SERVICE PRIORITY REVIEW

BACKGROUND PAPER

ROLE OF THE CENTRE
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Role of the Centre

Introduction

Clarke and Stewart¹ observe that many of the problems that governments have been facing for some years are cross-cutting and ‘wicked’, meaning that they cross functional boundaries and demand the involvement of multiple sectors. As a result, stronger central coordination is required to provide coherence to government actions.

Alessandro et al notes the observations of Dahlström, Peters and Pierre that previous waves of government reforms have decentralised decision making and implementation authority to autonomous or quasi-autonomous agencies and to non-governmental actors, leading to a diminished capacity of the political leadership to guide the workings of government.² This is not to say that strong central control is required in all cases to achieve outcomes. Rather, there are efficiencies and synergies that can be better achieved through cooperation and collaboration at the centre, rather than when distributed across the system.

This paper examines the operation of the centre of government in the United Kingdom and New Zealand and considers implications arising for Western Australia.

Background

Global trends

Internationally, there is increasing recognition of the importance of a well-functioning centre of government to a well-functioning public sector. Simultaneously, there is recognition that public sectors everywhere are increasingly operating in a post-new public management (post-NPM) era that is characterised by greater cooperation and collaboration across government. Jun, as cited by Vlk, observes that “post-NPM has sought to: cut down on fragmentation through structural changes, increase centralisation, strengthen central political and administrative capacity, examine historical and cultural factors, introduce ‘joined up government’ initiatives, create clearer expectations for roles and re-regulate as needed”.³

While the exact composition of the centre of government varies from jurisdiction to jurisdiction, Hassal suggests that the fundamental roles of the central agencies are to develop the overall direction of policy and gain official sanction for it; to provide the financial allocations and authority to sustain the policy direction; and to provide the human resources for its implementation.⁴

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² Ibid. p5.
However, the trend towards integrated governance models in a post-NPM world questions Hassal’s view and places new demands on the centre of government. Colgan et al have summarised these as follows:

- **Joining up at the centre to achieve a shared vision**: Whole-of-government work involves joining up policy making at the centre in support of implementation. This is the feature that distinguishes it from interagency work. All stakeholders should have the same vision and buy-in to the same strategic priorities; furthermore, they should be consulted from the beginning (i.e. at the stage of agenda setting and policy development).

- **Boundary management**: In complex policy implementation, the boundaries between government departments, between policy makers and implementation bodies, and between levels (national and local, policy makers and front-line personnel, administrative and professional personnel) must be managed if implementation is to be effective.

- **Managing interdependencies**: Whole-of-government work also involves recognising and managing the interdependencies across areas of government and among levels of implementation – national, local, professional and administrative.

- **Shared understanding**: In the case of deep-seated social problems (so-called ‘wicked’ problems) such as poverty, crime or obesity, a shared view among the stakeholders about the underlying causes of the problem is an essential foundation for effective whole-of-government work.  

**Approaches in other jurisdictions**

**New Zealand**

NZ gave consideration to the role of central agencies as part of its Better Public Services work in 2011. That jurisdiction determined that while strengthening central agencies’ focus on system-wide leadership was essential, it was also true that the leadership of the sector was held somewhat loosely and jointly by three agencies: State Services Commission, Treasury and the Department of Prime Minister and Cabinet. This meant:

- no one agency could be held accountable for overall performance of the State sector, which in turn limited the mandate any agency had to act decisively in defence of that performance
- where system-wide action was called for that impacted outside each agency’s direct responsibilities, it typically required a consensus to be reached between the three, and consensus could take some time to reach.

To resolve this tension, three options were considered. These were:

1. Strengthen existing arrangements by giving each of the central agencies clearer areas where they could make decisions that run across the State service.

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2. Establish the State Services Commissioner as head of State services, with decision rights over not just departments but also over aspects of Crown entities’ operations.

3. Use a State sector stewardship board made up of a number of leaders who could make decisions collectively.

In the view of the Better Public Services secretariat, Option 1 was considered the least disruptive and “most organic” option, but was considered too little a change to achieve real gain and risked the accountability of the other departmental leaders.

Option 3 – using a State sector stewardship board – was seen as equivalent in role to the group executive teams in many large companies. The main advantage of using such a board was seen to be that it would draw expertise into central decision making beyond that available to the central agencies alone, including the knowledge and expertise of operational leaders, and possibly leaders from outside the State service. The main disadvantage of this approach was seen to be that accountability was not as clear as when there was one decision maker who could be held responsible for the outcome.

Ultimately, the second option was chosen but it was noted that this was not without risk and would require significant expertise at the State Services Commission and a considerable willingness by the Commissioner to listen to and value appropriately the concerns of the leaders of the other, more operational, agencies. Without this culture, it could result in undue centralisation and a return to the “dead hand of command and control”.

**United Kingdom**

The UK has also been grappling with the role and function of the centre of government in recent years.

A report by the UK House of Commons’ Committee of Public Accounts suggested that a “strong and effective centre of government is vital for the effective operation of government as a whole and for ensuring a focus on improved value for money for the taxpayer”.

The committee also found that the centre of government was responsible for coordinating and overseeing the work of government, enabling it to achieve its aims and priorities and ensuring there was a central view of how government was operating as a whole. The centre also works with departments to improve the efficiency and effectiveness of their operations.

Similarly, the UK National Audit Office (NAO) found that a “more coordinated approach to managing the business of government could offer benefits including better value for money, improved services for the user, enhanced accountability to Parliament and the citizen, and a more coherent organisational view”.

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9 Ibid. p7.

Further it has expressed the view that it believes “the role of the centre of government (the centre) will be crucial in facilitating further transformation and savings”. 11

To achieve this, NAO has formed the view that the Cabinet Office, as part of the centre, will need to improve its effectiveness by:

- improving the way the centre engages with departments, tackling the lack of incentives in place, and growing the centre’s capacity and capability to implement its ambition.
- developing an understanding of the business of departments and their priorities. The current support and challenge offered is sometimes inappropriate and not helpful.
- more effective communication between different parts of the centre. This includes communication between different spending teams working in HM Treasury and the Cabinet Office. Different parts of the centre do not act coherently, resulting in overlapping advice and requests for data. 12

NAO observes that roles and responsibilities in the centre for achieving government-wide change “must be crystal clear” and that the centre will need sufficiently sensitive monitoring processes and management approaches to succeed. 13 It suggests that there are some “unarguable responsibilities” that fall to the centre. They are:

- articulating a clear operating model for government
- providing strategic leadership of cross-government policies or programs
- exploiting government’s collective strength
- identifying and implementing more efficient and effective ways of working
- incentivising the right behaviour, including promoting collaboration, integration and innovation
- understanding the cross-government picture and, where appropriate, making the best decisions for government as a whole
- improving governmental capability
- presenting a coherent view. 14

Progress is being made on many of these, aided in part by the creation of a position of chief executive of the civil service (currently held by Mr John Manzoni). Although this position has limited formal power outside the Cabinet Office, it does have levers of influence across government. The NAO notes that Mr Manzoni “recognises the importance of creating a shared understanding with permanent secretaries to influence change in departments”. 15

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12 Ibid. p5.
The committee of public accounts\textsuperscript{16} has noted the need for the centre to drive agency heads harder on cross-agency deliverables and to hold them more closely to account for achievement of strategic and operational goals.

Further discussion on approaches to the implementation of cross-sectoral priorities in the UK and elsewhere is contained later in this paper.

\textit{Australian public service}

\textit{Ahead of the Game}, the 2010 blueprint for reform of Australian public administration, recognised that stewardship of the sector is a collective responsibility.

To this end it foreshadowed the creation of a secretaries board comprising secretaries, the Australian Public Service Commissioner and chaired by the secretary of the Department of Prime Minister and Cabinet.

The board was to be responsible for developing and implementing strategies to improve the APS. The \textit{Public Service Act 1999} (Cth) was subsequently amended and section 64 details the functions of the secretaries board which are:

\begin{itemize}
\item a) to take responsibility for the stewardship of the APS and for developing and implementing strategies to improve the APS
\item b) to identify strategic priorities for the APS and consider issues that affect the APS
\item c) to set an annual work program and direct subcommittees to develop strategies to address APS-wide issues and make recommendations to the secretaries board
\item d) to draw together advice from senior leaders in government, business and the community
\item e) to work collaboratively and model leadership behaviours.
\end{itemize}

Additionally, a senior leadership cohort called the APS 200 was regularly convened to assist in developing solutions to whole-of-sector issues. The APS 200 comprises selected agency heads (band three and above), band three senior executive service (SES) and the secretaries board, is convened two or three times a year and is designed to provide a forum through which leaders can:

\begin{itemize}
\item undertake strategic projects and initiatives as set by the secretaries board
\item champion issues such as APS diversity, Aboriginal employment, service responsiveness and access to government information.\textsuperscript{17}
\end{itemize}

The Australian Public Service Commission reflected on the value of these forums in its 2013-14 \textit{State of the Service} report. It noted that “leaders have a stewardship role. They look beyond the immediate and beyond their own organisations to build the long-term capability of the APS as an institution”. Additionally, it noted that “sophisticated leadership practice is a key requirement for organisations seeking to transform or make progress on complex challenges.


Highly effective leadership is an enabler of genuine collaboration – testing assumptions and values, drawing out competing perspectives and helping groups see one another as problem-solving resources”. 18

**Victoria**

The Victorian secretaries board comprises the secretaries of each department, the Chief Commissioner of Police and the Victorian Public Sector Commissioner. The board, which does not have legal status, is chaired by the secretary of the Department of Premier and Cabinet and that agency provides secretarial support to it. The aim of the board is to coordinate policy initiatives across the public sector. It is also responsible for promoting leadership and information exchange in the public service. 19

**Western Australia**

The review panel has noted that complex systems require effective leadership at all levels to ensure efficient operations and effective service delivery. Leadership shapes culture, sets the tone and encourages innovation and best practice service design. It fosters cohesion across disparate functions and looks to the long term.

The effectiveness of the public sector is crucial to delivering on the Government’s agenda, and thus must be core business for all central agencies. In WA the centre of government is considered to be the Department of the Premier and Cabinet (DPC), the Department of Treasury (Treasury) and the Public Sector Commission (PSC).

DPC is responsible for driving the Government’s policy agenda, providing support to the Premier and Cabinet and also providing leadership and coordination of cross-agency solutions to complex policy issues. Treasury provides economic and financial management and advice to government and controls the public sector budget, budgeting processes and financial policy. The PSC undertakes a number of functions relating to workforce management and integrity, consistent with the Commissioner’s responsibilities under the *Public Sector Management Act 1994* (see Appendix 1).

Feedback from stakeholders suggests that in WA the centre is not performing optimally with respect to its cross-agency stewardship role. Comments received during the information-gathering phase of the review suggest that there is a perceived lack of cohesion between the central agencies, particularly with respect to whole-of-sector strategy.

Line agencies are keen to have greater involvement and engagement with the centre and there is a desire to see the centre play more of a facilitative, enabling role rather than what has been described as a ‘gatekeeping’ role.

Rather than creating new frameworks and rule-based operating environments, agencies would like to see the centre working with them to overcome barriers and break down silos. It has been proposed to the Service Priority Review Panel that the current methods of operation reinforce silos and offer no incentives for cross-sectoral collaboration.


In some cases, overly prescriptive policies and frameworks issued by the centre encourage risk aversion rather than empowering agencies to innovate. Collaboration between line and central agencies is likely to generate stronger synergies and better outcomes than a relationship based around submitter/approver roles that are more the norm currently.

The potential introduction of whole-of-government targets and demands for digital service delivery and better coordinated services means that the central agencies will need to drive coordinated programs of change. They will need to ensure there are appropriate support and accountability mechanisms to promote success, and they will need to collaborate in shaping a public sector management and industrial relations system that meets the needs of a contemporary public sector and workforce. This will require them to rethink their methods of interaction and seek to develop better collaborative mechanisms between themselves and with agencies.

The centre will have primary responsibility for promoting a ‘one sector’ culture and will need to demonstrate cohesion and collaboration between the agencies in order to demonstrate behaviours sought across the sector. Changes such as this should, in turn, generate a stewardship culture driven from the centre that treats the sector as an integrated whole, rather than a fragmented patchwork. This will see a continuation of support for core public sector values such as integrity, trust and independence and will be enhanced by greater opportunities for standardisation and cooperation in the interests of better and more efficient service delivery. Central agencies have a range of legislative and policy tools at their disposal and should ensure that they apply them appropriately to achieve desired outcomes.

Although driven by the centre, achievement of cultural change will be a collective responsibility. Functional leadership, for example, is premised on the notion of line agencies taking responsibility for certain functions because they have particular expertise or skills that can be used for whole-of-sector benefit. What the centre of government can do effectively is to provide an enabling environment to achieve government priority outcomes – and to work with agencies in this regard – while promoting and developing policy, practice and culture that fosters a culture of sectoral stewardship.

The role of the centre in facilitating implementation of government priorities

The review Panel has observed that implementation capacity is lacking in the WA public sector with respect to policy implementation and implementation of previous reform initiatives. This may be linked to the decline in policy capacity that has been observed by many making comment to the Service Priority Review, a function of the lack of coordination between the central agencies discussed earlier, or an absence of whole-of-sector thinking in general.

Harrison\textsuperscript{20} asserts that government departments are typically not well set up to adapt to changes in the Government’s priorities, or to give focused attention to prioritising a particular issue within their larger portfolio of work.

He argues that when departments run into obstacles outside their control, usually because they require inputs from another department over which they have no authority, they may find the centre of government has no dedicated capacity to assist them in resolving problems.

In such circumstances and depending on the priority of the issue at hand, responsibility for such issues can fall to the head of government which can then divert the centre from its strategic and coordinating roles. Harrison notes that this can then create a vicious circle as the lack of coordinating capacity causes the centre to resort to direct central implementation, thereby further diverting its energies from its coordinating and strategic roles.

Gold\textsuperscript{21} notes that most heads of government have few mechanisms at their disposal to understand what progress is being made on the pledges they set out in their election manifestos. The inability to track “how far the needle has moved on key priorities” is noted as a gap in central functions and one that is increasingly being addressed by the introduction of implementation units. The emergence of delivery units has been driven by the political and reputational risks associated with governments struggling to deliver on their commitments, which has promoted a shift towards a greater focus on implementation.

Delivery or implementation units (hereafter referred to only as implementation units, for brevity) are typically located within centre of government and usually in the agency providing policy support to the head of government. They typically assist in:

- tracking progress against key policy priorities through analysing a constant stream of departmental performance data
- undertaking field visits to identify obstacles to delivery and flag where additional resources are needed to fix problems
- supplying heads of government with routine progress reports on the delivery of their manifesto commitments
- organising ‘stocktake’ meetings between heads of government and senior departmental officials. These serve as forums for both challenging departmental executives to respond to difficult questions and brainstorming solutions.\textsuperscript{22}

Gold\textsuperscript{23} concludes that the following are features of successful implementation unit application:

- **Undertaking front-end scrutiny:** The UK’s implementation unit, like most delivery units around the world, tends only to scrutinise initiatives once they’ve gained political approval. This can create problems if those initiatives are poorly designed. To address this, the Commonwealth Government’s Cabinet implementation unit devotes the majority of its time to scrutinising the feasibility of departmental policy proposals before they become agreed policy.


\textsuperscript{22} Ibid.

• **Building distributed capability:** As centres of expertise in delivery, implementation units need to help build capacity, not just challenge departmental performance. The Commonwealth Government’s Cabinet implementation unit, for instance, offers training in implementation planning to policy professionals across the Australian public service.

• **Innovation labs:** Most delivery units develop action plans to resolve implementation problems. Units in Malaysia and Tanzania have enjoyed success in using pop-up ‘delivery labs’. These six-to-eight week labs bring together a more diverse range of stakeholders (from inside and outside of government) to develop an action plan.

Shostak et al\(^\text{24}\) note that the challenge for governments across the world is to efficiently and effectively turn political ambitions into policy, policy into practice, and to engage front line public service professionals into generating results for and with citizens. Implementation units are increasingly seen as a mechanism through which those ambitions can be realised. The role and function of such units have been defined by Shostak as a discrete unit with a mandate to use the authority of the chief executive to:

- focus on improving results as measured by citizen outcomes in a limited number of priority areas
- unblock obstacles when monitoring shows that progress is off track
- build understanding and capability.

The UK is recognised as having led the introduction of implementation units through the creation of the Prime Minister’s delivery unit (PMDU) under the Blair Government. The concept was revamped in 2012 with the creation of an implementation unit at the Cabinet Office. The functions of this unit are:

- helping the Prime Minister and Cabinet to track implementation of the Government’s commitments
- supporting the implementation task forces to lead on implementing cross-cutting priorities
- working to strengthen implementation capability across government
- with the Better Regulation Executive, carrying out the ‘cutting red tape’ program to reduce and improve the stock of regulation on the statute book and provide £10 billion of savings to UK businesses.\(^\text{25}\)

Building on techniques developed in the PMDU, the unit works to an agenda set quarterly by the Prime Minister and deputy Prime Minister and its main work is to undertake six-to-eight week ‘deep-dive’ reports that aim to get to the bottom of ‘thorny’ implementation issues.

Harrison\(^\text{26}\) notes that most delivery units structure their work around periodic high-level meetings to check progress. These are known as ‘stocktakes’. The unit then typically generates a report on progress against priorities that is used to determine next steps.

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\(^{25}\) United Kingdom Government. Date unknown. *James Quinault – Biography.*


\(^{26}\) Harrison, T. 2016. p5.
In some countries, stocktakes are heavily geared towards accountability, while in others they are used more as a tool to initiate and facilitate problem solving.

Implementation units are now a feature in many jurisdictions around the world including Brazil, Chile, Malaysia and Romania. 27

The Standards Council of Canada has a strategy and stakeholder engagement branch charged with responsibility for “the development of strategies that enable SCC to achieve results in key areas, and provide advice to the chief executive, senior management, council and other branches through the development of policy positions on cross-cutting national, regional and international issues”. 28

The Commonwealth Government’s Cabinet implementation unit focuses on effective implementation planning before policies are considered by government.

In New South Wales, the Premier’s implementation unit of the Department of Premier and Cabinet supports the Premier in driving delivery of the Premier’s priorities. The group provides independent oversight of performance, questions and interrogates progress, and works closely with agency implementation teams to support delivery, ensure risks are managed and address barriers. 29

It is worth noting that implementation units have not been universally successful. In the UK for example, the PMDU lost influence and impetus following the departure of its leader, Michael Barber. Queensland and the Netherlands have also previously tried the implementation unit model but have subsequently moved away from them. Gold30 notes that political support and sponsorship is essential to implementation unit success, as is a flexible staffing model that can react to shifts in demand.

An effective centre of government for Western Australia

An effective centre of government will be essential to realising the State Government’s vision for a collaborative, outward-facing public sector that puts the citizen at the focus of service delivery and design. Unless the centre can demonstrate cooperation and stewardship, these attributes are unlikely to be translated to other parts of the sector. There is no doubt, however, that there needs to be a shift in process, custom and practice in WA between the central agencies to give effect to this vision. The Service Priority Review panel has expressed surprise, for example, at how little regular interaction currently takes place between the heads of the central agencies.

These concerns notwithstanding, the central agencies have exhibited a range of strengths that have benefited the sector. For example, the PSC has driven a strong program of activity around integrity that has served to improve community perceptions of the public sector and promote a culture of ethical behaviour and accountability. This has been important work.

In its submission to the review, the PSC acknowledges that the genesis of much of the current approach to systems of governance lies in legislative and other reforms arising from public sector governance issues arising in the 1980s and early 1990s. These events in turn influenced the drafting of the *Public Sector Management Act 1994* which was designed to more clearly separate the public sector from the day-to-day decision making of government.

However, in considering the overall spread of responsibilities of the Public Sector Commissioner, the public sector management principles and the human resource management principles as defined under sections 21A, 7 and 8 of the *Public Sector Management Act 1994* (detailed at Appendix 1), the time may be right to give consideration to how a greater focus could be given to matters associated with workforce management and development of innovative solutions to human resource management issues.

It is recognised that the Commissioner’s responsibilities under the PSM Act, *Corruption, Crime and Misconduct Act 2003*, *Public Interest Disclosure Act 2003* and the *Integrity (Lobbyists) Act 2016* give the PSC a strong integrity focus that is unique in comparison to commissions in other jurisdictions. The issue of balance is raised simply to highlight the concerns expressed by stakeholders that the current focus may be too heavily geared towards frameworks and regulations rather than problem-solving and enabling.

Treasury has had equally challenging circumstances over recent years and has been required to respond to difficult fiscal circumstances by implementing a range of policies that have impacted on agency operations. Stakeholders have noted that these have sometimes been developed in isolation and with little or no consultation with line agencies. One observation by a stakeholder was that “Treasury needs to be more problem solver than gatekeeper, and to support that shift may need to strengthen strategic capabilities and engagement approaches”.

The introduction of whole-of-government targets, actions to overhaul and update outcome based management (OBM) and calls for agency budgeting processes to better reflect contemporary approaches to service delivery will place significant challenges on the agency and development of solutions would benefit greatly from collaboration.

DPC will be responsible for driving much of the new policy agenda across government and will be at the forefront of coordinating whole-of-government targets. The interface with the non-government sector and ensuring Cabinet is provided with high-quality advice will continue to be of significance.

*Implementation considerations*

Colgan et al have summarised the factors necessary to achieve successful whole-of-government outcomes. They argue that success depends on clear objectives, political commitment, viable joined up government structures, strong cultures of collaboration and incentives to collaborate.

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In particular, engaging successfully in whole-of-government work requires:

**Leadership:** A high level of leadership at the political and administrative level is essential for whole-of-government work. Both ministers and senior public servants need to be committed to the approach.

**Culture:** Whole-of-government structures are necessary, but not sufficient for effective whole-of-government work – new cultural capacities, cultural readiness and behavioural change are essential. Key cultural capacities include the ability to work across boundaries, build strategic alliances and relationships, negotiate, manage complexity and capitalise on opportunities afforded by interdependence.

**New ways of thinking:** Whole-of-government work requires a re-alignment of understandings about goals, roles and outcomes, and a shift away from narrower departmental objectives.

**Networked governance:** This involves new forms of accountability, targets, budgetary management systems and performance indicators. It also requires a focus on monitoring and evaluation of policy implementation and outcomes.

**Structures that align with purpose:** Whole-of-government teams and other interagency/interdepartmental structures must align with purpose. The more long-term the objective, the greater the need for formal structures. Short-term projects may rely on informal arrangements, whereas initiatives aimed at achieving long-term change may need more permanent structures, including legislation.

**New work processes:** The work processes that matter most in whole-of-government work include clear and sometimes restructured lines of accountability, budgetary parameters and roles, risk management systems and performance management systems that reward whole-of-government work and whole-of-government reporting arrangements.

**Managing ‘gaps’:** These include the information gap, the capacity gap, the fiscal gap, the administrative gap and the policy gap.

**Providing supports:** Capacity development initiatives are a feature of whole-of-government work in several countries and include building repositories of shared lessons and experiences, practice guidelines, joint training, networking initiatives and access to learning and development supports.

**Options for reform**

Establishment of ‘one sector’ will largely rest with and depend on the extent to which the central agencies can work together to achieve common goals. Policy, workforce and budget levers need to work in sync to be effective. Purposeful collaboration between the central agencies can enable delivery of stronger outcomes. A forum that regularly brings together the agency heads of DPC, Treasury and the PSC to devise and discuss whole-of-sector strategy would be an important first step in this regard.

Under the collaborative style of public sector leadership expected under an integrated governance approach, leaders (chief executives and members of the senior executive service (SES) will be routinely expected to work across the sector.
The central agencies will need to both model and facilitate this behaviour. As such, in addition to a forum of central agency leaders, the centre should leverage its power to convene the relationship capital necessary for a senior leadership forum, perhaps similar in construct to the Australian public service’s APS 200 whereby senior leaders regularly convene to discuss and solve difficult whole-of-sector issues.

The central agencies will also need to find a more appropriate balance between their oversight/‘gatekeeping’ roles and facilitating change and innovation across the sector. This will require a shift in leadership style and possibly a recalibration of central agency resources to support the new directions. It is acknowledged that the Public Sector Commissioner is an independent office and is not subject to direction by the Government, but this should not prohibit that body taking an active and involved role in working with DPC and Treasury to achieve positive outcomes for the sector. Helping public sector leaders to do different and better jobs will be a key future focus, as will the review of OBM, talent identification and management, functional leadership of the human resources function and the implementation of performance improvement reviews.

As noted earlier, the review panel has observed that implementation capacity in the WA public sector is scarce but critical. The central agencies will need to ensure that public sector reform is delivered and that there are appropriate monitoring and accountability measures in place. The importance of this cannot be overstated, as lack of oversight and accountability for reform are common reasons as to why change initiatives fail. This was noted in a discussion paper released in 2012 by the Western Australian Legislative Council public standing committee on public administration which said:

> It has been suggested to us, during discussions held in the United Kingdom, that there should be a single senior public service official, perhaps the Director-General of the Department of Premier and Cabinet, who is responsible to the Cabinet for the operational performance of the entire public sector. This officer would have a key role in implementing, and being personally accountable for, any public service reform program. Accordingly, they would need to report to both the Premier and any Minister specifically charged with the development and implementation of a public sector reform program. 32

While the nomination of a minister specifically charged with responsibility for public sector reform would be a matter for the Government, this paper has posited that establishment of an implementation unit within the DPC may be a means of tracking and facilitating progress of reforms across the sector.

In summary, options available include:

- Establish a central agency stewardship council comprising the central agencies and charged with responsibility for developing strategy that will realise the ‘one sector’ approach and ensure coordination in activities by the centre. The council should have clear terms of reference defining scope, roles and responsibilities together with a work plan with deliverables and milestones. Regular reports on progress should be provided to Cabinet.

• Establish a leadership council comprising members of the SES to discuss and address whole-of-sector issues. Again, appropriate accountability instruments should be drafted including terms of reference, roles and responsibilities.

• Consistent with the functional leadership approach discussed in a companion background paper, central agencies should direct more of their capability and expertise towards line agencies with a view to building policy and other capabilities across the sector.

• Consider establishing a head of service to drive change across the central agencies and resolve problems arising from a lack of consensus in decision making.

• Establish an implementation unit at DPC to drive and support the public sector reform agenda including progress against the whole-of-sector targets, and to work with agencies across the sector to overcome systemic issues or cross-cutting policy matters.

• Consider including the Department of Finance as a defined central agency.
References


Appendix 1 – Legislated functions of the Public Sector Commissioner under the *Public Sector Management Act 1994*.

Division 2 — Functions of Commissioner

21A. General functions

The functions of the Commissioner include the following —

(a) to promote the overall efficiency and effectiveness of the Public Sector, having regard to the principles set out in section 7;

(b) to advise Ministers, chief executive officers 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;

(c) to plan for the future management and operation of the Public Sector;

(d) to perform other functions that are conferred on the Commissioner under this Act or any other Act.

21. Public sector standards, codes of ethics and codes of conduct, establishing etc.

(1) The functions of the Commissioner are, having regard to the principles set out in sections 7, 8 and 9 —

(a) to issue Commissioner’s instructions establishing public sector standards setting out minimum standards of merit, equity and probity to be complied with in the Public Sector in —

   (i) the recruitment, selection, appointment, transfer, secondment, performance management, redeployment, discipline and termination of employment of employees; and

   (ii) such other human resource management activities relating to employees as are prescribed,

   and monitor compliance with those public sector standards; and

(b) to issue Commissioner’s instructions establishing codes of ethics setting out minimum standards of conduct and integrity to be complied with by public sector bodies and employees, and monitor compliance with those codes; and

(c) to assist public sector bodies to develop, amend or repeal codes of conduct —

   (i) setting out minimum standards of conduct and integrity to be complied with by themselves and their employees; and

   (ii) consistent with codes of ethics established under paragraph (b),

   and monitor compliance with those codes; and
(d) to assist public sector bodies and employees to comply with public sector standards, codes of ethics and codes of conduct established or developed, as the case requires, under this subsection; and

(e) to monitor compliance by public sector bodies and employees with the principles set out in sections 8(1)(a), (b) and (c) and 9; and

(f) subject to regulations referred to in section 98, to establish procedures of the kind referred to in section 97(1)(a).

(2) The Commissioner may amend or repeal any public sector standard or code of ethics.

(3) In establishing, amending or repealing any public sector standards, the Commissioner shall take into account the impact which those public sector standards may have on the efficiency and effectiveness of the Public Sector, and shall endeavour to minimise any adverse impact.

[(4) deleted]

(5) Each public sector standard and code of ethics shall be published in the Gazette.

(6) A public sector standard or code of ethics comes into operation on the day on which it is published in the Gazette or on such later day as is specified in the public sector standard or code of ethics.

(7) Section 42 of the Interpretation Act 1984 applies to and in relation to a public sector standard or code of ethics as if it were regulations within the meaning of that section.

(8) Subsections (5) to (7) also apply to an amendment or repeal of a public sector standard or code of ethics.

(9A) The Commissioner may by order published in the Gazette exempt the whole or any part of any public sector body from compliance with the whole or any part of a public sector standard or code of ethics.

(9B) The Commissioner may by order published in the Gazette repeal or amend an order made under subsection (9A).

(9) Subject to subsection (10), a public sector standard or code of ethics has in relation to other Acts and subsidiary legislation made under them the force of law as if enacted as part of this Act, but may be amended or repealed by regulations made under section 108.

(10) Nothing in subsection (9) prevents a court from inquiring into, and deciding, whether or not a public sector standard or code of ethics or any of its provisions —

(a) has been validly established; or

(b) is inconsistent with a provision of this Act; or

(c) is unrelated to the power conferred by this Act to establish public sector standards or codes of ethics, as the case requires,
as if the public sector standard or code of ethics or that provision were regulations within the meaning of the *Interpretation Act 1984*.

(11) To the extent that —

(a) a public sector standard is inconsistent with a code of ethics, a code of conduct or another Commissioner’s instruction, the public sector standard prevails; or

(b) a code of ethics is inconsistent with a code of conduct or another Commissioner’s instruction (other than a Commissioner’s instruction establishing a public sector standard), the code of ethics prevails.

22A. **Commissioner’s instructions**

(1) The Commissioner may issue written instructions concerning the following —

(a) the management and administration of public sector bodies;

(b) the management and administration of the Senior Executive Service;

(c) human resource management, including the disposition of employees and offices under section 22B;

(d) official conduct;

(e) the taking of improvement action;

(f) dealing with suspected breaches of discipline, disciplinary matters and the taking of disciplinary action, under Part 5 Division 3;

(ga) dealing with —

(i) redeployment and redundancy of employees; and

(ii) termination of employment;

(g) any other matter in respect of which Commissioner’s instructions are required or permitted under this Act;

(h) any other matter in connection with the functions of the Commissioner in respect of which the Commissioner considers it is necessary or desirable to issue instructions.

(2A) The Commissioner must issue instructions to ensure that, if a decision is made under section 81(1)(a) in respect of an employee, the employee is —

(a) notified in writing of the possible breach of discipline; and

(b) given a reasonable opportunity to respond.

(2) The Commissioner’s instructions must not be inconsistent with this Act and must have regard to the principles set out in sections 7, 8 and 9.

(3) The Commissioner’s instructions may apply —

(a) generally; or
(b) to a public sector body or class of public sector body specified in the instructions; or

(c) to an office or class of office specified in the instructions; or

(d) to an employee or class of employees specified in the instructions.

(4) Except as provided in section 21, the Commissioner’s instructions need not be published in the Gazette but must be made publicly available in such manner as the Commissioner thinks appropriate.

(5) The Commissioner may amend or revoke the Commissioner’s instructions.

(6) The Commissioner must, before issuing, amending or revoking a Commissioner’s instruction, consult such persons as the Commissioner considers it desirable and practicable to consult.

(7) The Commissioner’s instructions are not subsidiary legislation for the purposes of the Interpretation Act 1984.

22B. Disposition of employees and offices

When departments or organisations are established in place of existing departments or organisations or by the amalgamation or division of existing departments or organisations, the Commissioner may effect the disposition of offices, posts and positions and employees and such other consequential changes as appear necessary to give effect to the change in departments or organisations.

22C. Reports to Ministers

The Commissioner may report from time to time to the Minister responsible for a public sector body on the compliance or non-compliance by the public sector body and employees in the public sector body with —

(a) the principles set out in sections 8(1)(a), (b) and (c) and 9; and

(b) public sector standards, codes of ethics and codes of conduct.

22D. Annual report

(1) The Commissioner must in each year prepare a report on the following —

(a) the state of administration and management of the Public Sector;

(b) the compliance or non-compliance by public sector bodies and employees, either generally or in particular, with the principles set out in sections 8(1)(a), (b) and (c) and 9 and with public sector standards, codes of ethics and codes of conduct;

(c) any other matters arising out of the performance of the Commissioner’s functions that are, in the opinion of the Commissioner, of such significance as to require reporting in that manner.

(2) A report required under subsection (1) may be prepared and dealt with in conjunction with any report required under the Financial Management Act 2006 by
the Commissioner in his or her capacity as the accountable authority of the department principally assisting in the administration of this Act.

22E. Other reports

The Commissioner may, in addition to the annual report required under section 22D(1), at any time prepare a report on a matter referred to in section 22D(1).

22F. Reports under s. 22D or 22E must be laid before Parliament

(1) Within 14 days after signing a report prepared under section 22D or 22E, the Commissioner is to transmit a copy of the report to each House of Parliament.

(2) If —

(a) when the Commissioner is ready to transmit a report under subsection (1), a House of Parliament is not sitting; and

(b) the Commissioner is of the opinion that that House will not sit during the remainder of the period referred to in subsection (1),

the Commissioner must transmit a copy of the report to the Clerk of that House.

(3) Subsections (1) and (2) do not apply in relation to a report prepared under section 22D if the report is prepared and dealt with as provided for in section 22D(2).

(4) A copy of a report transmitted to the Clerk of a House of Parliament under subsection (2) is taken to have been laid before the House.

(5) The laying of a copy of a report before a House that is taken to have occurred under subsection (4) is to be reported to the House by the Clerk, and recorded in the Votes and Proceedings or Minutes of Proceedings, on the first sitting day of the House after the receipt of the copy.

22G. Powers

The Commissioner has all the powers that are needed for the performance of the Commissioner’s functions.

22. Commissioner to act independently

(1) The Commissioner shall act independently in relation to the performance of his or her functions.

(2) In particular, except as provided in this Act, the Commissioner is not subject to direction by the Minister or any other person in the performance of the Commissioner’s functions.

(3) Section 32 does not apply to or in relation to the Public Sector Commissioner.
23. **Delegation by Commissioner**

(1) The Commissioner may delegate to a person any power or duty of the Commissioner under another provision of this Act or any other Act.

(2) A delegation under this section must be in writing and signed by the Commissioner.

(3) A person to whom a power or duty is delegated under this section cannot delegate that power or duty.

(4) A person exercising or performing a power or duty that has been delegated to the person under this section is taken to do so in accordance with the terms of the delegation unless the contrary is shown.

(5) Nothing in this section limits the ability of the Commissioner to perform a function through an officer or agent.

**Part 2 — Public Sector principles**

7. **Public administration and management principles**

The principles of public administration and management to be observed in and in relation to the Public Sector are that —

(a) the Public Sector is to be administered in a manner which emphasises the importance of service to the community; and

(b) the Public Sector is to be so structured and organised as to achieve and maintain operational responsiveness and flexibility, thus enabling it to adapt quickly and effectively to changes in government policies and priorities; and

(c) public sector bodies are to be so structured and administered as to enable decisions to be made, and action taken, without excessive formality and with a minimum of delay; and

(d) administrative responsibilities are to be clearly defined and authority is to be delegated sufficiently to ensure that those to whom responsibilities are assigned have adequate authority to deal expeditiously with questions that arise in the course of discharging those responsibilities; and

(e) public sector bodies should have as their goal a continued improvement in the efficiency and effectiveness of their performance and should be administered with that goal always in view; and

(f) resources are to be deployed so as to ensure their most efficient and effective use; and

(g) proper standards of financial management and accounting are to be maintained at all times; and

(h) proper standards are to be maintained at all times in the creation, management, maintenance and retention of records.
8. **Human resource management principles**

(1) The principles of human resource management that are to be observed in and in relation to the Public Sector are that —

(a) all selection processes are to be directed towards, and based on, a proper assessment of merit and equity; and

(b) no power with regard to human resource management is to be exercised on the basis of nepotism or patronage; and

(c) employees are to be treated fairly and consistently and are not to be subjected to arbitrary or capricious administrative acts; and

(d) there is to be no unlawful discrimination against employees or persons seeking employment in the Public Sector on a ground referred to in the *Equal Opportunity Act 1984* or any other ground; and

(e) employees are to be provided with safe and healthy working conditions in accordance with the *Occupational Safety and Health Act 1984*.

(2) In matters relating to —

(a) the selection, appointment, transfer, secondment, classification, remuneration, redeployment, redundancy or termination of employment of an individual employee; or

(b) the classification of a particular office, post or position,

in its department or organisation, an employing authority is not subject to any direction given, whether under any written law or otherwise, by the Minister responsible for the department or organisation, but shall, subject to this Act, act independently.

(3) For the purposes of this Act a proper assessment of merit in a selection process must be carried out in accordance with the relevant Commissioner’s instructions and does not always require a competitive assessment of merit.

9. **Principles of conduct by public sector bodies etc.**

The principles of conduct that are to be observed by all public sector bodies and employees are that they —

(a) are to comply with the provisions of —

(i) this Act and any other Act governing their conduct; and

(ii) the Commissioner’s instructions, public sector standards and codes of ethics; and

(iii) any code of conduct applicable to the public sector body or employee concerned;

and

(b) are to act with integrity in the performance of official duties and are to be scrupulous in the use of official information, equipment and facilities; and

(c) are to exercise proper courtesy, consideration and sensitivity in their dealings with members of the public and employees.