

Commissioner's overview



The WA public sector workforce is broadly diverse, with a rich mosaic of backgrounds, experience and perspectives. The *State of the sector report 2013* is the story of these people.

The report is more than a formal reporting obligation—it is a vehicle to enable key stakeholders to evaluate the performance of the public sector and its capability going forward. Significant work has been undertaken by the sector to improve performance and management over the year, and this is clearly reflected throughout the pages of this report.

The public sector operates in a dynamic environment. This year, a substantial machinery of government reform agenda was implemented to achieve responsive and flexible administration under s. 7 of the [Public Sector Management Act 1994](#) (PSM Act). I would like to take this opportunity to thank public sector bodies and staff involved with this year's changes for their cooperation and contribution to a smooth implementation process. This involved strong leadership from chief executives and other senior managers who established, and operated with, effective governance models in all affected portfolios.

In a context of financial constraint, public sector services have been managed against a backdrop of strong economic and population growth over a number of years. These factors have raised expectations for government services, particularly in our regional communities and in the key service areas of health and education.

In response to the demand for more effective service delivery, the sector is focused on improving performance and efficiency. Ethical conduct, effective governance, workforce management and workforce planning are integral to achieving high performance across the sector, and to ensuring ongoing delivery of efficient and effective services to the community.

These elements have formed my framework for evaluating the state of the sector and the structure of this report. My key observations on this year's trends and future directions for the sector follow, with more detailed information provided in the subsequent chapters of this report. More than 15 case studies, representing examples of good practice, are included in the report. These have been selected from a large number of programs and initiatives undertaken across the sector in this reporting year that aim to make a difference to the WA community.

Key observations for 2013

Strengthening accountability and building trust

Integrity is the cornerstone of good governance and is fundamental to strong organisational performance. By operating with integrity and using powers responsibly, the public sector serves the public interest and effectively manages conflicts of interest.

Community perceptions are important to the sector's reputation. With increasing public scrutiny on the sector's conduct, performance and governance, trust and confidence in our integrity is crucial to good service delivery and outcomes for the community. It is therefore positive that the evidence indicates there is a low level of misconduct in the sector, with an average of four disciplinary breaches for every 1000 public sector employees. These breaches are likely to represent occasional acts of poor judgement, rather than systemic issues.

Ethical codes are vital to maintaining integrity at both the public sector body and individual staff member level. While almost all entities report having a code of conduct, ethical codes in themselves do not guarantee employees act ethically or with integrity. While public integrity in our state is strengthened by an accountability framework, the integrity of the sector rests substantially on the personal behaviour of our public officers placed in positions of trust.

I recently conducted an examination of the controls used when recruiting individuals to positions of trust. Although there is room for improvement in the assessment of integrity, I found that participating entities effectively incorporated conduct and integrity elements into their induction processes.

Employees report a strong awareness of processes for reporting unethical conduct, and processes for managing and investigating allegations seem well embedded within entities. This reflects, in part, increased support by the Public Sector Commission to assist public authorities in handling public interest disclosures and managing or undertaking disciplinary investigations.

Creating opportunities for better ways of doing things

Governance is a key component of an efficient and effective public sector. Governance systems and structures are underpinned by a number of compliance requirements, supported by effective leadership and organisational culture. Part of the leadership role of chief executives is to move entities beyond compliance to business excellence. I urge all public sector bodies to make a fundamental commitment to s. 7(e) of the PSM Act, and to place a greater emphasis on performance, particularly in the areas of employee productivity, risk management and operational planning.

Effective governance is supported by clear strategic objectives aligned to operations, and access to performance indicators. Most public sector bodies indicated this year they have measurable objectives aligned to their policy direction and operating environment, and systems to evaluate progress against their strategic plan.

I consider program evaluation to be a key component of continuous improvement and effective governance. This year, the majority of entities reported routinely undertaking some level of performance evaluation of key programs and activities. However, I am certain there are opportunities to enhance program evaluation practices across the sector.

The Government is establishing a steering committee to conduct rolling program evaluations. These evaluations will establish whether there is still a genuine need for a particular program, and will identify opportunities for delivering the program more efficiently and effectively. The initiative will be supported by a new unit in the Department of Treasury.

Innovative practices improve efficiency and effectiveness and enable greater productivity. Public sector bodies commonly reported using a process for identifying innovation in 2012/13 and several reported examples of significant innovations over the year.

To achieve administrative efficiencies and improve service delivery, I encourage the public sector to consider opportunities for collaboration. Most entities indicated they are implementing collaborative projects, both within the sector and across the private and not-for-profit community sectors. This year, several collaborative projects have been showcased through the [Premier's Awards for Excellence in Public Sector Management](#).

Delivering a safe, fair and motivating workplace

Workforce management systems are underpinned by a number of compliance requirements, including public sector standards and the principles of human resource management in the PSM Act. It is therefore positive that there appears to be a high level of conformance with these requirements in the sector.

However, we should look beyond compliance to consider how to improve employee engagement and wellbeing in order to maximise productivity. It is positive that reported employee engagement levels are already high, with the majority of employees indicating they are satisfied with their job and proud to work in the public sector. Most entities report implementing strategies to improve employee health and wellbeing such as communicating anti-bullying and workplace injury and illness policies.

Monitoring performance and developing employee capability can help drive improvements. It is positive to see that most public sector bodies indicate they have implemented a professional development framework. However, I encourage greater employee participation in performance management processes to identify development opportunities.

The use of mentoring within a wider professional development strategy is gaining traction across the sector, and we are incorporating mentoring into many of our sector development programs.

Exploring the shape of the sector

The evidence suggests the public sector is becoming more professionalised, representing a highly skilled workforce undertaking increasingly complex roles. Administrative and clerical roles continue to diminish, with changes in technology and work practices.

The increasing proportion of female employees in the sector over time is considered to largely represent the growing participation of women in essential human services. While the proportion of women in management roles remains low, it continues to trend upwards. I am progressing a project to examine the motivations, beliefs, goals, internal conflict and values of senior women in the public sector in relation to work, and to identify what could encourage and support more women to take on leadership roles.

Planning for tomorrow, today

The public sector recognises current and future workforce issues associated with optimising employment participation. This is an important way to guarantee the sustainability of services. In the context of a tightening fiscal environment and an ageing workforce, most entities report creating a workforce plan and implementing strategies to reduce the possibility of skills shortages.

I encourage the public sector to identify ways to tap into underutilised segments of the workforce and apply that insight in improving service delivery to a diverse client base. It is positive that most employees agreed their workplace is committed to building a diverse workforce.

Recently, the Commission partnered with the Disability Services Commission to launch the [Disability employment strategy 2013–2015](#), and I encourage all entities to consider this strategy in their workforce planning. In addition, many entities report implementing initiatives to increase their employees' understanding of Aboriginal Australian culture and how this relates to their work, and initiatives to actively engage with Aboriginal clients when considering how best to deliver services.

Leadership is critical to organisational performance and development. Leaders play a unique role in shaping our sector, championing new practices and quickly responding to emerging challenges.

There were 510 members of the Senior Executive Service (SES) in June 2013. These leaders were predominantly male and had a median age of around 54 years. The average retirement age of the SES over the last five years was around 61 years.

An effective public sector requires leadership 'bench strength', with current and emerging leaders holding a shared understanding of the public sector identity and values. I recognise more work is required across the sector to build a strong leadership 'bench' and I am committed to focusing on the core areas of succession planning and leadership development to help the sector prepare the leaders of tomorrow for future challenges.

The way forward

The future of the WA public sector must be framed within the reality of fiscal constraints, the need to respond to complex policy and service delivery priorities and, increasingly, the need to manage interacting and overlapping waves of change.

It is important that public sector bodies remain committed to maintaining a high standard of accountability and integrity through effective governance and ethical leadership. Not only will this help entities meet their obligations under the public sector's accountability framework, but it will also help strengthen the community's trust in the sector.

As part of the state's commitment to the [National partnership agreement on Indigenous economic participation](#), improving the representation of Indigenous Australians in the workforce remains a priority of the public sector. WA is aiming to achieve 3.2% Indigenous representation in public sector employment by 2015, which is slightly higher than the 2013 result of 3.0%. However, in working towards this target, WA is mindful that the estimated Indigenous Australian proportion of the working age population is 2.8%.

Just over one-tenth of the public sector workforce is aged 60 years or more, while the proportion of workers under the age of 30 years remains low. Continued investment in workforce planning and capability development remains a focus for the public sector, to ensure entities attract high quality employees while retaining vital corporate knowledge.

In early 2014, the Commission will launch a new model for supporting and fostering public sector capability and leadership development. This model will renew focus on whole-of-sector development priorities, offering training programs and forums to complement the professional development offerings of public sector bodies. This will be guided by a cross-sector advisory group which will identify direction and sector priorities.

Increasing the governance capacity of government boards and committees also remains a key focus. Boards and committees have a degree of independence from government and provide additional skills and experience to the sector. Governance arrangements of boards and committees can be complex and over the coming year, the Commission will undertake additional work to increase members' understanding of ministerial expectations, public sector accountability and their role and responsibilities.

Through its strategic priorities, the Commission assists the Government to achieve its broad goal of delivering results in key service areas for the benefit of all Western Australians. The Commission's priorities for the next three years are to:

- increase efficiency, flexibility and integrity
- provide and support governance and leadership
- build an accountable, knowledgeable and diverse workforce
- promote openness and transparency in evaluation and reporting practices.

As an independent Commission, these priorities will be achieved through balancing policy, assistance and oversight roles.

As the Public Sector Commissioner, I look forward to working with the public sector to respond to emerging challenges in administration and management over the coming year.

A handwritten signature in purple ink, appearing to read 'M C Wauchope', written in a cursive style.

M C Wauchope
PUBLIC SECTOR COMMISSIONER
19 November 2013