal workforce plan should be cognisant of the PSC’s strategic priorities and commit to creating learning and development opportunities for staff. This plan should also clearly articulate expectations in relation to staff professional development and set high expectations for the performance of professional development planning. If the PSC is to be the key driver of workforce planning and capacity building in the public sector, it needs to model the appropriate workforce planning and development.

“Undertaking formal capability/training needs assessments across the whole agency would be advantageous.”

– Anonymous staff survey response

Governance and accountability

‘Strong governance at an organisational and system level is an important feature of accountable and ethical public authorities’.66 A key element of strong governance is ensuring that committees established for internal governance purposes operate effectively and transparently.

This Review considered information provided by the PSC regarding its internal governance committees and learned that they met irregularly and did not acquit their roles.

Corporate Executive

The PSC Corp Ex met only five times during the period January 2017 to March 2018. In a number of those meetings, membership was different – based either on personnel or divisions represented.67 Monthly meetings have been reinstated since April 2018.

67 Response from PSC to request for information on 12 June 2018.
The Charter for the Corp Ex states that meetings should be monthly, but on nine occasions no meeting was convened. Specifically, four consecutive meetings between April and August 2017 did not take place.\(^{68}\)

In addition to monthly Corp Ex meetings pursuant to its Charter, the Review would contend that weekly or fortnightly would be appropriate for the members of the Corporate Executive to meet, particularly in a period of 'rebuild' for the PSC.

**Audit and Risk Committee**

In May 2016 the Charter for the Audit and Risk Committee was signed off and approved. The Charter included a stipulation that the Committee meets at the discretion of the Commissioner but that it would meet at least three times annually.\(^{69}\)

The only meeting recorded for this committee was held in June 2016.\(^{70}\)

**Information Communications and Technology Governance Committee**

The Information Communications and Technology Governance Committee is one governance committee within the PSC which meets regularly and appears to be functioning appropriately. The Review received records of meetings being held bi-monthly in addition to agendas, minutes and records of out-of-session papers.\(^{71}\) The Review also received information relating to the ICTGC’s Charter from 31 March 2017, and has received confirmation that the 2018 annual review of this Charter is awaiting ratification.\(^{72}\)

**Governance going forward**

It is paramount for the PSC to reform the way it functions internally to enable good governance. Internal governance committees are a key component of this. This Review recommends that the PSC commit to re-establishing governance committee arrangements and ensuring that outcomes are provided in line with respective charters of these committees.

In addition to ensuring that these committees function, it is also essential that these committees operate transparently and communicate their activities to all staff.

“When the Executive have Corp Ex meetings, very little information is then provided to staff on what decisions were made, or the reasons why. So improved governance is essential.”

--- Anonymous staff survey response.

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68 Ibid.
69 Response from PSC to request for information on 17 May 2018.
70 Ibid.
71 Ibid.
72 Ibid.
As identified above, a key factor contributing to the PSC’s less than optimal culture and low morale is the lack of internal communication. A commitment to regular whole-of-agency staff meetings and regular divisional or team meetings is a characteristic of an agency which values internal communication, imparting views and receiving feedback. Improved communication through regular meetings provides an opportunity for transparency in governance, which in turn will assist in improving staff morale and confidence in the leadership.

This Review is aware that the current leadership is working towards improving these governance arrangements and subsequent internal communication to staff.

Strategic communication

Internal communication

The PSC does not communicate well internally or externally. There also appears to be a lack of mechanisms in place to allow staff to have their ideas heard.

“I think there is a lack of good structures to support staff sharing their ideas…”

– Anonymous staff survey response.

Communication and engagement with staff is crucial in developing the PSC as a leader for the sector and in improving its internal culture. As mentioned previously, the PSC needs a leadership group with an inclusive style which engages with and empowers staff. Additionally, the PSC needs to commit to regular whole-of-agency staff meetings and regular divisional or team meetings. As a part of these meetings, key decisions and discussion points of the Corp Ex need to be shared with PSC staff.

The PSC needs to work actively to develop a culture and put in place systems which encourage open and collaborative internal communication. To do so, this Review recommends that the PSC develops and implements an effective internal communication strategy. This strategy should be developed by a team of officers from across different functions at different levels, representing a cross-section of PSC staff. This ‘cross-functional and vertical slice team’ should build in methods of internal communication based on how staff want to communicate, want to learn and want to contribute to the PSC’s business. An aspect of this strategy should include commitments to different types of staff meetings and direct communication from the Corp Ex, as mentioned above.

This internal communication strategy should consider the importance of internal transparency. For example, employees should be able to view a current corporate structure, complete with higher duties allowances, depicting which employee is performing which role at any given time. Similarly, this strategy should consider how to make best use of existing tools, such as the PSC’s intranet and contemporary collaborative tools. Staff made suggestions about these during the consultation. Internal communication processes and tools should be contemporary, encourage staff engagement and foster innovation.
External communication

The manner in which the PSC communicates with external stakeholders needs to improve. Communication is viewed as directive and fails to incorporate contemporary tools and methods. As leader of the public sector, the PSC needs to embrace innovation and be a model for contemporary stakeholder engagement.

The PSC website is perhaps the agency’s most significant outward-facing method of communication. However, the Review found the website difficult to navigate, cumbersome and out of date. The website contains a large quantity of information, but the manner in which this information is organised is neither clear nor contemporary. By comparison, public service commissions in other jurisdictions in Australia have very clear and user-friendly websites which enable stakeholders to readily identify and access information.

The PSC needs to redevelop its website in conjunction with external users to ensure it is relevant to their needs. In doing so, consideration should be given to clearly articulating the role of the PSC, publishing its corporate structure and ensuring that up-to-date contact details are available for external stakeholders.

Currently, the PSC’s primary method of communication with CEOs and members of the SES are via an email mailing list (CEO Gateway and SES Gateway) which is a one-way communication tool that does not include feedback loops. The PSC needs to ensure that it is using contemporary tools to engage with agencies in a manner which encourages collaboration.

“PSC needs to get a practical approach to communicating that gets other agencies on board.”

– Anonymous staff survey response.

“Rather than being an agency that collects data, why not create a global database? This way we can share information and connect data to better solve problems.”

– PSC employee, level 1-4 focus group

“If there was one first priority, it should be engagement with the agencies. This will lead to cultural change, which will lead to everything else.”

– WA public sector CEO, CEO workshop
This Review believes that the PSC should be co-designing contemporary collaboration tools with them to enable it to effectively engage with agencies. In doing so, the PSC should work in collaboration with the Government Chief Information Officer to create innovative and contemporary collaborative communication tools. If the PSC is to be a leader of the public sector and an exemplar of collaboration, it needs to develop the appropriate tools to facilitate that collaboration.

**Contemporary collaboration tools**

The Review is aware that the Office of the Government Chief Information Officer currently uses Yammer as a method of communication for the Chief Information Officers network group.

Yammer is an internal social network available through Microsoft Office 365. Yammer connects people and enables them to discuss ideas, share updates, and network. It has an online chat tool, a mobile app and a range of other contemporary features.

This is an example of the type of innovative tool that the PSC could use to engage with key stakeholders, both external and internal.

**Internal systems**

The PSC has not developed internal systems which are efficient and cost effective. Two key factors have contributed to this – a lack of long-term strategic planning to identify and address the systems needs of the PSC and a lack of commitment at an executive level to prioritise systems improvements and innovation.

“Our calls for improved systems go unheeded.”

– Anonymous staff survey response.

Currently the PSC operates with a number of bespoke, single-purpose platforms – a model which creates significant inefficiencies. The development of PSC systems has often occurred in isolation and, on some occasions, has been developed away from the relevant expertise required for that system. Systems have also often been developed as a stop gap under time pressures, resulting in ‘band-aid’ solutions which are then not addressed. There have also been instances where a lack of thorough consideration has resulted in bespoke systems being augmented for a wider and less appropriate purpose. The end result is that the PSC is operating with a number of different systems which do not fully meet the requirements of the functions that they were created for.
“PSC is very poorly supported by IT systems manifestly unsuitable for business requirements.”

– Anonymous staff survey response.

Within the PSC, there have been attempts to introduce systems which service the entire agency, however these attempts have failed to gain whole-of-PSC support and have therefore suffered from a lack of take-up.

Projects have been undertaken involving a significant amount of work, only to meet roadblocks at the final approval stage. Project managers have had issues generating executive interest in improving systems, resulting in a failure to implement critical changes.

“Innovation is strangled. Attempts to improve systems hit roadblocks.”

“Bottlenecks in processes, lack of desire to innovate, attempts to improve systems and processes are met with brick walls.”

– Anonymous staff survey response.

Ultimately, the PSC’s information systems are fragmented. The PSC is not operating as a whole organisation with a single strategic direction for its internal systems. The PSC needs better systems, data collection, data analysis and reporting tools to enable it to better perform its functions and to operate collaboratively across divisions.

The risk-averse culture of the PSC has stifled innovation to a point where its internal systems have a significant impact on the PSC’s ability to carry out its functions. It is essential that the PSC overcomes its conservative attitude to technology and embraces innovative systems and solutions. It would be appropriate for the PSC to review all of its current internal systems and to consider rationalising its systems where appropriate. It is crucial that in doing so the PSC approaches its information systems from a forward-looking, whole-of-PSC perspective to create internal systems that suit the PSC’s long-term needs. Relevant PSC staff need to be involved.
Recommendations: Internal and organisational reform

15. Leadership & Engagement
PSC needs a more inclusive style of leadership which works to empower staff. To achieve this, the PSC should:
- establish sessions to engage with staff to actively discuss the PSC’s culture, and
- create mechanisms through which all staff can contribute ideas to the Executive.

16. Strategic planning
PSC develop a multi-year strategic plan aligned to Government and public sector priorities which informs business, team and individual planning arrangements.

17. Budget development
PSC develop transparent, internal budget process and staff allocations linked to improved planning processes and priorities to ensure the most effective management of resources. The Commissioner may seek assistance from the Department of Treasury in this process and also in relation to analysis of charging arrangements for learning and development programs.

18. KPI’s
PSC establish new KPI’s which provide a full and balanced picture of the work the PSC undertakes, taking into account both the quality and cost of services the PSC provides.

19. Organisational structure
PSC develop an organisational structure which:
- restores resourcing to capability and workforce development,
- reduces resources in compliance activities and corporate teams, and
- is mindful of the PSC’s strategic direction.

Improvements need to be pursued through business process redesign which alleviate the internal workload internally as well as the impost on agencies. When an organisational structure is determined, funded positions should be filled as soon as possible to avoid long term uncertainty and acting arrangements.
20. Internal workforce plan
PSC undertake a skills audit and develop an internal workforce plan. This plan should be cognisant of the PSC’s strategic priorities and commit to creating learning and development opportunities for staff. This plan should also clearly articulate PSC recruitment processes for vacant positions, clarify expectations in relation to staff professional development and set high expectations for the performance of professional development planning.

21. Governance committee arrangements
PSC commit to re-establishing governance committee arrangements and ensuring that outcomes are provided in line with respective charters of these committees.

22. Internal communication strategy
In collaboration with a cross-section of staff, the PSC develop and implement an effective internal communication strategy. As a part of this strategy, the PSC should:

- commit to regular whole-of-PSC meetings to create direct communication between Corporate Executive and staff,
- commit to regular team or divisional meetings, and
- encourage the development and use of contemporary internal communication processes and tools to encourage staff engagement and foster innovation.

23. External communication strategy
PSC develop a communication and engagement strategy, incorporating contemporary collaboration tools with agencies. As a priority this should include the redevelopment of the PSC website.

24. ICT systems
The PSC review its internal ICT systems to ensure they are meeting the designed purpose, and consider rationalising its systems where appropriate. In doing so the PSC should approach its information systems from a forward looking whole-of-PSC perspective to create internal systems that suit the PSC’s long term needs and those of their customers.
Challenges and initial focus

The majority of the necessary change and shifts in mode of support and delivery can occur without legislative changes. The incoming Public Sector Commissioner (Commissioner) will be well placed to work through the recommendations of the report and determine priority in consultation with the Minister for Public Sector Management and the Director General, Department of the Premier and Cabinet.

The incoming Commissioner should also meet with central agency counterparts and the Leadership Council to seek their support for the priority work of the Public Sector Commission (PSC) for the next six months.

The Independent Review of the Public Sector Commission (Review) is cognisant of the work that is ahead of the PSC and notes the recent projects bestowed on it from the Service Priority Review, Special Inquiry into Government Programs and Projects and, most recently, the Government’s confirmed projects and initiatives of the Public Sector Reform program. The PSC needs to recalibrate distribution of effort across various functions and realign staff capability to acquit the forward agenda. This will not only involve remedying some of the staffing matters that the Review has identified but, most appropriately, looking at recruiting for positions that are required immediately. The PSC may also need support from other central agencies to work from within to accelerate some early priorities.

The Review outlines through the report several instances where the PSC initiated activity but didn’t necessarily follow through or complete it to the expectations of stakeholders. Therefore implementation through robust project planning and mapping will be vital. This is particularly important for recommendations in this report relating to the Talent Council, Diversity Council and the Strategic Workforce Council which are long-term and ongoing governance mechanisms.

The following table provides a potential implementation guide for the recommendations made by the Review. It will be important that there is an opportunity following implementation that the progress or impact of changes is assessed to ensure they are meeting the intended purposes. The timing of this should be determined by the incoming Commissioner.
Implementation guide for Commission

**Immediate & ongoing**
- Leadership & engagement

**6 months**
- KPI's
- Organisational structure
- Internal communication strategy
- External communication strategy
- ICT systems

**3 months**
- Strategic planning
- Budget development
- Governance committee arrangements

**9 months**
- Internal workforce plan

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**Internal Reform**

**Collaboration for success**

**3 months**
- Chief People Officer
- Public Sector Labour Relations

**6 months**
- Strategic Workforce Council

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**Leading the Sector**

**Role and Identity**

**3 months**
- Role clarity
- CEO accountability
- Diversity & Inclusion

**6 months**
- Independent Advisory Board

**2019**
- CEO employment
- Commissioner accountability
- Misconduct

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**Longer term legislative change**
- Independent Advisory Board
- Diversity & Inclusion
Glossary

The following acronyms and words have specific meanings in this report:

- **CCM Act**  *Corruption Crime and Misconduct Act 2003*
- **CEO**  Chief Executive Officer as defined in the PSM Act
- **CHRO**  Chief Human Resource Officer
- **CPO**  Chief People Officer
- **Commissioner**  Statutory role under the PSM Act
- **Corp Ex**  Corporate Executive
- **DEOPE**  Director of Equal Opportunity in Public Employment
- **EO Act**  *Equal Opportunity Act 1984*
- **FTE**  Full-time equivalent employee
- **KPI**  Key performance indicator
- **Lobbyists Act**  *Integrity (Lobbyists) Act 2016*
- **PID Act**  *Public Interest Disclosure Act 2003*
- **PSC**  Public Sector Commission
- **PSM Act**  *Public Sector Management Act 1994*
- **Public Sector**  Includes all agencies (that is: departments, organisations, and other entities including government trading enterprises, statutory authorities, and all entities of that type within the public education, health, justice and police systems). This definition is broader than the definition used in the PSM Act.
- **Review**  Independent Review of the Public Sector Commission
- **SES**  Senior Executive Service
- **Special Inquiry**  Special Inquiry into Government Programs and Projects
- **SPR**  Service Priority Review
References

Legislation and regulatory instruments

Corruption and Crime Commission Amendment (Misconduct) Act 2014
Corruption Crime and Misconduct Act 2003
Department of the Premier and Cabinet. Premier’s Circular 2017/03 – Coordination and Governance of Public Sector Labour Relations
Equal Opportunity Act 1984
Government Sector Employment Act 2013 (NSW)
Independent Commissioner Against Corruption Act 2012 (SA)
Integrity (Lobbyists) Act 2016
Public Administration Act 2004 (Vic)
Public Interest Disclosure Act 2003
Public Sector Act 2009 (SA)
Public Sector Commission. Approved Procedure 2 – Senior Executive Service.
Public Sector Commission. Approved Procedure 7 Attraction and Retention Incentives.

Public Sector Employment and Management Act 2012 (NT)
Public Sector Management (Breaches of Public Sector Standards) Regulations 2005
Public Sector Management (Redeployment and Redundancy) Regulations 2014
Public Sector Management Act 1994
Public Sector Reform Act 2010
Public Service Act 1978
Public Service Act 1999 (Cth)
Public Service Act 2008 (Qld)
Public Service Act 2008 (Qld)
State Sector Act 1988 (NZ)
State Services Act 2000 (Tas)
Other references


Attachment A: Survey of PSC staff

An anonymous survey of staff was undertaken, utilising an external website platform.

The following is a summary of the questions asked and the responses.

**Question: As an organisation what are the PSC strengths?**

- Professionalism
- Committed, dedicated, knowledgeable (Corporate/Advise) staff
- Independent
- Ability to respond quickly to agencies and changing priorities of the Government

**Question: What would you see as the 3 areas for improvement for the PSC**

- Timeliness of decision making and transparency, and approvals
- Red tape reduction
- Leadership direction, leaders need to be stronger and more strategic
- Culture, siloed morale, favouritism.
- Limited development of staff

**Question: In a few words, how do you think other departments and agencies would describe the PSC?**

- Risk adverse
- Bureaucratic
- Obstructive
- Don’t know what the PSC does, lack of clarity about its role and responsibilities
- Out dated, out of touch

**Question: The SPR outlines an increased focus for the Commission on leading and assisting the sector in workforce matters. How well positioned is the PSC for this role?**

- Knowledgeable staff available but underutilised
- Leadership direction lacking
- More resources needed

**Question: Are there any issues which inhibit the PSC ability to acquit the enhanced role?**

- Lack of leadership direction, inability to lead strategically
- Not enough resources (FTE)
- Structure/Culture
- IT systems
Question: Are there improvements you might suggest about the structure and operation of the PSC?

- Strategic planning direction
- PSC should be located in one building
- Solid structure
- Place more responsibility/trust in employees to make decisions
- Collaborative information sharing between teams
- Establish Corporate executive as it should be and communicate outcomes with staff

Question: Do you have any suggestions for how the PSC could work more collaboratively with departments/agencies

- More engagement with the sector (networking events, graduate exchange, collaborate on problems face to face) remove the ambiguity
- PSC staff to be aware of all of PSC functions
- Ability to offer ‘real advice’ stop being risk adverse
- Engage in sector wide workforce planning

Question 9 Is the PSC leadership effective in providing staff with the strategic direction for the organisation? Do you have suggestions for improvement?

- Majority said No
  - More delegation to staff to make decisions
  - Open transparent Corporate Executive needed
  - Strategic direction
  - Better communication with staff
  - Making staff development pathways clearer
  - Fix structure and culture problems
Attachment B: Summary report on PSC Employee Focus Groups
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As part of the independent review of the functions, structure, performance and capability of the Public Sector Commission (PSC), five employee focus groups were hosted between 11-24 May 2018. Approximately 72 employees attended, with representatives from all substantive levels, excluding the executive team. Groups were designed to segment by level (eg. Levels 1-4, Level 5-6, Level 7 and above) in order to facilitate safe and peer-supported input to the discussion. This document will provide a summary of the main insights gathered from this exercise.

The focus groups were facilitated and designed by Hannah Fitzhardinge from Integral Development in collaboration with the independent reviewer, Ms. Carmel McGregor and drew on existing survey findings, in order to capture a deeper and richer understanding of employees’ perspectives on:

- PSC’s purpose as an organization, its unique role in the public sector, how it should serve its customers and how it could better engage with public sector; and
- How to best bridge the gap between current and desired culture at PSC.

Employees participated in the focus groups in a frank and positive way, and gave much useful feedback. A summary of the key ideas that were common across the focus groups are provided below, followed by a breakdown of input by level.

Key themes – all focus groups combined

- **PSC Purpose:** Employees are driven by a desire to lead, serve and support public sector - while the focus seems to have been lost in the past, moving forward the shared vision is to strengthen agency's position as a servant leader\(^1\) and 'ensure the effectiveness and efficiency of the public sector by building capability, diversity and workforce planning' (employee, level 5-6).

- **PSC most important role:** Is to provide independent advice, arbitration and strategic workforce planning. Moving forward employees want PSC to also focus on providing real time data reporting, taking stewardship and providing more project guidance. 'We definitely have the HR focus... PSC is best positioned for workforce planning.' (employee, level 1-4)

- **Customers view on PSC role:** Staff reported that customers expect PSC to support, empower and lead the public sector. ‘There is an opportunity to talk to the customers about what they need and how we can do it better’ (employee, level 5-6)

- **PSC engagement with the sector:** Various ways were suggested from using technology (website, real time data reporting), collaborative forums, info sessions, community practices and inter-agency working groups. There was a strong focus on ‘getting out of the office’ and meeting with customers face to face.

\(^1\) [http://tosomefirst.com/definition-of-servant-leadership.html](http://tosomefirst.com/definition-of-servant-leadership.html)
- **PSC desired culture**: Employees want clear direction, open communication and to feel they share a common purpose. ‘As we are shrinking as an organization is important to collaborate. We need to become one commission where we are all working together, the source of public sector leaders.’ (employee, s. level 5-6)

**Level 1 – 4 Focus Groups: key themes**

- **PSC purpose**: To create and maintain public trust by promoting values such integrity, accountability and ethics.

- **PSC most important role**: Is to be a central facilitator, to be a provider of centralized data, an independent body in dispute resolution, HR centered and provider of learning and development at executive level. “Rather than being an agency that collects data why not create a global database this way we can share information and connect data to better solve problems’ (employee, level 1-4).

- **Customer view on PSC role**: PSC is the leader for the sector: “We have many different customers who want and expect different things but we are first and foremost a leader for the Public Sector: Agencies expect our advice, assistance and support in issues such ethics, HR and accountability, Government expects us to lead the workforce transformation, the Parliamentary Committee expects us to be a benchmark setter. Regardless, PSC needs to keep consistency and standards’ (PSC employee, level 1-4).

- **PSC engagement with the sector**: ‘through hands-on intervention and working side by side with stakeholders to find solutions to their problems’ (PSC employee, level 1-4).

- **PSC desired culture**: Visionary leadership, to be more integrated, more flexible, to provide wider recognition, a robust performance management system and a strategic direction.

**Level 5 – 6 Focus Groups: key themes**

- **PSC purpose**: To promote and ensure fairness and equality both to public sector employees and the general public.

- **PSC most important role**: Apart from sector guidance, strategy and planning, PSC should get more involved in building network groups across the sector, resource sharing and connecting agencies. ‘We can really broker networks with HR, CEOs and other contacts within the sector’ (employee level 5-6).

- **Customer view on PSC role**: PSC is a problem solver and a provider of sound advice, support and assistance “A lot of the support that agencies are looking for from the PSC, will be determined by their own internal capabilities which is further determined by their size - it is important that we are actually competent and give them (customer) the confidence to come to us’ (employee, s. levels 5-6)
• **PSC engagement with the sector:** Several suggestions were made: more face to face interactions and by providing business intelligence, facilitation and consulting. ‘We need to be more face to face with stakeholders through forums, info sessions, and community practices. We need to focus in bringing people together, bringing sector together. We are the facilitator’ (employee s. levels 5-6)

• **PSC desired culture:** More empowerment to do their job, to feel safe to make recommendations, and to be given clear feedback. They also want equitable and clear communication.

**Level 7 and above Focus Group: key themes**

• **PSC purpose:** To support and provide oversight for the sector and ensure efficient, effective, fair, diverse and accountable practices.

• **PSC most important role:** To provide workforce strategy, independent advice, to build communities of practice, facilitate digital transformation, build ‘one sector’, provide cross service delivery, be a central service of advice and assistance on HR and governance issues. ‘We are still very paper based. We need to automate the tools that we give to our sector’ (employee level 7 and above).

• **Customer view on PSC role:** PSC sets HR rules and ethical standards for the sector, employs and oversights the CEOs, is neutral and apolitical in the process.

• **PSC engagement with the sector:** Through getting a deeper understanding of public sector needs and capabilities, provide in-depth reporting of data collected, bring agencies together and model behavior.

• **PSC desired culture:** There is a desire for contemporary leadership and a transparent, accountable culture. Employees want to feel empowered to decide and act for themselves, and they want clear roles and responsibilities. ‘We need a very contemporary thinking leader and it’s important that we have one as there is a lot being asked of us’ (employee level 7 and above).
Attachment C: PSC Learning and development initiatives identified by the Review

- Aboriginal employment
  - Aboriginal Traineeship program
  - University cadetship program pilot
- Disability Employment
  - Pilot Adult traineeship program
- Policy Essentials
  - Policy Essentials program
  - Policy Practitioner forums
- Graduate Development program and networking events
- Management Essentials program
- Leadership Essentials program
- Australian and New Zealand School of Government
  - Executive Masters and Public Administration
  - CEO Forum
  - Leadership seminar series
- Thought leadership series
- Public Sector Management Program
- Induction to the WA public sector
- Safe spaces: A guide for public sector agencies and employees – DV-alert workshops
- University Internship program
- School based traineeship database and referral system
- Good governance and Accountable and Ethical Decision making for boards and committees
- Investigations course – Certificate 4 in Government Investigations
- Training courses for the prevention and management of conduct related matters (minor misconduct and integrity matters)

The Review also noted that PSC has recently been part of the development for the Chief Human Resources Officer Success Profile, the Chief Finance Officer Success Profile and the CEO Success Profile. It was also recognised that former programs like *Foundation of Human Resources* also received some acclaim.

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73 Discussed in Consultation findings
## Attachment D: PSC Investment in capability and capacity – summary

<table>
<thead>
<tr>
<th>Program</th>
<th>Target audience</th>
<th>Other information</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANZSOG Chief Executive Forum</td>
<td>CEO’s</td>
<td>2-3 days PSC typically supports 2 CEO’s to attend the forum per year.</td>
<td>8</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td></td>
<td>Approx. $9,490 per participant. Funded by PSC.</td>
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<tr>
<td>ANZSOG Executive Fellows Program</td>
<td>Tiers 2 and 3 or CEO’s of smaller agencies</td>
<td>3-week residential program. PSC usually supports 3 scholarships per year.</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td></td>
<td></td>
<td>Approx. $35,000 per participant. Funded by PSC.</td>
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<tr>
<td>ANZSOG Executive Masters of Public Administration</td>
<td>Level 8 and above</td>
<td>Two-year post-graduate program. PSC supports 3-5 per year.</td>
<td>5</td>
<td>0</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>Approx. $60,000 per participant. Additional $1,650 should participants nominate to attend the unit offered in Singapore. Funded by PSC.</td>
</tr>
<tr>
<td>Leadership Essentials</td>
<td>Level 7-9</td>
<td>10 months. Approx. 27 participants per year.</td>
<td>N/A</td>
<td>20</td>
<td>35</td>
<td>25</td>
<td>26</td>
<td>Participant fee of $5,300 paid by the employing agency.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2 cohorts)</td>
<td></td>
<td></td>
<td>Participant fee covers diagnostic assessment and coaching session costs. The PSC funds approx. $2,900 per participant for remaining costs (caterings, workshop materials, facilitation etc).</td>
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<tr>
<td>Thought Leadership</td>
<td>Level 1 - CEO</td>
<td>Aim to have 6-8 speakers throughout the year. Cohorts of 25-250 depending on the event.</td>
<td>117 attended as at March 2018, more sessions to be run in June, July, August and October.</td>
<td></td>
<td></td>
<td></td>
<td>Fully funded by PSC.</td>
<td></td>
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<tr>
<td>Program</td>
<td>Level/Participants</td>
<td>Modules/Workshops</td>
<td>Details</td>
<td>Funding/Costs</td>
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<tr>
<td>Management Essentials</td>
<td>Level 4-6 officers in management roles</td>
<td>5 modules, each comprising a 1 day workshop. 25-30 participants per workshop.</td>
<td>In the financial year 2017-18 the PSC will deliver 30 workshops, each with 30 participants. Since 2015 there have been 2,672 registrations for Management Essentials workshops. Nb. This includes multiple registrations, ie where one individual has registered for all 5 workshops this will be counted 5 times.</td>
<td>Currently fully funded by PSC. As of 2018-19 the PSC will charge agencies a fee of $165 per participant. Residual costs, approx. $205 per participant, to be met by PSC.</td>
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<tr>
<td>Policy Essentials</td>
<td>Mid-level policy practitioners</td>
<td>4 workshops and project presentation day over a 4-month period. 2 intakes per year of 30 participants.</td>
<td>N/A N/A 29 60 59</td>
<td>PSC funds the event (catering, venue hire etc). Facilitation effort is on a voluntary basis and is promoted as a development opportunity.</td>
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<td>Policy Practitioner Forums</td>
<td>Policy practitioners</td>
<td>3 Hour workshops. 80-100 participants. Two sessions in 2017.</td>
<td>N/A N/A N/A 121 Information unavailable</td>
<td>Costs met by PSC (venue hire and catering). Facilitation is on a voluntary basis.</td>
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<td>Graduate Development Program</td>
<td>New graduates</td>
<td>10 months. Approx. 51 participants per year.</td>
<td>49 45 45 51 61</td>
<td>Agencies pay $600 per participant. Residual costs, approx. $200 per participant met by PSC.</td>
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<tr>
<td>Public sector inductions</td>
<td>New public sector employees</td>
<td>3 hour seminar. 4 seminars per year.</td>
<td>152 participants to date in 2017-18.</td>
<td>Funded by PSC.</td>
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