State of the sector report 2013

Letter of transmittal

THE SPEAKER
LEGISLATIVE ASSEMBLY

THE PRESIDENT
LEGISLATIVE COUNCIL

I submit to Parliament the *State of the sector report 2013* in accordance with s. 22D of the *Public Sector Management Act 1994* and s. 22 of the *Public Interest Disclosure Act 2003* (PID Act).

This report describes the state of WA public sector administration and management in 2013 and reports on the extent of compliance by public sector bodies with public sector principles, standards and ethical codes.

The report also meets the obligation under the PID Act to report on the extent of compliance with the PID Act and minimum standards of conduct and integrity for public interest disclosure officers.

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

M C Wauchope
PUBLIC SECTOR COMMISSIONER
19 November 2013

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Preface

The role of the Public Sector Commission is to bring leadership and expertise to the public sector to enhance integrity, effectiveness and efficiency. In addition to the performance reporting and oversight functions reflected in this report, the Commission supports public sector reform and provides advice and assistance to entities to enable them to build a skilled, ethical and diverse workforce.

The *State of the sector report 2013* addresses the requirement for the Public Sector Commissioner to report annually to the Parliament on the state of public sector administration and management, on the extent of compliance with the principles in ss. 8 and 9 of the *Public Sector Management Act 1994* (PSM Act), and on the extent of compliance with the public sector standards, the *Code of Ethics* and codes of conduct. It also covers the Commissioner's reporting obligations under s. 22 of the *Public Interest Disclosure Act 2003* (PID Act).

The report provides Parliament, chief executives, public sector bodies and the broader community with a comprehensive view of public sector performance as it relates to integrity, governance, workforce planning and management.

Public sector bodies are encouraged to use the information contained in this report to improve their understanding of the current state of the public sector and to guide continuous improvement. The *State of the sector statistical bulletin 2013* offers more detailed comparative data which entities can use to benchmark their performance against other similar bodies or against the sector as a whole.

The report draws on a range of data and information sources, including compliance assessments and general enquiries; the annual agency survey (AAS); the public interest disclosure (PID) survey; the employee perception survey (EPS); and human resource minimum obligatory information requirement (HRMOIR) workforce data.

Detailed information about the Commission's monitoring and evaluation framework and changes to reporting in 2012/13 can be found in 'Appendix A – Monitoring and evaluation framework'.

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.

M C Wauchope
PUBLIC SECTOR COMMISSIONER
19 November 2013

Integrity and ethical conduct

Strengthening accountability and building trust

The public sector operates within a well-established framework of accountability. This framework includes ss. 8 and 9 of the *Public Sector Management Act 1994* (PSM Act), *Commissioner's Instructions No. 7 – Code of Ethics* and *No. 8 – Codes of conduct and integrity training*, and each entity's code of conduct and relevant policies.

The Organisation for Economic Co-operation and Development describes integrity as the corner stone of good governance, and defines it as the application of values, principles and norms in the daily operations of public sector bodies.[1]

The operations of the public sector touch every aspect of business and community life. Public trust is critical to the effectiveness of the sector, and depends on daily actions and behaviour at both the individual and whole-of-sector level.

This chapter provides an overview of compliance with the accountability framework established for the public sector, and the efforts of entities and the Public Sector Commission to promote integrity. It includes some findings of the Commission's *Review into how agencies promote integrity* and also explores how the public sector can minimise risks associated with gifts, benefits and hospitality.

Reporting assists public entities to address issues of unethical behaviour. One avenue to report certain types of unethical conduct is the public interest disclosure (PID) process. In late 2012, the *Public Interest Disclosure Act 2003* (PID Act) was strengthened by a number of amendments. Discussion about these amendments and compliance with the PID Act appears at the end of this chapter.

Overall, reported compliance is high and the work of public sector bodies appears to be proving effective in promoting and sustaining integrity. An overwhelming majority of entities report having codes of conduct and other policies in place to guide employees, there is a high level of employee awareness about these codes, and employees perceive their colleagues and leaders as acting ethically.

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1   Organisation for Economic Co-operation and Development, 'Fighting corruption in the public sector'

Building and sustaining integrity

The public sector actively works to ensure it operates within the accountability framework.

The Public Sector Commissioner establishes the *Code of Ethics*, sets requirements to enhance integrity, and develops programs and guidance material to promote integrity. The *Code of Ethics* is published in the *WA Government Gazette*[2] and operates as subsidiary legislation as if it was a regulation, and is subject to s. 42 of the *Interpretation Act 1984*. It can therefore be scrutinised or disallowed by parliament.

Public sector bodies establish their own codes of conduct and policy requirements, induct and inform their employees, provide leadership and guidance, and manage reports of unethical conduct.

A written set of agreed ethics or values is an important element in organisational conduct. However, it is only one of many elements that help create and maintain an ethical culture.

Expected standards of conduct

The *Code of Ethics* establishes the minimum standards of conduct for all public sector bodies and employees. The code comprises three principles of personal integrity, relationships with others, and accountability.

To support the *Code of Ethics*, public sector bodies articulate their own culture and ethics through a code of conduct. This provides a unifying set of ethics, recognising there are fundamental commonalities in the tasks carried out by staff. The *Conduct guide* assists by identifying the main accountability requirements across the public sector, such as Treasurer's instructions and Commissioner's instructions.

Across the sector, there is a high level of compliance with the *Code of Ethics*, as well as *Commissioner's Instruction No. 8*. In the 2013 annual agency survey (AAS), 97% of entities reported having a code of conduct[3], compared to 91% in the previous year. For those entities with a code of conduct, 96% indicated it reflects the requirements of both Commissioner's instructions.

In this year's employee perception survey (EPS), there was an increase in the proportion of respondents who indicated they are familiar with their entity's code of conduct (92%, compared to 84% last year). Similarly, there was an increase in awareness of the *Code of Ethics*, rising to 85% from 70% as shown in Figure 2.1.

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2   State Law Publisher 2012, 'Public service', *Western Australian Government Gazette*, no. 114, p. 3004

3   One very small entity and one small entity did not have a code of conduct. Another very small entity accessed policies and procedures through an administrative arrangement with a larger entity.

Figure 2.1   Employee awareness of ethical codes and policies, 2012 and 2013

Source: EPS

The increased familiarity and awareness in 2013 is a positive result. The Commission believes its work in promoting integrity across the sector has contributed to this upward trend.

It may also be partially accounted for by a higher proportion of EPS respondents from policy, development and coordination entities this year. Staff from these entities, such as the Department of Aboriginal Affairs, Department of Agriculture and Food, and Department of Sport and Recreation, were more likely to report awareness and familiarity with ethical codes in the 2013 survey than staff from service entities, who formed a greater proportion of the sample in the 2012 EPS.

The reason for this is unclear in the available evidence. However, the service entities in the 2012 EPS sample manage operations across multiple sites, including regional areas. The Commission recognises that it can be more difficult to bring together frontline service staff for training and awareness sessions due to the nature of their work, the constraints of rostering and the challenges associated with delivering specialised training in regional WA. The Commission provides consulting support and practical assistance to public sector bodies facing the challenges of rolling out training programs in such circumstances, and the efforts of entities to deploy relevant programs is acknowledged.

Further information on the entity functional categories and the EPS respondents is available in 'Appendix A – Monitoring and evaluation framework' and 'Appendix E – Employee perception survey'.

Inducting employees

Employee awareness of expected conduct is developed through a range of strategies used by entities to promote the *Code of Ethics*. In the 2013 AAS, almost all public sector bodies (94%) reported using an induction program for new employees, indicating employees are informed of the expected standards of conduct from the beginning of their employment.

The Commission also runs a public sector induction program introducing employees to the sector's accountability requirements and the role of integrity bodies, such as the Commission, the Office of the Auditor General and the Office of the Information Commissioner. This session complements, rather than replaces, the induction programs of public sector entities.

Recruiting for positions of trust

Accountability is at the heart of maintaining public trust, and is as relevant for an entry level employee as it is for a chief executive. However, there has been a small number of high profile examples of unethical behaviour leading to fraud and other unacceptable outcomes. In some cases, this has involved people occupying significant positions of trust. The damage to an individual and an entity when that trust is abused is considerable, and the loss of trust can be more costly than unethical behaviour itself. Trust takes a long time to build but can be destroyed by just one action, or inaction.

The Commission undertook an examination in 2013 to provide some assurance that appropriate integrity controls were in place for a sample of positions. For these positions, the level of integrity expected of an employee, due to the nature of the role undertaken, was higher than normally expected.

The findings of *More than a matter of trust: An examination of integrity checking controls in recruitment and employee induction processes* indicated that the sample entities effectively incorporated conduct and integrity elements into induction processes. However, key aspects of recruitment, selection and appointment processes could be improved. Accordingly, a number of recommendations were made to strengthen integrity checking controls. These recommendations included:

- Information provided to potential applicants should be transparent about any checks and screening controls that will be applied in the recruitment process.
- Position descriptions should incorporate the demonstration of honesty and integrity as an essential selection criterion.
- Candidate claims about their integrity and honesty should be tested and validated.
- Integrity risk management should not stop with induction.

The Accountable and ethical decision making (AEDM) program

The AEDM program is designed to communicate conduct expectations through internal discussions on real ethical dilemmas. AEDM training is most effective when customised to reflect the conduct requirements and risks specific to an organisation, so employees understand how to make appropriate decisions in their daily work environment.

The Commission maintains the AEDM curriculum and supports entities to implement the program. The Commissioner's commitment to this program is evident through his personal delivery to chief executives, corporate executives and government board and committee members (more than 700 people in the past year).

The following case study provides information on tailored integrity sessions conducted by the Commission in 2012/13.

Case study

Promoting a culture of integrity: a partnership approach

The Commissioner, at the direction of the Premier, appointed former Supreme Court judge, the Hon. Peter Blaxell, as Special Inquirer under s. 24H of the PSM Act to investigate the response of entities and officials to allegations of sexual abuse at St Andrew's Hostel in Katanning.

On 19 September 2012, the Premier tabled in the Parliament the inquiry report entitled *St Andrew's Hostel Katanning: How the system and society failed our children*.[4] All five of the inquiry's recommendations and a further two initiatives were endorsed by the Government. One recommendation was the need for the Country High School Hostels Authority (the Authority) to implement a comprehensive ethics training program, incorporating the Commission's AEDM program.

Following the review, the Commission worked with the Authority and the Department of Education to implement a program to build knowledge of ethical requirements and the PID process. The program included the Commissioner hosting the Authority's inaugural accountability forum, attended by all Authority members, board chairpersons and residential college managers. The forum aimed to create a shared understanding of the accountability requirements and unique ethical challenges faced by the Authority.

The Commission also delivered AEDM and PID information sessions to employees and board members at nine residential colleges. Additionally, the Commissioner visited employees at the Geraldton Residential College to acknowledge the work progressed following the review.

Working together, the Authority, the Department of Education and the Commission established a framework of ethics and integrity in each hostel. Maintaining a culture of integrity remains a priority for the Authority, which has committed to the ongoing delivery of a range of initiatives.

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4   Blaxell, P, the Hon. 2012, *St Andrew's Hostel Katanning: How the system and society failed our children*

AEDM training within entities

A number of new items were included in the AAS this year on AEDM training. For example, 70% of public sector bodies reported having complete records of employees who participated in AEDM training within the entity in the last five years. Those with complete records indicated that 47 680 current employees have completed the training over the past five years, representing 64% of the workforce in these entities at the time of the survey.

By comparison, more entities (84%) reported having records of participation over the last five years for their corporate executives. For these entities, 523 current members had completed the training over the past five years, representing 85% of their corporate executives at the time of the survey.

Recording employee participation rates enables public sector bodies to monitor their implementation of the AEDM program. These results present an opportunity for 30% of entities to improve their recordkeeping practices, and work towards a 100% program completion rate for all employees.

Eighty per cent of public sector bodies reported conducting AEDM training within the entity during 2012/13. For these entities, 17% reported delivering the program through online training developed internally, and 28% through online training developed by external trainers. While it may be cost-effective to deliver the AEDM training online, interaction is an important element of the program and supplementing online learning with face-to-face sessions at the local level is encouraged, where possible.

In 2012/13, the Commission examined five entities in relation to organisational culture, operational strategies, management environment, and review and evaluation processes with respect to promoting integrity. The *Review into how agencies promote integrity* (integrity review) reported that public sector bodies would benefit from evaluating the effectiveness of their training. This would assist in identifying opportunities for delivery improvement and test whether employees understand the conduct expected in their role, workplace and broader public sector. Evaluation does not need to be a complex process. As an example, the Commission collects information on the knowledge of participants before and after its training sessions.

Communicating conduct expectations throughout employment

While the expected standards of conduct are set out clearly for employees at induction and in the AEDM program, the reinforcement of these standards can occur less frequently than needed during the course of employment. This was confirmed by the findings of the integrity review and the 2013 AAS.

It is prudent to remind staff about expected standards of conduct throughout their employment, such as through regular information sessions, staff newsletters or intranet sites. AEDM refresher programs for employees who undertook the training when it was first introduced may also be appropriate.

An ethical sector

The evidence suggests most WA public sector employees go about their work in the right way—they 'do the right thing' on a daily basis and have leaders who model this behaviour. A broad culture of ethical behaviour is reflected through the findings of the integrity review, positive employee perceptions about ethical conduct, and a low level of disciplinary breaches.

When asked in both the 2012 and 2013 EPS about the ethical conduct of their colleagues, approximately 90% of respondents agreed:

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

In 2013, employee perceptions about the application of ethics, in accordance with codes and policies, were also positive:

- 82% of respondents agreed confidential information in their workplace is only disclosed to appropriate people
- 76% agreed decisions about purchasing are not influenced by favouritism, gifts or incentives.

Most employees look to their leaders for cues on how to behave in the workplace. Leaders provide information and advice to their employees about how to make accountable and ethical decisions. Public sector leaders are being equipped with the skills to assist employees and influence workplace culture.

Employees are generally positive about the ethical conduct of their leaders. The integrity review found the majority of staff in participating agencies regard senior managers and leaders as positive role models who actively encourage ethical behaviour through facilitated discussions and team meetings.

When asked about their leaders and organisational management in the 2013 EPS:

- 90% of respondents agreed their entity encourages ethical behaviour by employees (compared to 81% in the Australian Public Service and 84% in the Northern Territory)[5]
- 88% agreed their immediate supervisor demonstrates honesty and integrity
- 76% agreed their senior managers lead by example in ethical behaviour (compared to 64% in Victoria and 61% in New South Wales).[6]

The findings from the above jurisdictions have been selected for comparison due to similarities in survey methodologies. As shown by the available results, the WA public sector is performing well in this area.

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5   Australian Public Service Commission 2012, *State of the service report 2011–12*, p. 31; and Office of the Commissioner for Public Employment 2011, *Northern Territory public sector employee survey report 2011*, p. 46

6   State Services Authority 2013, *The state of the public sector in Victoria 2011–12*, p. 128; and New South Wales Public Service Commission 2012, *People matter employee survey 2012 – Main findings report*, p. 18

Monitoring activities

Compliance with the *Code of Ethics* and codes of conduct can be monitored using a range of strategies. Monitoring compliance assists the sector to maintain its culture of integrity—it informs public sector bodies about their ethical health and enables them to take action as appropriate.

This year's AAS indicated internal reviews or audits (83%) and performance management meetings (63%) were most often used by entities for this purpose, similar to previous years.

Another means of monitoring an entity's ethical climate is to use employee surveys. Just over one-quarter (26%) of entities reported using staff survey feedback in this way. While the Commission's EPS schedule allows public sector bodies to participate approximately once every five years, more frequent conduct of surveys within entities may assist in assessing the ethical climate and whether changes to codes, policies or practices are required.

Encouraging reporting

One of the most valuable information sources to identify and address conduct issues is employees reporting their concerns. Frontline staff are the 'eyes and ears' of the sector and the issues they raise are often the first indication of things going awry. Many instances of serious misconduct have started as small indiscretions that were not reported.

Table 2.1 shows most public sector bodies had strategies in place to encourage employee reporting in 2012/13, similar to previous years. Just under two-thirds of entities (65%) trained managers to handle reports of unethical behaviour, up from 54% last year. As managers are often the first point of contact for reporting unethical behaviour, it is important they are aware of the relevant processes.

Almost all entities (94%) indicated their code of conduct or other policy advised how to report unethical behaviour.

Table 2.1   Entity strategies to encourage employee reporting of unethical behaviour, 2012/13

	Entities (%)
The way to report unethical behaviour is published in the agency's code of conduct or other policy	94
The agency's PID procedures are accessible to employees	94
The contact names for reporting unethical behaviour are accessible to employees	93
The chief executive has publicised a commitment to the reporting of unethical behaviour in the agency's code of conduct or other policy	83
The agency's code of conduct or other policy contains a statement that victimisation of those reporting unethical behaviour will not be tolerated	83
The agency communicates to employees (e.g. in employee newsletters, emails) how to report unethical behaviour	82
Managers receive training in how to handle reports of unethical behaviour	65
A confidential phone or email service has been set up to encourage the reporting of unethical behaviour	28

Note: These strategies occurred either entity-wide or in some parts of the entities.
Source: AAS

Reporting unethical conduct

This year's EPS indicated strong employee awareness about processes for reporting unethical conduct. In a new item this year, 88% of respondents indicated they are either aware of, or know where to find information on, how to report unethical behaviour, workplace bullying or misconduct. For those who were aware of how to report, close to two-thirds (65%) indicated they are confident to report.

Despite a broadly ethical sector, 25% of EPS respondents reported witnessing unethical behaviour in their workplace in the past 12 months, similar to last year (23%). For these respondents, more than half reported at least some instances of this unethical behaviour (59%). This result is unchanged from last year.

The most common types of unethical behaviour witnessed by respondents in 2013 were inappropriate behaviour (such as unsuitable language and disrespectful treatment of co-workers) and improper use of internet and/or email. In terms of all respondents to the survey, these acts were identified as frequently occurring by a small proportion (8% and 4% respectively), indicating a very low level of misconduct in the public sector.

While the occurrence of unethical behaviour is low, and most employees know how to report unethical behaviour if it does occur, confidence in reporting could be improved. Anecdotal evidence indicates some employees have concerns about whether action will be taken if they report, and the potential negative effect reporting could have on their employment, including relationships with their colleagues. These perceptions are consistent with reasons provided by employees in this year's EPS as to why they did not report bullying (see Chapter 4), and those reported by Australian Government employees.[7]

The ability to anonymously raise issues may address some of these employee concerns, as could offering a number of mechanisms to report unethical behaviour. This year, one of the least common reporting strategies used by entities was a confidential phone or email service (28%). An example of the use of such a strategy is highlighted in the following case study.

7   Australian Public Service Commission 2012, *State of the service report 2011–12*, p. 63

Case study

Department of Health (WA Health) initiative supports internal reporting

In 2009, WA Health's Corporate Governance Directorate launched the ethical advisory line (EAL) to support employees in providing information about unethical conduct.

The free confidential service is managed by directorate members who provide guidance, support and assistance to callers, 24 hours a day, 7 days a week. Where directorate members are unable to assist, the call is referred to an appropriate section within WA Health or to an external organisation. Callers may choose to remain anonymous.

The EAL has received calls about issues such as conflicts of interest, bullying, ethical decision making and programs, and misconduct matters.

In addition to supporting general reporting, the EAL also promotes the PID process. WA Health has one of the largest networks of PID officers in WA. All staff members who manage enquiries are also PID officers.

To maximise its use, WA Health actively promotes the EAL to employees, incorporating information in presentations, including the phone number on business cards and signature blocks, and via an integrity tab on WA Health's intranet.

Shayne Sherman, Assistant Director, Ethical Standards, describes the benefits of the service in promoting a culture of integrity within the department:

> 'WA Health is a 24/7 service, and the ability for any one of more than 40 000 staff members, from anywhere in the sector, to call at any time, and be able to confidentially discuss ethical issues of concern to the individual and the workplace, is integral to ensuring a healthy work environment.'

Since its inception, the service has provided support and guidance to more than 750 callers, with 262 calls received in 2012/13. The EAL is a valuable information source to identify trends for professional development and conduct-related training. The establishment of this service reflects a proactive approach to promoting an ethical workplace.

Responding to integrity risks

Given many public sector bodies come into frequent contact with the private sector and other stakeholders, public officers are likely to be offered gifts, benefits and hospitality and may also be expected to reciprocate. This can raise questions about impartiality in decision making, and the consequences of poor management of gifts, benefits and hospitality have featured in several reports from integrity agencies.[8] To manage these risks, clear protocols should be established, and employees made aware of these requirements.

To encourage better practice across the sector, gifts, benefits and hospitality was the feature topic for the Integrity Coordinating Group (ICG) in 2013, and resulted in the launch of the product described in the following case study.[9]

Case study
Strengthening integrity: managing risks around gifts, benefits and hospitality

The 2013 ICG program included the publication of *Gifts, benefits and hospitality – A guide to good practice* (the guide) and two awareness raising forums.

The first regional ICG forum was held in Geraldton and was attended by 53 public officers. More than 280 people attended the Perth forum.

The guide assists public authorities to identify and manage the risks associated with gifts, benefits and hospitality and promote good decision making, through sound policies, transparent recordkeeping, communication and review activities. In doing so, the guide encourages authorities to work through the 'five Rs':

1. **risk and reputation**: identify the authority's integrity risks and understand how these can affect reputation
2. **requirements**: establish the authority's position on managing gifts, benefits and hospitality
3. **raise awareness**: communicate the authority's position
4. **record**: ensure records show decisions that support the authority's position
5. **review**: identify and address emerging risks within the authority.

The guide also includes information for public officers to assist them with making appropriate decisions if they are offered, or need to provide, a gift, benefit or hospitality.

The guide has generated strong interest from public authorities and employees.

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8 Examples include: Office of the Auditor General 2012, *Audit results report: Annual 2011–12 assurance audits (report 14)* and Corruption and Crime Commission 2011, *Report on the investigation of alleged public sector misconduct in relation to the purchase of toner cartridges in exchange for gifts outside government procurement policies and arrangements*

9 The Integrity Coordinating Group 2013, *Gifts, benefits and hospitality – A guide to good practice*

Managing allegations of unethical behaviour

Monitoring the implementation of ethical codes and reports of suspected unethical behaviour ensures appropriate action can be taken. With respect to investigating allegations of unethical behaviour, there is no single ideal model for all public sector bodies.

Similar to last year, most public sector bodies reported having an area responsible for managing and investigating allegations of unethical behaviour (78%), and a code of conduct (66%) or other policy (73%) outlining how such allegations will be managed and investigated.

Smaller entities were much less likely to have an area responsible for managing investigations, with 42% of very small entities having this in place, compared to 93% of large entities.

Improving the management of discipline

It is in the public interest to ensure breaches of discipline are properly managed, and the Commission works closely with entities to improve the sector's ability to manage any breaches. This includes the development of comprehensive guidelines and the provision of advice and assistance to entities on the operation of disciplinary processes.

Disciplinary investigations under Part 5 of the Public Sector Management Act 1994 – A guide for agencies assists human resource practitioners and other staff involved with investigating, or case managing, breaches of discipline within public sector bodies. It sets out the disciplinary framework, steps for conducting an investigation, and common pitfalls. A series of training sessions complementing this product have been delivered.

Investigating disciplinary matters

The 2013 AAS showed just over half of entities (52%) had completed investigations into suspected breaches of discipline[10] in 2012/13. For those entities where records were available[11], there were 1518 investigations into suspected breaches of discipline completed in 2012/13 (compared to 1562 allegations investigated in the previous year). Of these, 41% were investigations under the PSM Act and 59% were investigations under other instruments, such as industrial awards or policies. Most investigations (88%) were completed within 6 months on average.

Just over one-third (34%) of completed investigations were substantiated in 2012/13. Extrapolating to the broader workforce, this represents a very low level of misconduct in the public sector, averaging four substantiated breaches of discipline for every 1000 employees.

For those investigations into breaches of entity codes of conduct or the *Code of Ethics*, 39% of suspected breaches were reported as substantiated.[12] There was a smaller number of breaches reported this year (479), compared to the previous year (515).[13]

Table 2.2 shows falsification of information or records, improper use of public resources, and improper use of internet or email were areas where suspected breaches of ethical codes were most often substantiated (62%, 44% and 43%, respectively). The highest number of breaches found (136 substantiated breaches) was in the area of inappropriate behaviour of employees during working hours, such as improper language and disrespectful treatment of co-workers, which also confirms the observations of EPS respondents. These results are considered to represent occasional acts of poor judgement on the part of a few employees, rather than systemic corruption within the WA public sector.

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10 This includes allegations of breaches of entity codes of conduct or the *Code of Ethics*.

11 One small entity was unable to provide the number of completed investigations under the PSM Act.

12 One small entity and one large entity were unable to provide further information on the number of breaches of their code of conduct or the *Code of Ethics* so are excluded from this calculation.

13 These figures exclude PSM Act Schedule 1 entities, which are not reported in this report. Further information is available in 'Appendix A – Monitoring and evaluation framework'.

Table 2.2   Types of breaches of ethical codes in entities, 2012/13

	Number of completed investigations		% of completed investigations found to have breached
	Suspected to have breached	Found to have breached	
Falsification of information or records	55	34	62
Improper use of public resources (e.g. vehicles)	62	27	44
Improper use of internet or email	40	17	43
Inappropriate behaviour of employees during working hours	324	136	42
Inappropriate behaviour of employees outside working hours	53	21	40
Bullying	40	16	40
Workplace theft	28	10	36
Failure to manage conflicts of interest	34	11	32
Inappropriate access of confidential information	20	6	30
Fraudulent or corrupt behaviour	73	21	29
Unauthorised disclosure of information	59	13	22
Misuse of drugs or alcohol	41	7	17
Inappropriate acceptance of gifts or benefits	3	0	0
Other elements (e.g. not following processes or instructions, inappropriate behaviour in general, physical contact, contractual breach, fraud/theft)	390	156	40
Total	**1234**[a]	**479**[b]	**39**

Note: A completed investigation can be counted against more than one type of breach.

(a) Includes 12 investigations where entities reported the type of suspected breach investigated could not be identified.

(b) Includes four investigations where entities reported the type of breach found could not be identified.

Source: AAS

For those entities where records were available[14], Table 2.3 shows the most common outcomes of breaches of ethical codes were reprimands (32% of all outcomes), similar to last year, and written warnings (22%). More than one type of outcome can be associated with a breach.

Table 2.3   Outcomes of substantiated breaches of ethical codes in entities, 2012/13

	Number of outcomes
Employee reprimanded	218
Formal written warning issued	153
Employee counselled/dispute resolution	64
Improvement notice issued	47
Termination of employment	37
Training and development	32
Deductions from salary by way of a fine	26
No sanction due to resignation or abandonment of employment of investigated employee	19
No sanction imposed for other reasons	19
Employee transferred	14
Management of substandard performance[a]	11
Reduction in salary	10
Re-assignment of duties	7
Reduction in classification	7
Employment contract not extended	3
Others (e.g. mark record as not suitable for hire, repudiation of contract, excluded from site)	11
Total	**681**[b]

Note: A completed investigation can be counted against more than one type of outcome.

(a) The management of substandard performance is viewed as discrete from the management of breaches of ethical codes.

(b) Includes three outcomes where entities reported the type of outcome could not be identified.

Source: AAS

Overall, the low level of substantiated breaches, along with positive employee perceptions and the findings of the *Review into how agencies promote integrity*, indicate most public sector employees are acting with integrity, supported by both ethical leadership and a well-established framework of accountability.

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14 One large entity was unable to provide the number of outcomes.

Public interest disclosure

The role of a discloser is essentially that of an informant, serving a crucial role in detecting and reporting unethical behaviour.

A PID, as defined in s. 5 of the PID Act, is the appropriate disclosure of public interest information to a proper authority. The PID Act facilitates this process by providing protection to disclosers and those who are the subject of disclosures, and a system for the matters disclosed to be investigated and for appropriate action to be taken.

This section of the report meets the Commissioner's requirement under s. 22 of the PID Act to report annually to parliament. The section covers public authorities including public sector bodies, entities listed in Schedule 1 of the PSM Act and government boards and committees. Further information is provided in 'Appendix A – Monitoring and evaluation framework'.

Changes to the PID Act

On 21 November 2012, the PID Act was amended when the *Evidence and Public Interest Disclosure Legislation Amendment Act 2012* came into effect. In summary, the changes included:

- enhancing protections for disclosers of public interest information
- expressly enabling a person to make an anonymous disclosure
- allowing a disclosure to be made to a journalist under certain conditions
- providing circumstances where the identity of the discloser and the subject of a disclosure can be revealed.

An overview of the PID Act and the changes are further explained in 'Appendix C – Public Interest Disclosure Act 2003'.

Commission activities to communicate the changes

In accordance with s. 19(2) of the PID Act, the Commissioner has a role to assist public authorities and officers to comply with the PID Act and the *PID code of conduct and integrity*.

As part of this role, the Commission distributed a fact sheet of the PID Act changes and the activities that should be taken by principal executive officers (PEOs), and provided information about the changes within its training program for PID officers.

The Commissioner also personally met with 189 government board and corporate executive members in 2012/13 to inform them of their responsibilities under the PID Act. This year, the Commission's advisory service responded to 247 requests for advice and support related to PIDs.

Disclosures of public interest information

Under the PID Act, PEOs are required to report to the Commissioner on the number and nature of PIDs received each year.

In 2012/13, public authorities reported receiving 51 disclosures (compared to 53 in the previous year). Forty-five of these were received by public sector bodies and six by PSM Act Schedule 1 entities (including three local government authorities, two government trading enterprises and one public university). No disclosures were reported from government boards and committees in 2012/13.

Of these 51 disclosures, 14 were assessed as appropriate for the purposes of ss. 3 and 5 of the PID Act (13 in public sector bodies and one in a government trading enterprise). Public authorities advised the remaining disclosures were assessed as not appropriate[15] for reasons such as not containing information that met the definition of public interest information, or not being made to a proper authority.

The number of disclosures received and assessed as not appropriate (36, with one assessment still in progress) is the same as last year. It is important that public authorities inform employees about the PID process and encourage potential disclosers to seek advice from a PID officer prior to making their disclosure. This will assist disclosers to understand whether PID is the most appropriate reporting avenue.

Table 2.4 shows the number of disclosures assessed as appropriate over the last five years, as reported by public authorities. Issues raised under the PID Act continue to represent a very small proportion of all public sector conduct matters.

Table 2.4   Disclosures assessed as appropriate, 2008/09 to 2012/13

Proper authority to whom disclosures were made	2008/09	2009/10	2010/11	2011/12	2012/13
PID officers for public authorities	6	14	11	13	8
Other proper authorities named in the PID Act	7	4	1	4	6
Total	**13**	**18**	**12**	**17**	**14**

Source: PID registers

In 2012/13, the discloser was most often a current employee of the public authority about which they made the disclosure (eight), followed by a member of the public (two), a past employee and an employee of another authority. There were two anonymous disclosures. This is similar to previous years.

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15 One disclosure received by a public sector body was in progress at the time of the AAS and had not yet been assessed.

The type of public interest information contained in the disclosures also showed a similar pattern to past reporting years. Most involved improper conduct (10), followed by substantial irregular or unauthorised use of public resources (three), substantial mismanagement of public resources (two), offence under written law (two) and matters covered by the Ombudsman (two).[16]

Under s. 8 of the PID Act, public authorities must investigate, or cause to be investigated, any disclosures assessed as appropriate. Three disclosures were referred and three were not investigated as provided for under the PID Act. Eight investigations were undertaken in 2012/13, of which three were found to have substance, four were found to lack substance and one was ongoing.

Of the three disclosures found to have substance, all resulted in practice improvements being implemented in the public authorities.

Table 2.5 shows other activities that authorities reported undertaking to handle the disclosures.

Table 2.5   Activities undertaken for the disclosures assessed as appropriate, 2012/13

Activity	Number of PIDs reported
Notification to discloser Where an appropriate disclosure is made, proper authorities are to notify the discloser within three months after the disclosure is made of the action taken, or proposed to be taken, in relation to the disclosure (s. 10 of the PID Act).	13[a]
Final report When an investigation is complete, proper authorities must provide a final report to the discloser (s. 10 of the PID Act).	9[b]
Confidentiality The identity of the informant and the subject of the disclosure can only be revealed in certain circumstances (s. 16 of the PID Act).	4[c]
Detrimental action or victimisation A discloser can seek remedies for acts of victimisation through a proceeding in tort or under the *Equal Opportunity Act 1984* (s. 15 of the PID Act).	0

(a) Does not include one disclosure where the discloser's identity was anonymous.

(b) Does not include disclosures where the discloser remained anonymous, the PID was referred to the Ombudsman or the investigation was incomplete.

(c) For three disclosures, the discloser's identity was revealed to assist the investigation process and for the fourth, the discloser's identity was revealed on grounds of natural justice.

Source: PID registers

16 Some of the disclosures included more than one category of public interest information.

PID officers

Under the PID Act, public authorities must have at least one position designated as a PID officer to receive, assess and manage disclosures.

In 2012/13, most public authorities (91%) that completed the AAS or the PID survey reported designating at least one occupant of a specified position to receive disclosures under the PID Act. The Commission continues to educate authorities about this requirement.

The contact details of more than 450 PID officers are published in the Commission's *PID officer contact directory* to assist people who are considering making a disclosure.

The *PID code of conduct and integrity* outlines the minimum standards of conduct and integrity to be met by PID officers.

One government committee reported receiving allegations in 2012/13 that its PID officers did not comply with the code and that it is following up these allegations.

Other strategies used by public authorities

Similar to previous years, public authorities reported using a number of strategies to ensure they complied with the PID Act and *PID code of conduct and integrity* in 2012/13. These were:

- publishing internal procedures on the PID process (65%)
- publishing the names of the authority's PID officers (64%)
- publishing the Commission's PID advice and referral line number (38%)
- ensuring PID officers attend the Commission's PID officer training (35%)
- distributing the web link to the Commission's PID awareness video (31%)
- ensuring employees attend the authority's PID awareness sessions (25%)
- providing in-house training to PID officers (14%).

The Commission continues to update and release new products to assist public authorities to improve PID awareness.

Employee awareness and confidence

The 2013 EPS results indicated the majority of employees are aware of PID processes. Key findings were:

- 64% of respondents are aware of the PID Act and how to make a disclosure, or know where to find out, similar to last year's results (61%)
- 36% are not aware of the PID Act or do not know how to make a disclosure (compared to 39% in 2011/12).

This year, only those employees who indicated they are aware of the PID Act and how to make a disclosure were asked whether they would use the PID Act to make a disclosure. Sixty-five per cent of respondents who knew about PID processes indicated they would consider using the PID Act at least sometimes to make a disclosure.

Figure 2.2 shows the majority of respondents who knew about PID processes expressed confidence in them this year. Just over three-quarters (76%) were at least somewhat confident that a proper authority would ensure adequate investigation of a PID. The Commission encourages public authorities to use its awareness products to improve employee awareness of, and confidence in, PID processes.

Figure 2.2   Employee confidence in PID processes, 2013
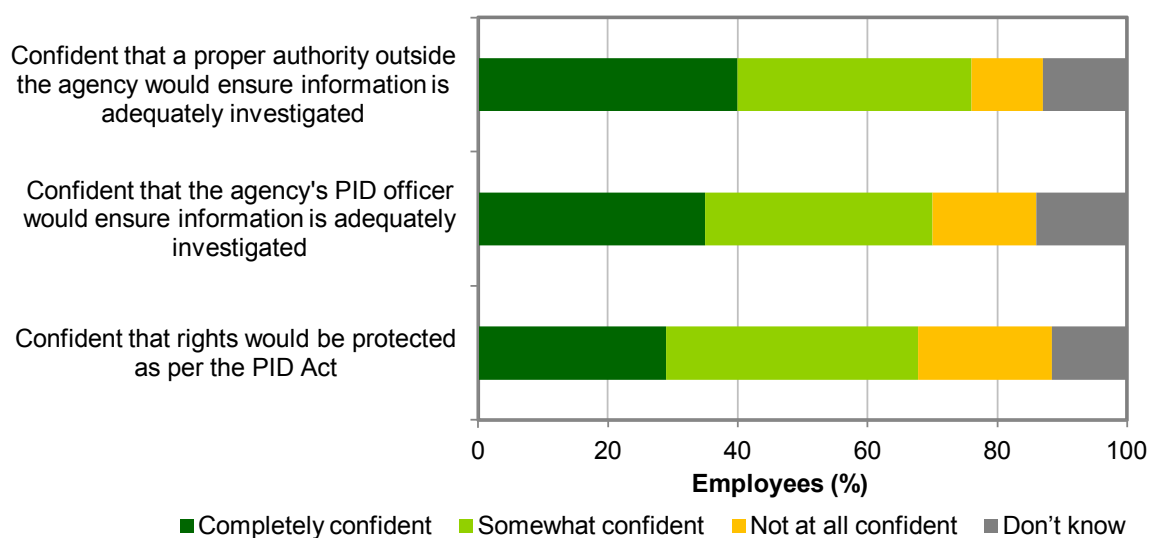
Note: Only those EPS respondents who indicated they were aware of the PID Act and how to make a disclosure were asked these survey questions this year.
Source: EPS

Key chapter findings

Overall, the work of public sector bodies seems to be proving effective in promoting and sustaining integrity. Most employees view their entity as upholding an ethical culture, and this is supported by the actions of their senior leaders, most of whom have been trained in accountable and ethical decision making.

Nearly all entities report having a code of conduct that reflects the sector's *Code of Ethics*. While this is an excellent result, the Commission is also available to provide support to public sector bodies to develop and revise codes of conduct, as needed.

Most public sector bodies indicate they are conducting AEDM training. However, opportunities to build on the success of the program include incorporating more face-to-face delivery methods and implementing refresher programs throughout employment.

Providing a range of reporting avenues, including the option to report anonymously through a telephone service, may help increase employee confidence in reporting unethical behaviour.

Authorities should actively encourage those considering making a PID to seek advice before doing so. This will help disclosers to understand whether PID is the most appropriate reporting avenue, and may assist to reduce the proportion of disclosures assessed as not appropriate.

The available evidence suggests that misconduct in the public sector is a rarity in the context of the hundreds of thousands of decisions and transactions made each day, and is well managed if it does occur.

Governance and innovation

Creating opportunities for better ways of doing things

Good governance is the cornerstone of efficient and effective organisational performance. The Public Sector Commission defines governance in the broadest sense as being the systems and structures by which a public sector body is directed, controlled and operated.

The principles of public sector administration and management in s. 7 of the *Public Sector Management Act 1994* (PSM Act), along with the human resource management principles in s. 8 and principles of conduct in s. 9, form a framework of accountability, integrity and ethics for the sector. Due to its complex structure[1], the focus and application of the governance framework varies across the public sector.

At an operational level, the PSM Act principles are supported by compliance requirements set out in instruments such as Public Sector Commissioner's and Treasurer's instructions. These requirements give meaning to the principles and help form the sector's governance framework. Chief executives are expected to maintain high standards of corporate governance, and ss. 29 and 30 of the PSM Act set out relevant functions and duties, including compliance with the principles and other elements of the governance framework.

Both conformance and performance are important elements of the governance framework. Striking the right balance between these elements is essential to achieving excellence. This view underpins the Commission's commitment to supporting effective governance through policy, oversight, consulting and capability development activities.

The relationship between conformance and performance in governance is explored in this chapter. Public sector improvement priorities associated with reducing red tape, fostering collaboration and facilitating innovation are also covered.

In summary, there appear to be sophisticated strategic planning and evaluation systems in the sector, which are key components of a strong governance framework. Entities have embraced continuous improvement in efficiency and effectiveness, with almost all reporting examples of significant innovative and collaborative projects. A high level of awareness of information and records management requirements is also reported throughout the sector.

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1   For further information on the structure of the WA public sector, please see 'Appendix D – Structure of the government sector'.

Governance

Strategic and operational planning

Effective strategic and operational planning is important for good governance. This planning assists public sector bodies to explain how they are meeting legislative responsibilities, addressing government priorities, and achieving other objectives. Effective plans also offer transparency and clarity to stakeholders.

There is no specific requirement for all public sector bodies to have a strategic or operational plan in place. However, these plans are commonly accepted as a key instrument in fulfilling the function of a chief executive in s. 29 of the PSM Act to provide leadership, strategic direction and a results focus.

As part of a good governance regime, a system should be put in place to ensure relevant plans are developed and objectives are evaluated. This assists in confirming that activities and outputs are contributing to the achievement of strategic goals.

Strategic planning

The 2013 annual agency survey (AAS) asked public sector bodies about the nature of their strategic planning. Table 3.1 shows the reported levels of sophistication in strategic planning processes. Seventy per cent of public sector bodies reported having planning systems at the higher end, and larger entities typically had more mature systems in place. However, 20% of large entities indicated their strategic plan needed refinement to address changes in policy direction or the operating environment, perhaps reflecting the level of change across the public sector in the past year, including several machinery of government changes and increased fiscal pressures.

Table 3.1   Status of strategic planning within public sector bodies, 2013

Summary of response options[a]	Entities (%)					
	All	Very large	Large	Medium	Small	Very small
A strategic plan is in place with clear and measurable objectives and strategies. Systems are in place to regularly evaluate progress and include reference to stakeholder perspectives.	42	100	47	60	41	21
A strategic plan is in place with clear and measurable objectives and strategies. Systems are in place to periodically evaluate progress.	28	0	33	15	37	21
A strategic plan is in place with clear and measurable objectives and strategies. There is limited formal evaluation of progress.	8	0	0	15	8	8
A strategic plan is in place with clear and measurable objectives and strategies, but these need to be refined to address changes in policy direction or operating environment.	12	0	20	5	8	21
The agency does not have a strategic plan but processes are underway to develop one.	4	0	0	0	2	13
None of the above reasonably reflect the nature of strategic planning in the agency.[b]	6	0	0	5	4	17

(a) Please see 'Appendix A – Monitoring and evaluation framework' for the complete wording of the response options used in the AAS.

(b) Of the seven entities that selected this option, four indicated they are developing/finalising their new strategic plan.

Source: AAS

Similar to last year, the sector appears to be generally performing well with regard to implementing strategic planning processes.

In 2013, 54% of service entities were at the highest end, compared with 39% of oversight, regulatory and sector administration entities, and 23% of policy, development and coordination entities. For further information on these functional groupings, please see 'Appendix A – Monitoring and evaluation framework'.

The reason why service entities had more mature strategic planning processes has not been examined, although such a finding is not unexpected. Strategic planning may be considered less critical in the other types of entities because:

- policy, development and coordination entities are focused on being strategically agile and responsive to emerging issues of the government of the day
- oversight, regulatory and sector administration entities typically operate under legislation that defines their purpose, functions and objectives.

Large service entities may rely heavily on strategic planning processes to clarify their purpose (within a policy context) and to communicate agreed priorities.

Operational planning

Operational plans translate strategic goals into practical objectives and provide direction for employees. These plans illustrate the link between programs/activities and strategic objectives, and specify how activities and outputs will be monitored and measured.

The 2013 AAS asked entities to rate their integration of strategic and operational plans. Even though 80% of entities had a common operational plan, the results indicated the maturity of operational planning could be better developed in some entities. Table 3.2 indicates that large entities may be experiencing challenges in achieving integration across business units for operational planning.

Table 3.2   Integration of strategic and operational planning within entities, 2013

Summary of response options[a]	Entities (%)					
	All	Very large	Large	Medium	Small	Very small
A common and aligned operational plan exists, with performance metrics linked to whole-of-agency KPIs routinely used for continuous improvement.	27	50	20	30	31	21
A common and aligned operational plan exists, with monitoring that includes performance metrics linked to whole-of-agency KPIs.	17	50	20	25	18	4
A common and aligned operational plan exists, with common internal reporting and centralised monitoring of progress.	21	0	20	20	20	25
A common operational plan aligns business activity with the strategic plan. There is some common internal reporting.	15	0	13	15	12	21
No common operational and/or strategic plan in place in the agency, however business units have developed their own.	9	0	20	5	10	4
The agency does not have an operational plan and/or strategic plan.	2	0	0	0	0	8
None of the above reasonably reflect the connection between strategic and operational planning in the agency.	9	0	7	5	8	17

(a) Please see 'Appendix A – Monitoring and evaluation framework' for the complete wording of the response options used in the AAS.

Source: AAS

Only 45%[2] of entities reported establishing relevant performance metrics for all business functions, connected to whole-of-entity key performance indicators (KPIs). This suggests that public sector bodies may be having difficulties measuring their activities and outputs. Developing relevant and reliable indicators of achievement is essential to continuous improvement.

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2   Due to rounding, adding up the data in Table 3.2 will not match this figure.

Risk management

Risk management ensures that public sector bodies, government and the general community are protected from unnecessary costs and losses, and should be an integral part of day-to-day operations. Sound risk management practices support the public sector's level of responsiveness and ability to provide continuity of services.

Treasurer's instruction 825 (TI 825)[3] defines risk management as the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects. TI 825 encourages entities to focus on material risks at all levels of the organisation, and take necessary action to manage those risks.

The AAS asked entities about the nature of their risk management practices in 2013, as shown in Table 3.3. Seventy-nine per cent of entities reported having a common risk management framework in place, with larger entities typically indicating they have more sophisticated frameworks.

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3   Department of Treasury 2007, 'Treasurer's instruction 825 – Risk management and security', *Financial administration bookcase*

Table 3.3   Status of risk management within entities, 2013

Summary of response options[a]	Entities (%)					
	All	Very large	Large	Medium	Small	Very small
There is a common risk management framework which is consistently applied. All relevant employees have been trained and there is integrated reporting on the overall risk profile.	29	50	20	20	39	21
There is a common risk management framework which is consistently applied. Some employees have been trained and there is periodic reporting on the overall risk profile.	26	50	53	45	16	13
There is a common risk management framework promoting a consistent approach by all business units. An overall risk profile exists.	24	0	13	20	27	29
There are some policies and procedures in place to ensure a common approach to risk management. There are pockets of good practice but other areas rely on experience and managerial expertise.	18	0	13	15	18	25
There is recognition of the importance of risk management, but limited systems in place. The entity relies on experience and managerial expertise.	1	0	0	0	0	4
None of the above reasonably reflect the nature of risk management in the agency.	2	0	0	0	0	8

(a) Please see 'Appendix A – Monitoring and evaluation framework' for the complete wording of the response options used in the AAS.

Source: AAS

Similar to last year, responses were generally positive but indicated a lower level of maturity when compared with other aspects of governance, such as strategic planning and internal audit and evaluation.

Evaluation and continuous improvement

Evaluating the effectiveness and efficiency of programs and activities is a key governance activity, particularly in an environment of fiscal constraint. Performance information informs strategic planning processes and ensures the delivery of value for money services consistent with government policy.

The compliance environment, which includes Treasurer's instruction 904[4], requires the use of KPIs to measure organisational performance. While these are necessary for conformance, using a variety of performance information and evaluation programs to inform continuous improvement efforts is an important aspect of effective governance.

The 2013 AAS asked public sector bodies about the scope of their internal audit and evaluation programs. Table 3.4 shows that 66%[5] of entities reported regularly undertaking performance evaluation of key programs and activities, with smaller entities less likely to have mature programs in place.

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4   Department of Treasury 2009, 'Treasurer's instruction 904 – Key performance indicators', *Financial administration bookcase*

5   Due to rounding, adding up the data in Table 3.4 will not match this figure.

Table 3.4   Scope of internal audit and evaluation programs within entities, 2013

Summary of response options[a]	Entities (%)					
	All	Very large	Large	Medium	Small	Very small
There is a well-established internal audit/ evaluation function addressing internal controls and systems auditing, using internal and external expertise. Comprehensive evaluation of programs and activities is integrated.	43	50	60	45	43	29
There is a well-established internal audit/ evaluation function addressing internal controls and systems auditing, using internal and external expertise. There are separate processes for regular evaluation of programs and activities.	24	50	20	45	22	8
There is a well-established internal audit/ evaluation function addressing internal controls and systems auditing. There are separate processes for occasional evaluation of programs and activities.	11	0	7	10	12	13
There is a well-established internal audit/ evaluation function addressing internal controls and systems auditing. There is no routine evaluation of programs and activities.	11	0	13	0	12	17
The agency has an internal audit/evaluation function. Evaluation activity is limited to testing essential compliance controls.	6	0	0	0	8	13
The agency's internal audit/evaluation program is non-existent or ad hoc.	3	0	0	0	0	13
None of the above reasonably reflect the nature of the internal audit and evaluation program in this agency.	3	0	0	0	2	8

Note: Due to rounding, results across response options may not add up to 100%.

(a) Please see 'Appendix A – Monitoring and evaluation framework' for the complete wording of the response options used in the AAS.

Source: AAS

The WA Government is establishing a steering committee of Directors General to conduct rolling program evaluations of existing programs and service delivery areas. These evaluations will establish whether there is still a genuine need for a particular program or service, and will identify opportunities for delivering the service more efficiently and effectively. This may result in government partnering with alternative service providers.

The initiative will be supported by a new Program Evaluation Unit in the Department of Treasury.

Some examples of existing audit and evaluation programs in the public sector are provided in the following case studies.

Case studies

The State Library of WA

The Library's strategic audit plan outlines a balanced mix of performance and management audits. The audit function is shared with two other entities, the Art Gallery of WA and The WA Museum, to deliver a cost effective service. The Library also works closely with the Department of Culture and the Arts to ensure the delivery of varied audit services to improve governance, risk management and internal controls. Where specialised expertise is required, services are procured to ensure full audit coverage within the Library. The audit program and outcomes are subject to ongoing rigorous scrutiny by the State Library's Executive Risk Management Committee and the process is overseen by the Audit Committee, which is a subcommittee of The Library Board of WA.

WorkCover WA Authority

Internal audits at WorkCover WA are overseen by the Audit Committee, which provides independent assurance and assistance to the board on its risk, control and compliance framework, and external accountability responsibilities. Activities are planned and monitored through an audit plan linked to the strategic plan and objectives, and are achieved through the contracting of approved service providers managed by an internal audit manager. A balanced audit program is achieved through a mix of mandatory and optional audits, with an ongoing focus on continuous improvement. In addition to the audit function, WorkCover WA has a mature monitoring process that uses outside analysis by external stakeholders, surveys and careful scrutiny of well-developed performance indicators. This links back to executive review of the risk register and the effectiveness of controls.

Zoological Parks Authority

The Authority has in place a three year strategic internal audit plan developed in accordance with planning protocol. The development of the audit plan takes into consideration the Authority's strategic plan, risk register and auditing standards, and incorporates formal feedback from members of the Audit Committee and senior management. An annual audit planning process is performed and includes liaison with external audit. This process has assisted in ensuring external audit can place a high level of reliance on the agency's internal audit function. The annual audit plan includes a combination of finance-based audits and management audits, covering areas such as corporate governance and existing programs/activities in support of service delivery. The strategic audit and annual audit planning process is aimed at achieving value for money while supporting excellence in governance and continuous improvement.

Monitoring customer satisfaction

Monitoring customer satisfaction is an important element of an evaluation program, and continuous improvement in general. The Queensland Government completed its first whole-of-government customer satisfaction survey in March 2013, which also covered four other states – WA, New South Wales, Victoria and South Australia.[6] The survey found that Queensland residents' satisfaction with their state government compares favourably with residents of other states. Only WA had a higher level of satisfaction (note: the WA election took place during the interviewing phase).[7]

The 2013 AAS asked entities whether they monitored external customer, client or stakeholder satisfaction with their services. Almost all entities (92%) reported monitoring service satisfaction. For these entities, online surveys were most often used (60% used this method in at least some of their business units), followed by focus groups (48%) and telephone surveys (44%).

The following case study highlights a well-established services evaluation function at the Department for Child Protection and Family Support.

Case study

Standards monitoring at the Department for Child Protection and Family Support

The department monitors service activities and outcomes against a comprehensive 'Better care, better services' standards framework. The application of the framework ensures a consistent approach against clear indicators, and incorporates quantitative and qualitative assessment methods.

The framework covers all 17 districts at least once every two years, and is complemented by a similar program designed to monitor contracted services of community sector service partners. While these two approaches are different, each involves multi-layered stakeholder feedback, a performance over conformance evaluation methodology, and a strong focus on continuous improvement to build capability and share information about best practice.

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6   The Queensland Public Service Commission engaged a private organisation to deliver the survey on their behalf, using the organisation's proprietary online research panel. The findings were based on an online survey of 2000 Queenslanders, with an additional 200 surveyed from the other states.

7   Queensland Public Service Commission 2013, *Whole-of-government service delivery research: summary of outcomes*, p. 3

Collaboration

Collaborative governance may enable the delivery of better outcomes, compared to more traditional methods of administration and management. People across public sector bodies, and across sectors, work together to carry out a public purpose that could not easily be achieved by a single organisation.

This year, the machinery of government reform agenda (see 'Appendix G – Machinery of government changes' for more information) required entities to collaborate more effectively in order to achieve results. One relevant example was the amalgamation of the Department of Local Government and the Department for Communities, which is discussed in the following case study.

Case study

Amalgamation of the Department of Local Government and the Department for Communities

Underpinned by a shared commitment to establish a strong, effective department to support the Government's policy directions, the Directors General of the Department for Communities and the Department of Local Government engaged in joint decision making, including the appointment of an interim corporate executive for the new Department of Local Government and Communities. To ensure that staff were engaged in the process, and to reduce any perception that one department was 'taking over', the Directors General convened regular meetings with staff and each other, and ensured that all communications were consistent and simultaneous.

The Directors General commissioned the external facilitation of two workshops to support the development of an interim structure. The first workshop, which involved tier three and above leadership teams, focused on identifying the values and culture that each department would bring to the new department. These design principles subsequently informed the second workshop's development of an interim structure for the new department, which engaged the joint corporate executives and two independent participants to help ensure the process remained transparent.

With the formation of the new department on 1 July 2013, and an interim corporate executive and Director General in place, the focus has now moved to engaging further with staff to develop an integrated third tier and below structure, and commencing a broader stakeholder engagement strategy to inform strategic planning for the new department.

Enhanced collaboration across sectors is a government priority and makes good business sense. An example of collaboration between government, the private sector and the research sector is the 'Location information strategy' (LIS) for WA. This initiative, approved by the Cabinet in 2012 and led by the Western Australian Land Information Authority, was developed through the unique 'WA land information system' partnership across sectors. The key benefits of the LIS are a reduction in the duplication of limited resources, prevention of inefficient use of funding across government, improved access to location information, improvements to service delivery and information to support critical decision making.
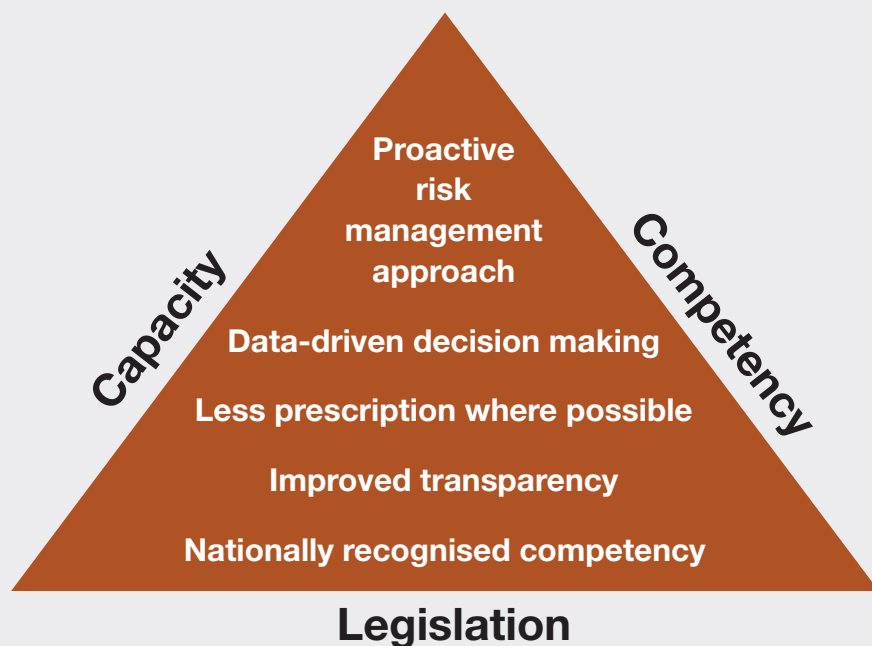
Another significant partnership between the Department of Mines and Petroleum and industry stakeholders is described in the following case study.

Case study

Business process re-engineering at the Department of Mines and Petroleum (DMP)

In late 2009, the Resources Safety division at DMP implemented the 'Reform and development at Resources Safety' (RADARS) strategy. The RADARS strategy was developed in response to independent reviews and inquiries following mining incidents and fatalities. Both government and industry had realised that an improved approach was needed.

The resulting RADARS strategy took a holistic and multi-faceted approach to the reform of safety and health regulatory services in the resources sector. Elements of the strategy support the conceptual model reproduced here, which focuses on the vision for leading practice regulation.

Capacity

Competency

Proactive risk management approach

Data-driven decision making

Less prescription where possible

Improved transparency

Nationally recognised competency

Legislation

The RADARS strategy was built on an important state government policy decision that provided for cost-recovery funding from the minerals sector. This model has an inherent industry performance incentive. While it did enable DMP to increase specialist mines safety staff by one-third, the reform process went significantly further than increasing resources and provides a strong example of effective business process reform. Key elements of the approach are outlined below.

Stakeholder engagement and collaboration

DMP was determined to maintain a strong partnership with industry to ensure sustainable safety outcomes through efficient mechanisms. Initiatives undertaken to engage with industry included:

- ongoing liaison with stakeholders via a tripartite consultative committee comprising industry executives, mining workforce representatives and DMP staff (including an annual workshop on priority targets)

- seconding a private sector safety expert to DMP for one year to provide an industry perspective on compliance strategies

- inviting industry to participate in tailored training attended by DMP inspectors to enhance common understanding about standards and regulatory practice.

Use of technology and knowledge management

DMP identified that existing systems were impacting on corporate capacity to manage regulatory services. In addressing this, disparate legacy systems were replaced by an integrated online system. This system allows for online lodgement, tracking of compliance activities and enhanced use of performance data. Other systems and practices have been put in place to retain corporate and regulatory knowledge to ensure consistent processes and decisions.

Workforce capability

Several workforce initiatives contributed to the RADARS strategy. DMP negotiated additional flexibilities in conditions for newly established positions, redesigned job description forms, streamlined the selection process, and undertook a more targeted media campaign to attract suitably qualified staff. DMP also introduced a technical mentoring scheme and a tailored training and development program, with nationally recognised qualifications and standards, to provide the required skills and knowledge to its workforce. Training programs are evaluated against KPIs derived from the RADARS KPIs, and employee feedback is built into each stage of the program. To measure the effectiveness of these programs, employees and managers are surveyed three months after completion to gauge if learning is being effectively applied.

Ongoing evaluation

DMP recognises the importance of evaluating progress to drive continuous improvement. In 2010, DMP commissioned independent consultants to undertake a baseline survey of stakeholders about their perceptions of Resources Safety's roles, services and functions. The subsequent biennial survey provides a robust measure of progress towards achieving the aims of RADARS. DMP is working towards overcoming issues identified through the survey conducted in 2012, including developing a range of strategies and resources to reach more stakeholders. Other evaluation mechanisms include surveying participants at industry workshops, and seeking input from the Mining Industry Advisory Committee.

Improved outcomes

In 2012, there were no mining fatalities in WA. DMP has not claimed a cause and effect relationship for the RADARS strategy, particularly in light of tragic events that have occurred since its implementation. However, the reforms, and processes supporting the reforms, are seen as contributing to enhanced industry safety outcomes in this important area of the public service.

Collaboration improves service delivery outcomes for the community. The Department of the Premier and Cabinet's (DPC's) 'Partnership forum' is using collaborative techniques to identify innovative ways of delivering services. The partnership between the Department of Culture and the Arts and the Disability Services Commission is another example. The two entities worked together in 2012/13 to deliver the 'Disability and the arts inclusion initiative', which enabled seven organisations in WA to provide opportunities for people with disability and their families to participate in arts and cultural activities across the state.

Information and records management

Effective management of information and recordkeeping is important in administrative governance and underpins transparency and accountability, particularly through the accurate recording of communications that have led to significant decisions.

Managing information in the public sector includes handling communication flows to ministers, and within entities, and maintaining information about clients and private citizens.

Communication

Section 74 of the PSM Act requires a minister to establish protocols that set out the nature of communication arrangements to be maintained between the minister's office and each portfolio agency. The *Commissioner's Circular 2009–10: Communication arrangements between ministers and agencies* provides direction to entities on these arrangements.

Communication within entities assists with efficient management, promotes effective service delivery, and encourages a shared commitment to government priorities. In the 2013 employee perception survey (EPS), 65% of respondents agreed communication between senior management and employees is effective, and 81% agreed their immediate supervisor makes use of appropriate communication and interpersonal skills. These results are similar to the previous year and suggest that communication mechanisms within the sector are appropriate and the lines of internal communication are effective.

Recordkeeping

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

In accordance with s. 9(b) of the PSM Act, public sector bodies and employees must be scrupulous in their use of official information, and chief executives are required by s. 29(1)(n) to ensure their entity keeps proper records as required by the Records Act.

Results from the 2013 AAS indicate that entities continue to raise awareness of recordkeeping requirements. In particular, public sector bodies reported providing in-house recordkeeping training (89% in at least part of the entity), providing employees with access to a copy of the entity's recordkeeping plan (84%), and monitoring the use of the entity's recordkeeping system (83%).

Confirming the results of the AAS, 79% of employees responding to the 2013 EPS agreed they receive appropriate training or have access to information that enables them to meet recordkeeping responsibilities, and 66% agreed their work area supports and promotes good information management practices. These results are similar to 2012.

Financial management

The general principles of public administration outlined in s. 7 of the PSM Act require proper standards of financial management and accounting to be maintained at all times. These principles are aligned to the requirements of the *Financial Management Act 2006* (FM Act), Treasurer's instructions and related guidelines and standards. Chief executives are required under s. 29(1)(c) of the PSM Act to plan for, and undertake, financial management in relation to their entity and to monitor their financial performance.

There are a number of central agencies involved in the setting of resource management policies and the oversight of resource management functions. These include the:

- Department of Treasury, which is responsible for interpreting accounting standards, policies and the 'Strategic asset management framework'
- Department of Finance, which is responsible for procurement and major works
- Office of the Auditor General (OAG), which oversees accounting and financial performance of entities.

Processes to monitor financial performance

Treasurer's instructions set minimum requirements for core financial management matters, including accounting for revenue, expenditure, assets, standards of reporting, and such other matters as necessary, to ensure good financial management and governance. As Treasurer's instructions are expressed in terms of objectives, entities have flexibility in how they are applied.

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

Budget management

The FM Act requires public sector bodies to effectively manage the administration of public finances and report accurately and consistently. Annual state budget statements contain estimated and actual financial expenditure. For public sector bodies, the majority of costs incurred relate to employee wages, supplies and services, interest and grants.

The Department of Treasury has provided budget management data for 2012/13 for the general government sector (including 84 public sector bodies). The Commission's analysis of the difference between budgeted and actual expenditure for the sample of public sector bodies shows that 58% of these entities spent within 10% of their budget this year. This compares to 54% of the sample in the previous year.

Table 3.5 shows the median difference (the middle value of the range) was higher for entities with smaller budgets (less than $10 million). These entities were more likely to have final expenditures higher than their original budget.

Table 3.5   The differences between budgeted and actual cost of services in a sample of public sector bodies[a], 2012/13

Size of budget ($m)	Number of entities	Difference between budgeted position and actual cost (%)		
		Median	Lowest	Highest
Less than 10	21	+12%	-48.2%	+391.5%
10 to 30	19	0.0%	-14.6%	+22.2%
30 to 100	19	+0.9%	-18.5%	+76.5%
Over 100	25	-0.8%	-72.5%	+44.4%

Note: Positive differences indicate that expenditure exceeded budget forecasts by those percentages. Large differences may be due to changes to entity functions, and therefore approved expenditure, between the time of the original budget and the end of the financial year.

(a) Includes only 84 of the public sector entities listed in 'Appendix D – Structure of the government sector'.

Source: Department of Treasury

Governance in boards and committees

Performance information provided in this chapter covers public sector bodies that have a board. However, this information reflects the state of administration and management for public sector bodies rather than the boards themselves.

Government boards and committees are required to consider governance at two levels. At one level, a board must consider the governance arrangements associated with controlling and managing the public sector body for which they are accountable. At the other level, a board must consider governance arrangements associated with transparently discharging collective and individual responsibilities, and complying with core principles and requirements. Understanding these obligations in a public sector setting (as opposed to the private sector) is fundamentally important to effective administration and management in the public sector and is a key area of interest for the Commission.

The Commission, in consultation with DPC, conducted a review of boards and committees in 2012. The purpose of the review was to verify the number of boards and committees and recommend any reductions. A report[8] was tabled in the WA Parliament on 8 November 2012, with seven recommendations endorsed by Cabinet. The Premier noted in his tabling speech that continuous improvement in the administration of boards is essential.

In recent years, there has been an increase in the number of requests for assistance from boards and committees, and a number of accountability and governance matters have required the Commission's attention. In response, the Commission has identified a range of initiatives designed to improve the performance of boards without compromising their statutory duties.

In the coming year, the Commission will be establishing a governance framework for boards, including ministerial statements of expectations, a comprehensive induction program, and a capability development program. Governance principles and related supporting resources for boards are available on the Commission's website.

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8   Public Sector Commission 2012, *Government boards and committees*
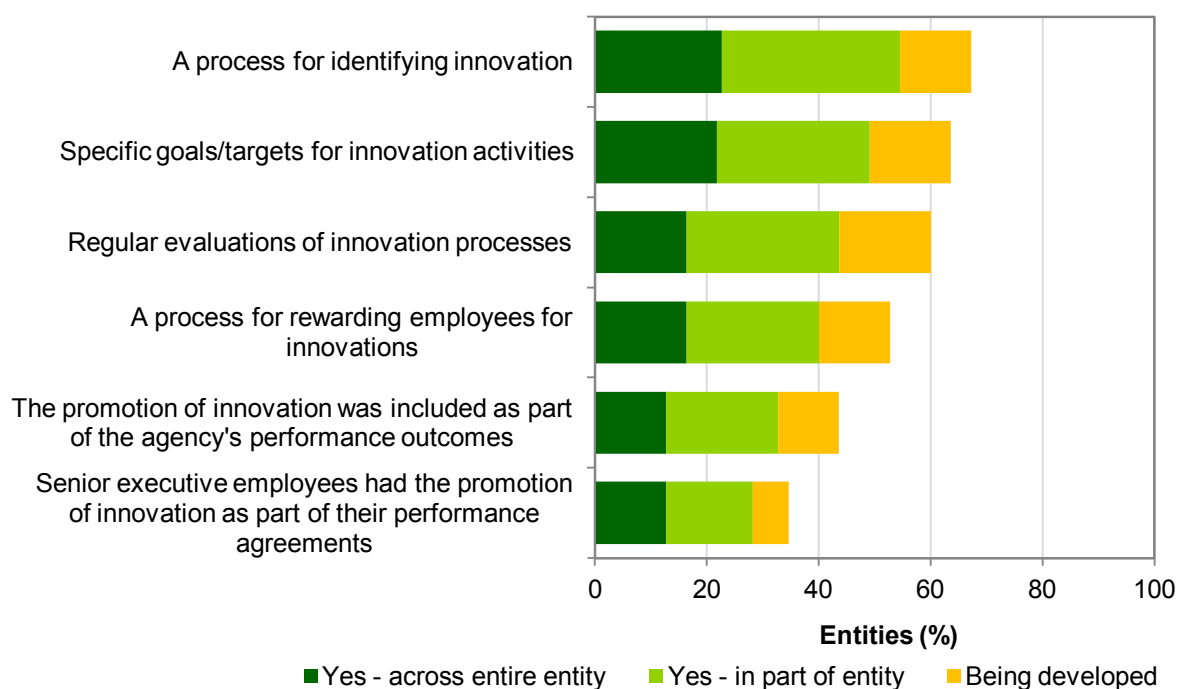
Innovation

The WA Government is committed to encouraging innovation to meet the challenges of an increasingly complex operating environment.

Innovation involves creating the right environment for developing more effective processes, products and ways of thinking. It is fostered through leadership, collaboration, organisational capability and risk management.

In a new AAS item this year, 19% of entities reported having a corporate innovation strategy in at least part of their organisation, with an additional 13% developing a strategy. Common challenges reported as being faced by public sector bodies in developing or implementing innovation strategies were funding and resourcing, time constraints, a risk-averse culture, limitations on rewarding staff, prioritisation of 'business as usual', and geographical dispersion.

Figure 3.1 shows strategies used by entities to promote innovative practices in 2012/13, as reported in the AAS. Public sector bodies most commonly reported using a process for identifying innovation (55% in at least part of the entity, and a further 13% were developing a process).

Figure 3.1   Innovation strategies used by public sector bodies, 2012/13

Source: AAS

Given the current environment of fiscal constraint, innovation is of even greater importance. By embracing innovation, the public sector will be well-placed to deliver customer-focused services to the community and provide forward-thinking advice to government. This is illustrated in the following case studies.

Case studies

Central Institute of Technology, the Department of Health and Curtin University

The 'Roaming education and community health' (REACH) clinic was established by Central Institute of Technology, in partnership with the Department of Health and Curtin University, and funded by Health Workforce Australia. The clinic provides nursing students from the Institute and Curtin University with the opportunity to practice their skills in a range of settings. The REACH initiative trains individuals and services the needs of the community. Since its establishment in August 2012, more than 3000 community members have been screened.

Disability Services Commission

The Disability Services Commission officially launched 'My way' in November 2012. 'My way' is an initiative in four WA regions, which is based on flexible and responsive approaches that place choice and control directly in the hands of individuals with disability, their family and carers. 'My way' coordinators work with government agencies, disability sector organisations and community-based organisations to ensure people with disability receive a comprehensive and coordinated approach. Seven non-government organisations have been awarded grants to employ 'My way' coordinators.

Following the release of *Putting the public first* and *Reducing the burden*[9], a 'Joint innovation initiative group' was established for the public sector. This group is led by the Department of Agriculture and Food, and consists of the Departments of the Premier and Cabinet, Commerce, and Mines and Petroleum, and the WA Land Information Authority. The group aims to develop strategies and processes to drive a coordinated, collaborative approach to innovation throughout the sector.

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9   Economic Audit Committee 2009, *Putting the public first: Partnering with the community and business to deliver outcomes*; and Red Tape Reduction Group 2009, *Reducing the burden: Report of the red tape reduction group*

Another key initiative is the Premier's Awards for Excellence in Public Sector Management. It is through these awards that the Government takes a more active role in encouraging innovation by recognising creative approaches to addressing emerging issues. This year, a new category, 'Western Australia in Asia', was introduced to acknowledge projects that create greater opportunities for partnership with Asia. The following case study illustrates an innovative initiative implemented by the Department of Education, which is the overall Premier's Award winner for 2013.

Case study

Independent Public Schools: Leading education reform and innovation in Western Australia

In August 2009, a radical change to public education was announced by the Premier with the launch of the Independent Public Schools program. Within a four year period, more than half of all schools have expressed interest in working within this new model, which provides greater autonomy and heightened accountability.

Two hundred and fifty-five schools are currently using the program, representing more than half of all students and teachers in WA public schools. The Independent Public Schools program is characterised by choice, readiness and rigour, which are three key elements that have contributed to its success.

Feedback and evaluation show the initiative is having a positive effect through creating conditions for school improvement, increasing parental and community engagement, and improving perceptions of public education.

The initiative is a key driver of significant governance and cultural change, from centralised bureaucracy to local level innovation, school improvement and student achievement.

In 2013, the Government announced a development program to assist in fostering schools' readiness to become independent public schools in the future. This will ensure the initiative continues to grow while maintaining high standards for entry.

Reducing red tape

Red tape reduction forms part of the broader commitment to innovation to enhance organisational performance and efficiency.

Red tape refers to the compliance burden associated with government regulations. When proposing new regulations, public sector bodies are required by the Department of Finance's Regulatory Gatekeeping Unit to assess the potential impact on stakeholders to ensure they are not too onerous.

Most entities have implemented red tape reduction strategies to improve efficiency and effectiveness. The Chamber of Commerce and Industry of WA (CCI) recently called on government and regulatory agencies to improve their level of engagement with small businesses in reducing red tape.[10]

Through the 2013 AAS, entities were asked to identify the nature and extent of their red tape reduction activities, as shown in Figure 3.2. Awareness raising was the most widely implemented initiative (73% in at least part of the entity), which was a slight increase from 67% last year. This was followed by the development of online systems (67%, compared to 64% last year), and critical path/workflow analysis (64%, compared to 60% last year).

Figure 3.2   Red tape reduction strategies used by entities, 2012/13
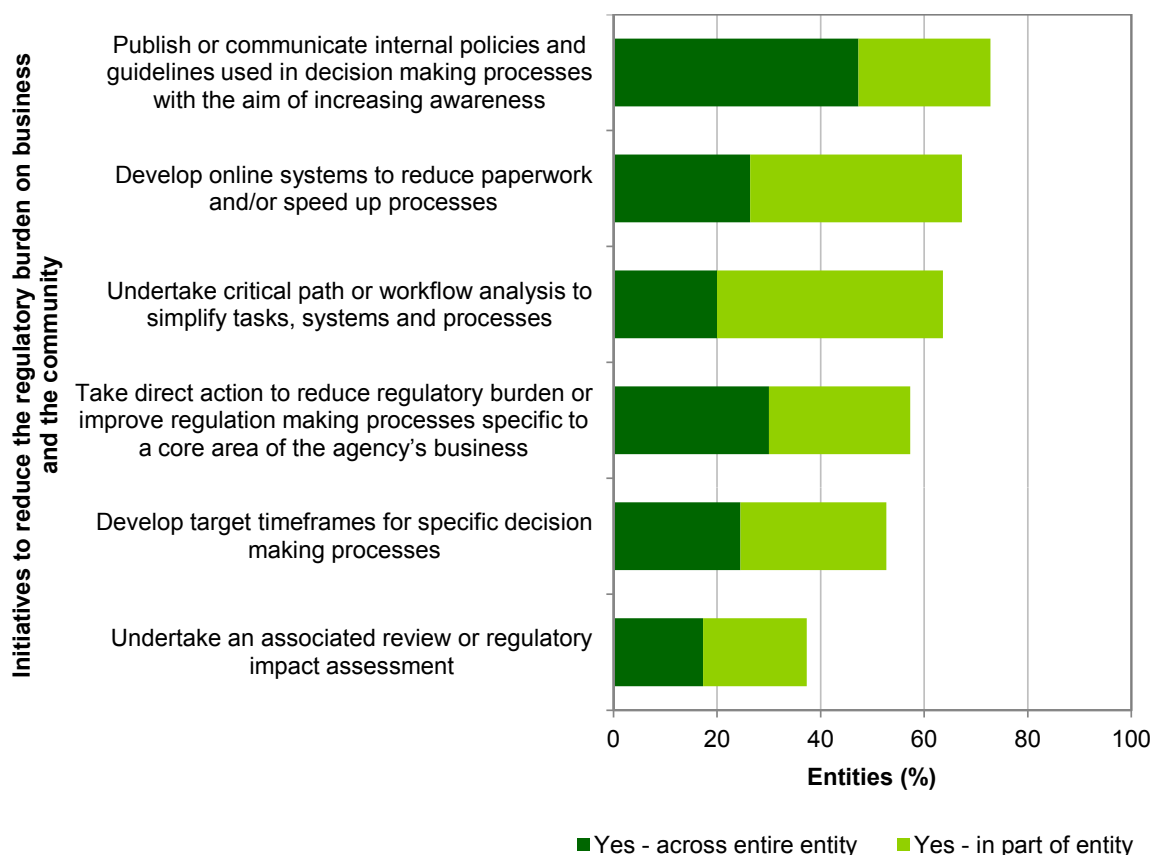
Source: AAS

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10 Chamber of Commerce and Industry of Western Australia 2013, *Regulator engagement with small business: submission to the Productivity Commission*, p. 3

Key chapter findings

Overall, most public sector bodies report having well-established governance systems and structures in place, which incorporate compliance requirements. Entities appear to be striving beyond conformance to performance excellence in a number of areas, including collaborative governance and innovation.

However, improvements in reporting on the organisational risk profile and in developing performance indicators for activities and outputs could be beneficial. Audit and evaluation capability supports continuous improvement and innovation, particularly in those areas that are underutilised, contributing to the regulatory burden, or possible avenues for effective collaboration in the public interest.

Stakeholder engagement presents an opportunity to better understand the needs and concerns of clients and members of the public in developing policy and delivering services. The public sector may also benefit from using creative ideas from other jurisdictions to tailor solutions for local challenges.

There remain opportunities for entities to embrace better performance, and better align compliance obligations with efficiency and effectiveness drivers in both operational and administrative settings.

Workforce management

Delivering a safe, fair and motivating workplace

Workforce management in the public sector is guided by the general principles of human resource management and official conduct in ss. 8 and 9 of the *Public Sector Management Act 1994* (PSM Act). However, workforce management is broader than compliance obligations; it encompasses the activities needed to maintain a productive workforce.

A workplace where employees are able to improve their own productivity and raise creative ideas helps to ensure efficient achievement of public sector outcomes, such as delivery of services to the community. Effective workforce management involves supporting staff to be productive through mechanisms such as clear communication of organisational expectations, appropriate delegation and task allocation, development of individual capability, and constructive performance feedback.

This chapter commences with a discussion of the factors driving employee productivity in the WA public sector, as indicated through levels of employee engagement. This is followed by the sector's use of strategies to improve workforce management for productivity, in areas such as professional development, performance management, conflict management, and occupational health and safety. The level of compliance with public sector standards is also covered as a requirement of reporting under s. 22D of the PSM Act.

Overall, management of the public sector workforce appears to be proving effective even in these times of change and financial constraint. Reported employee engagement levels are high in the sector. Most employees indicate they are motivated to perform well, and are satisfied with their job and their employer. The numbers of reported grievances and breaches of public sector standards remain low.

Employee productivity

Employees who are engaged with their job and committed to their organisation are generally more productive because they are motivated to work with the success of the entity in mind. Improved productivity helps to ensure that service delivery is not impacted during times where there may be fewer resources available to public sector bodies.

There are many factors that drive employee engagement, and result in increased productivity, through the reduction of workplace absence, improved retention, better customer service and increased capacity for innovation.[1] These drivers of engagement for the employee include:

- effective management and leadership by the immediate supervisor and senior leaders

- intrinsic rewards such as being able to 'make a difference' and having interesting work to complete

- good match between the job and the employee's skills

- clear understanding of workplace expectations and organisational goals

- suitable levels of role autonomy and authority

- opportunities for career progression

- access to options for work-life balance, such as flexible working arrangements

- recognition for work performed, and feeling valued by the entity

- effective workplace relationships

- learning and development opportunities

- receipt of performance feedback.

Several of these drivers are discussed throughout this chapter and Chapter 6.

Employee engagement levels in the WA public sector continue to be quite high. Figure 4.1 shows that almost all respondents to the 2013 employee perception survey (EPS) reported they are satisfied with their job (85%, compared to 76% for Victoria and 74% for New South Wales) and proud to work in the public sector (81%, compared to 86% in New South Wales and 87% in Victoria).[2]

Most WA public sector employees (74%) also agreed their immediate supervisor is effective in managing people.

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1   MacLeod, D & Clarke, N 2009, *Engaging for success: enhancing performance through employee engagement*, p. 9

2   State Services Authority 2013, *The state of the public sector in Victoria 2011–12*, p. 29; and New South Wales Public Service Commission 2012, *People matter employee survey 2012 – Main findings report*, p. 34

Figure 4.1   Employee engagement levels in the WA public sector, 2013
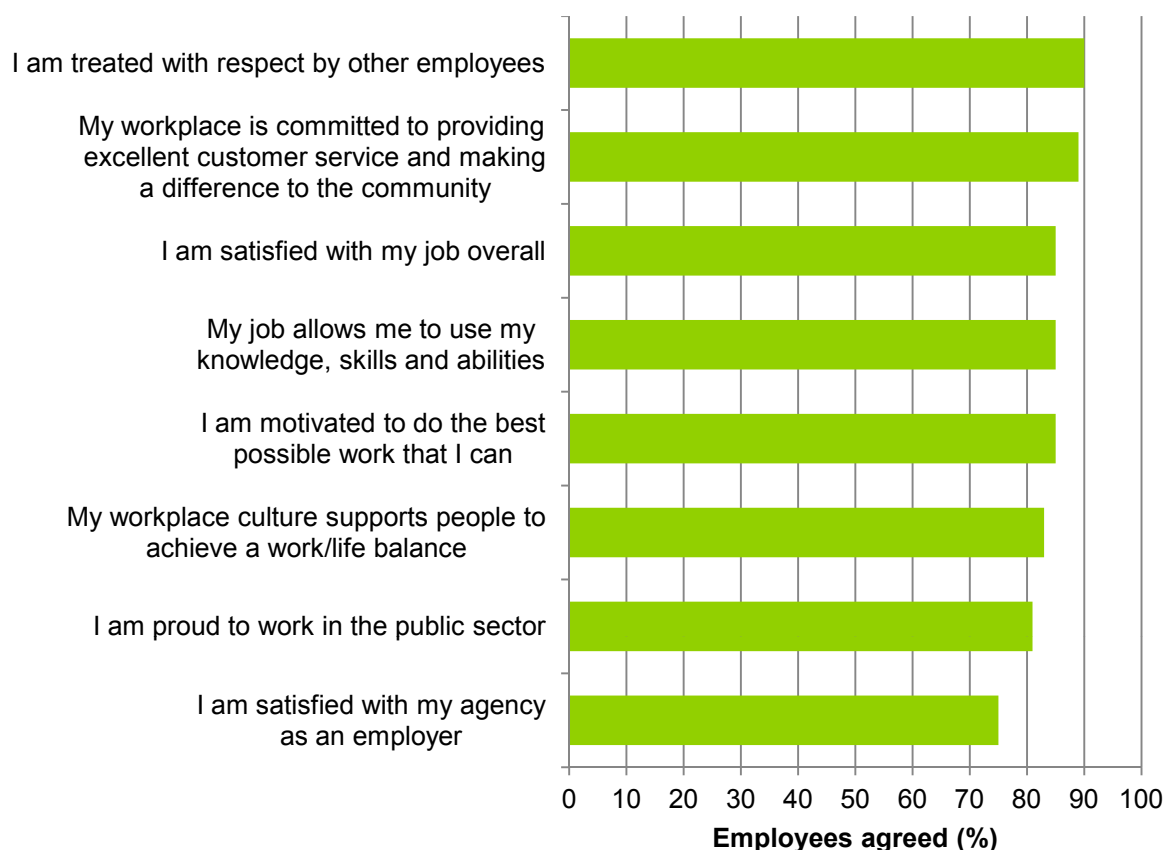
Source: EPS

Professional development

Providing professional development opportunities helps to improve employee capability and productivity, and brings innovation to the sector through new skills and ideas.

Professional development frameworks

Most entities (72%) reported in the 2013 annual agency survey (AAS) that they have a professional development strategy or framework in at least part of their organisation. Three-quarters of EPS respondents in 2013 confirmed that development opportunities are available to all employees, similar to the previous year (76%).

A key aspect of a successful professional development program is tracking employee participation in training. Centrally recording information about employee skills may help to identify development needs, potential areas of collaboration and possible mentors.

Mentoring

Mentoring is a key component of the blended learning approach supported by the Public Sector Commission. Through harnessing public sector expertise, mentoring facilitates the sharing of knowledge and experience.

Mentoring results in improved work performance and levels of employee engagement. The approach can be used to support knowledge transfer and may improve retention.

A 2012 survey of mentoring in the public sector, conducted by the Commission, indicated there were 49 mentoring programs active within the sector, such as the Department of Finance's 2012 Inter-departmental mentoring program. The survey found there is opportunity for mentoring to be expanded across the sector. A mentoring group has been established to share practices, encourage sustainable programs, and foster whole-of-sector thinking.

The Commission's development programs, such as the Foundations of government human resources (FoGHR) program and Public sector management program, include a mentoring component to embed learning in the workplace.

Professional development for human resources practitioners

Human resources professionals play a key role in workforce management. The Commission provides a range of resources and advice to support good practice in human resources management.

The Human resources practitioners' forum regularly updates the sector on new policies and resources and provides opportunities to share the expertise and experiences of professionals within the sector.

The FoGHR program (which leads to a Certificate IV in Government qualification) is also designed to train practitioners in a wide range of essential human resources policy and core development areas.

Professional development for policy practitioners

The Public Sector Commissioner recognises the need for high-level policy capability in the public sector, and in collaboration with the Department of the Premier and Cabinet, has commenced a series of Policy practitioners' forums. These aim to provide employees with opportunities to learn from policy development experts, and to gain skills and knowledge to respond to new and evolving demands placed on the sector.

Performance management

Performance management is closely related to performance development. Effective performance management helps to improve employee productivity by providing clear expectations about performance, and a mechanism for managers to provide feedback. Effective performance management processes align individual performance with key organisational goals, and help to identify future training requirements.

The *Performance management standard* established by the Commissioner outlines the minimum standards with which public sector bodies must comply in undertaking performance management. In summary, the minimum standard is met when employees are informed of how their performance will be managed, and the results of their performance assessment. Further details about the standard can be found in 'Appendix B – Public Sector Management Act 1994'.

The FoGHR program contains a module on managing performance. This module provides human resources practitioners with the knowledge to review and improve their entities' performance management policies and procedures as required, and to assist managers to effectively manage performance.

Performance management processes

Close to two-thirds (64%) of respondents to the 2013 EPS felt performance development is fairly and consistently applied in their workplace (compared to 65% in the previous year). Most respondents (89%) reported awareness of the *Performance management standard*.

Through the 2013 AAS, the majority of entities reported having performance management procedures and policies in place. Figure 4.2 shows the strategies used by entities to assist managers to effectively manage employee performance. Most public sector bodies reported having some form of defined timelines for completing the performance cycle within their policies (85%).

Figure 4.2   Strategies used by entities to assist managers to effectively manage employee performance, 2012/13
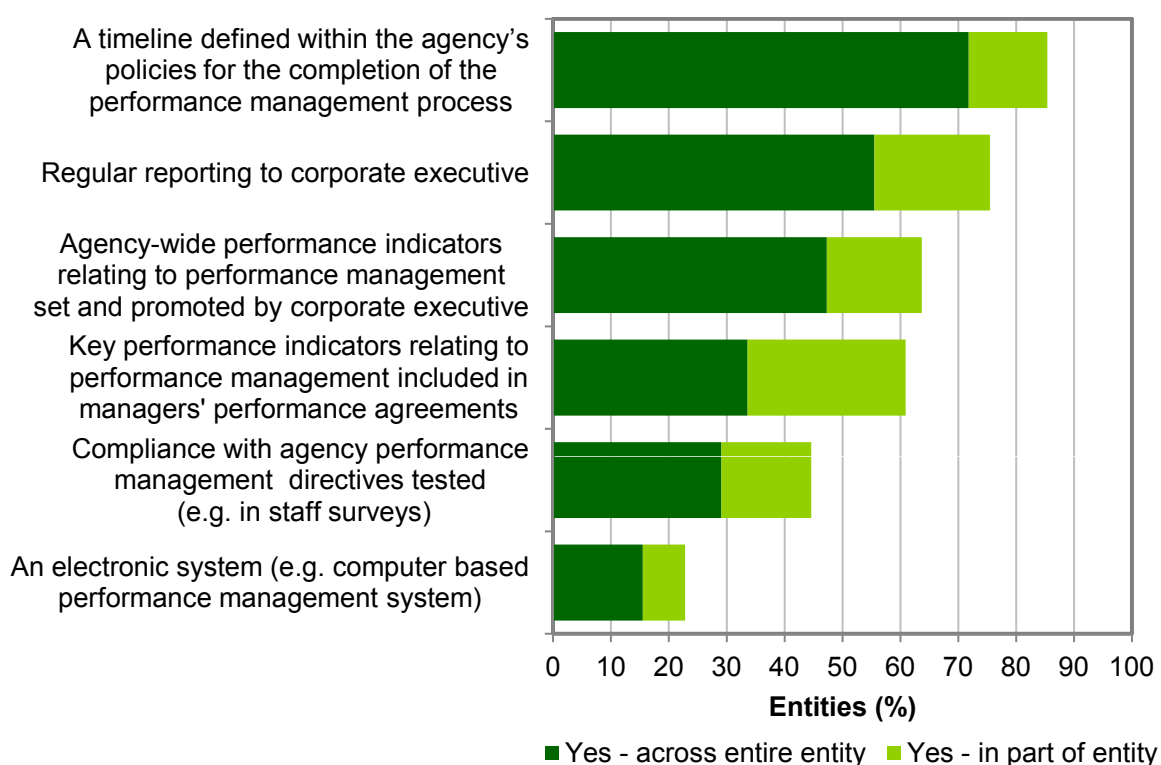
Source: AAS

In 2013, the Commission conducted a review of performance management. *Performance management in the public sector – A review of how agencies conduct performance management* found that while public sector bodies have clear procedures in place, and there is a high level of awareness among employees, participation in performance management processes could be improved. This is reflected in the 2013 AAS results, with only 39% of entities having completed at least one formal, documented performance management meeting for over 80% of their employees.[3]

Performance management typically refers to formal and documented processes. However, informal discussions are equally important. Less than half (42%) of the 2013 EPS respondents reported having informal discussions about their performance at least monthly. This could present an opportunity for recognising good performance given 30% of EPS respondents, in both 2012 and 2013, indicated that employees in their entity do not feel valued for their contribution. Recognition of good performance assists in improving morale, and hence productivity.

The Commission is consulting with chief executives to provide guidance on ensuring reward and recognition programs are an efficient use of resources, and are managed and monitored in a fair, ethical and transparent manner. Public sector bodies and individuals are also encouraged to participate in awards such as the Premier's Awards for Excellence in Public Sector Management, Institute of Public Administration Australia WA Achievement Awards, and the WA Information Technology and Telecommunications Awards.

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3   Seven per cent of entities did not have information available on participation rates. The figure reported here also excludes tier 1, 2 and 3 managers within entities' hierarchies.

Substandard performance

Performance management can be particularly challenging for managers where employees are underperforming. Substandard performance may occur for a range of reasons, such as poor recruitment processes; performance expectations not being clear; inadequate skills; lack of adequate feedback; low morale or lack of motivation; or personal issues such as health or family problems impacting on a person's capacity or focus.

At the time of the 2013 AAS, 54 out of 138 863 employees in the public sector were identified as being subject to a substandard performance process (nine public sector bodies did not have this information available). Recordkeeping issues aside, this suggests poor performance is not common in the public sector. However, around one-quarter of respondents to the 2012 and 2013 EPS believed their supervisor does not appropriately manage poor performance.

In such a large population, poor performance from around 1% to 5% of employees (about 1400 to 7000) could reasonably be anticipated.[4] This suggests substandard performance processes may be underutilised in the public sector, or provisions for managing employee performance are somewhat ineffective. The Commission is currently developing a guide to assist entities with managing substandard performance.

Minimising and managing conflict

Interpersonal conflict and complaints about the behaviour of managers or colleagues can create wider workplace disharmony. Prompt management of any issues ensures disruptions are minimised, workplace relationships are improved, and productivity is maintained.

Where records existed[5], public sector bodies reported in the AAS that 294 grievances were lodged in 2012/13 (similar to the previous year), and 241 cases were completed. Following the completion of cases, entities most often reported undertaking additional actions such as employee counselling and training.

There was a low number of substantiated grievances across the sector, with only 70 recorded cases from all public sector employees. Entities reported that substantiated grievances were most often related to inappropriate behaviour in the workplace, interpersonal conflict, and bullying.

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4   For example, the United States Office of Personnel Management has estimated that poor performers make up 3.7% of the federal workforce (see US Merit Systems Protection Board 1999, *Federal supervisors and poor performers*, p. 7).

5   One large and one very large entity could not advise the number of grievances lodged, completed or substantiated in 2012/13. The totals may therefore underestimate the number of cases.
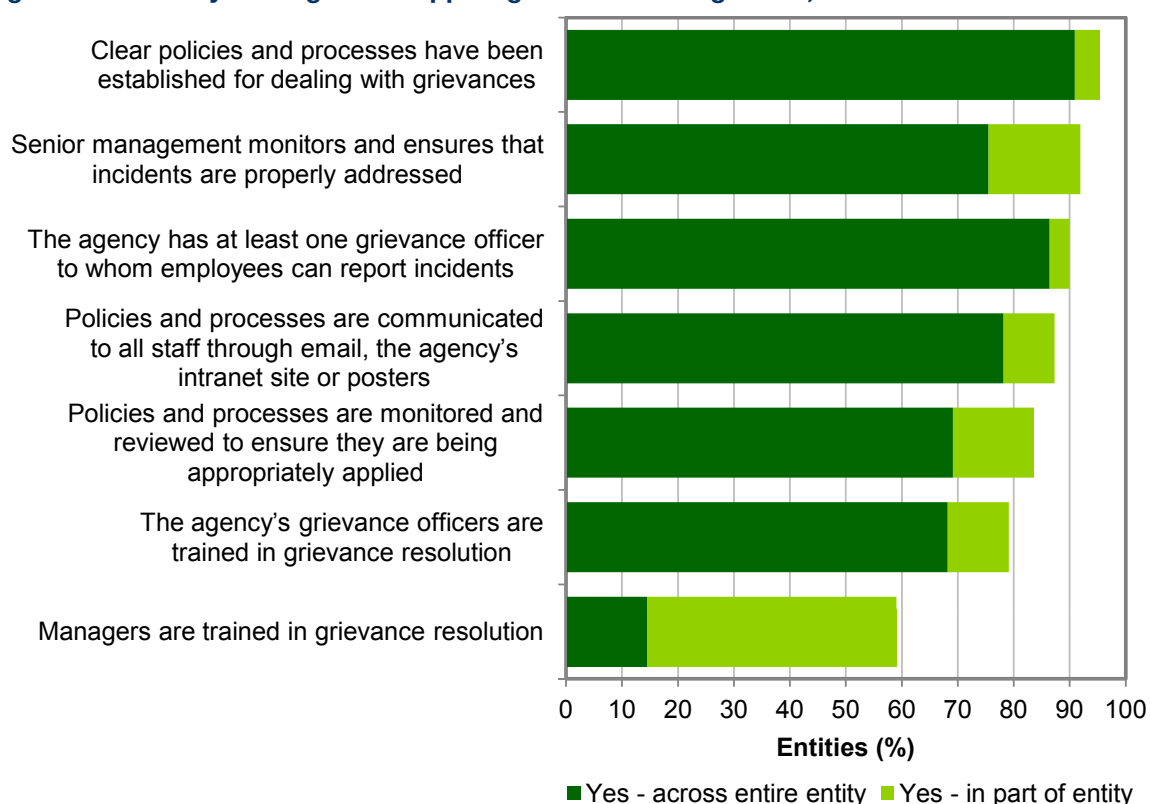
Grievance policies and procedures

Under the *Grievance resolution standard*, employing authorities must ensure the process used to resolve or redress employee grievances is fair. Further information about the standard is in 'Appendix B – Public Sector Management Act 1994'.

To ensure employees are comfortable with raising any issues (especially where they are ongoing), it is important that they are informed about the avenues available to them when they are aggrieved, as well as the procedures that can be used to address their issues.

Figure 4.3 shows entity strategies to support grievance management. The majority of public sector bodies reported they have established clear policies and processes in at least part of the organisation (95%, same as the previous year) and have communicated them to employees (87%, compared to 88% last year).

Figure 4.3   Entity strategies to support grievance management, 2012/13

Source: AAS

However, the 2013 EPS indicated that respondents were less aware of, and confident in, these policies and procedures. Thirty-one per cent of respondents said they have not been provided with information about their entity's internal grievance resolution procedures (although they may have been able to find information), and less than half (48%) reported having confidence in grievance resolution processes (compared to 41% in the previous year).[6] Lack of confidence, whether due to concerns about confidentiality, belief that the process may be biased, or fear of the potential negative impact on working relationships, reduces the likelihood of an employee lodging a grievance where it may be a good avenue for their issues to be addressed.

The following case study highlights a Department of Agriculture and Food initiative that is assisting with preventing and addressing grievances in worksites across the state.

Case study

Department of Agriculture and Food (DAFWA) employees supporting workplace harmony

DAFWA has a unique network of employees who assist their colleagues in dealing with informal grievances related to the workplace. The Contact Officer and Grievance Officer (COGO) network has been in place for nearly 20 years – a testament to its success.

COGO volunteers are located across the state in regional and metropolitan offices. These officers provide a sounding board to employees and assist them through the grievance resolution process. Grievance officers have the added role of working with the aggrieved parties to restore an ongoing working relationship.

DAFWA's Director General recognises the value and experience of these volunteers and has delegated responsibility to COGO volunteers to provide additional support and information to employees who feel they have been subjected to discrimination or harassment.

The COGO team is trained annually to maintain skills in this area and to stay abreast of emerging trends. DAFWA recently held a COGO conference, where state representatives came together to exchange learning experiences and build knowledge.

Through the hard work and commitment of this unique group of people, DAFWA ensures its principles of equity, fairness and justice are embedded throughout the department.

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6   Twenty-nine per cent reported not knowing whether they have confidence in 2013, compared to 32% in 2012.

Occupational safety and health

A key aspect of effectively managing the workforce is ensuring that the incidence and impact of injury and illness are reduced. Strategies to identify and manage health and safety risks lead to improved productivity through fewer employee absences from work and better overall wellbeing.

All public sector bodies are required to provide safe working environments under the *Occupational Safety and Health Act 1984*. In December 2012, the *Public Sector Commissioner's Circular 2012–05* was released, which instructs entities to comply with the *Code of practice: Occupational safety and health in the Western Australian public sector*[7], released by the Commission for Occupational Safety and Health (WorkSafe WA).

Bullying

A new definition of bullying was adopted by the Commission in this year's EPS. In previous years, bullying was not defined in the survey. As per the definition accepted and used by WorkSafe WA, bullying in the workplace was defined in the 2013 EPS as unsolicited or unwelcome, 'repeated, unreasonable, or inappropriate behaviour directed towards a worker or group of workers, that creates a risk to health and safety'.[8]

Just over 1 in 10 employees (11%) who completed the 2013 EPS reported being bullied during the past year. Individuals may have reported actions that do not satisfy WorkSafe WA's definition of bullying given only 73 worker's compensation claims were recorded by RiskCover for bullying and harassment incidents during 2012/13.[9]

While the Commission does not take reports of bullying lightly, it is possible that some employees are simply responding to being managed more rigorously than they would like. A common question in investigating allegations of bullying is whether the reported behaviour constitutes legitimate management action.

The 2013 result (11%) is substantially lower than the incidence reported by respondents in 2012 (29%). However, much of the difference is likely due to the new WorkSafe WA definition which requires the behaviour to be repeated.

In a new EPS item this year, respondents most commonly reported being bullied by their supervisor, a co-worker, or a senior manager in their entity. The following types of bullying were most often reported (noting that respondents could select more than one option):

* verbal abuse, insults or criticism (5% of all employees who completed the EPS, or 258 employees)

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7 Commission for Occupational Safety and Health 2007, *Code of practice – Occupational safety and health in the Western Australian public sector*

8 Commission for Occupational Safety and Health 2010, *Code of practice – Violence, aggression and bullying at work*

9 Source: RiskCover data as at 23 September 2013. Includes claims pertaining to sexual, racial or other verbal harassment. Claims may have originated from some government entities that are not part of the public sector as defined in 'Appendix D – Structure of the government sector'.

- misinformation or malicious rumours (5%)

- exclusion or isolation from others (5%)

- the withholding of information or resources required for effective work (4%)

- unfair performance management (4%).

Through the 2013 AAS, most entities reported monitoring the entire workplace to ensure any incidents of bullying are addressed (72%), and communicating anti-bullying policies to all staff (73%), as shown in Figure 4.4. Development and promotion of these strategies help to create a workplace culture where bullying is not tolerated.

Figure 4.4   Strategies used by entities to reduce bullying, 2012/13
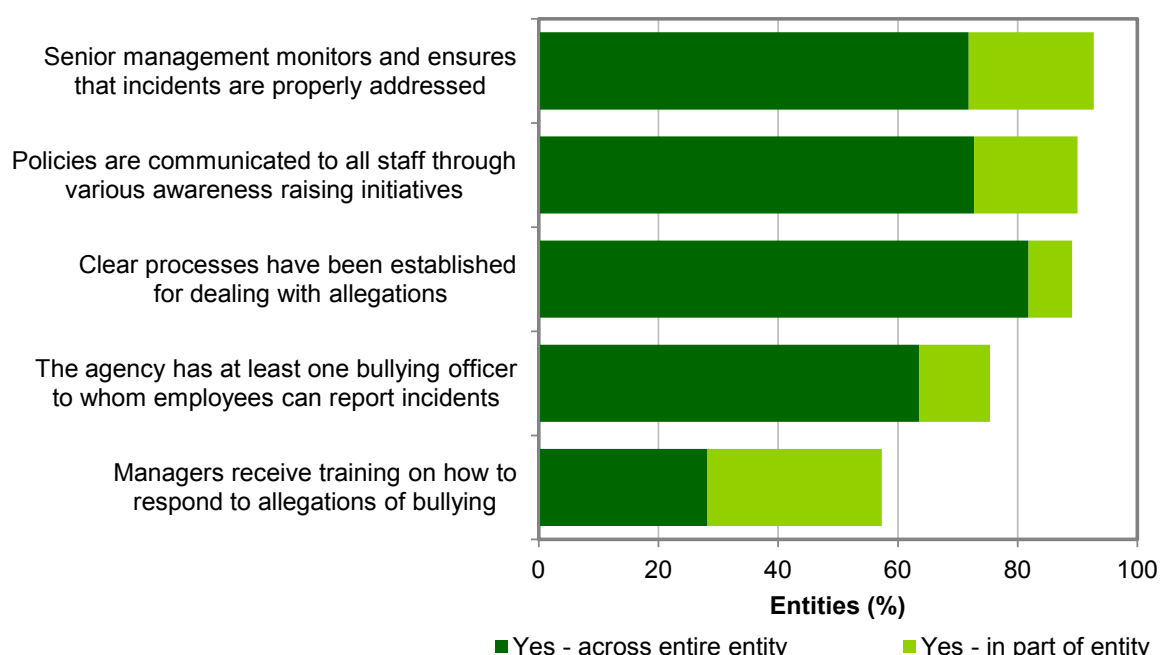
Source: AAS

In a new EPS item this year, a little over half (57%) of EPS respondents who reported being bullied indicated they did not report the incident. Respondents advised that the main reasons for not reporting were believing that no action would be taken, not wanting to upset workplace relationships, and thinking that reporting might affect their careers. Effectively preventing and handling incidences of workplace bullying requires a comprehensive and strategic approach. In last year's State of the sector report, the Commission committed to considering strategies to inform the sector on how to prevent and better manage bullying in the workplace. During 2013, a cross-sector working group developed *Prevention of workplace bullying in the WA public sector: A guide for agencies*. This publication highlights the impact of bullying, and the importance of developing a positive corporate culture where bullying behaviour does not flourish.

Workplace injury and illness

Through the AAS, entities reported using a range of strategies in 2012/13 to minimise the risk of injury or disease in the workplace. This included establishing clear processes for consultation with staff and dealing with issues (82%), and communicating relevant policies to employees (80%).

In 2013, the Office of the Auditor General conducted an audit of injury management in the sector. *Management of injured workers in the public sector*[10] examined injury management systems and compliance with injury management legislation across eight public sector agencies. The audit found that all agencies provided assistance to injured employees, such as giving them alternative duties, shorter working hours and special equipment, and in 80% of cases, a clear return-to-work program.

The report made the following recommendations to improve the management of injured employees:

- Personalised plans should be completed for every employee that is required to have one under the *Workers' Compensation Code of Practice (Injury Management) 2005*. The plan should be clearly communicated to employees, their doctor, and relevant persons in the workplace.

- Procedures should conform with the *Workers' Compensation and Injury Management Act 1981*, the Workers' compensation code of practice, guidance from WorkCover WA Authority, and government policy.

- Agencies should monitor, evaluate and accurately report their injury management performance.

10 Office of the Auditor General 2013, *Management of injured workers in the public sector*

The 'Best safety and health management system in the public sector' award at the 2012 Western Australian Work Safety Awards was won by the Fremantle Port Authority for the 'Safety for life' initiative. The Public Sector Safety, Health and Injury Management Steering Committee recommended the following case study about the awarded initiative, which has resulted in significantly improved work safety and health performance. The initiative has broader applicability to the public sector.

Case study

'Safety for life' – 'No injuries; no harm; no damage'

In 2011, the Fremantle Port Authority (which operates under its registered business name, Fremantle Ports) launched its 'Safety for life' initiative, an integrated safety systems approach focused on continuous improvement of its occupational safety and health performance.

Employing over 330 staff, Fremantle Ports manages the port of Fremantle, the state's sea gateway for container and general cargo trades. In this extremely busy environment, the importance of good safety systems and procedures cannot be overstated, with the 'Safety for life' initiative ensuring that safety is a core value and top priority for the entire organisation.

With its aspirational goal of 'No injuries; no harm; no damage', 'Safety for life' focuses on active safety leadership at all levels through recognising people for integrating safety into their daily tasks and taking action against high potential hazards, and ensuring people have the right skill set to work in a safe and efficient manner.

One flagship initiative of 'Safety for life' was the introduction of a scratch card program which recognises and rewards people for proactive and positive safety behaviours. The scratch card program has proven to be an excellent tool for integrating 'Safety for life' into every aspect of Fremantle Ports' work, and for keeping safety at the forefront of all stakeholders' thinking. Managers hand out scratch cards to employees in recognition of desired safety actions observed in day-to-day work in a wide range of occupations.

Executive commitment and support has been a crucial component of the initiative's success. The strong focus from executive management, coupled with responsive line management action and engagement at every level, supports and inspires health and safety improvement.

'Safety for life' has resulted in a clear improvement in the reporting safety culture of Fremantle Ports and, importantly, an improvement of 41% in the lost-time injury frequency rate, 84% in lost-time injury severity, and 43% in the people-injury rate.

Compliance with public sector standards

Effective workforce management involves supporting productivity while ensuring compliance with obligations in the PSM Act. The public sector standards, issued by the Commissioner under s. 21(1)(a) of the PSM Act, set out minimum standards of merit, equity and probity required of public sector bodies when managing their workforce.

The public sector standards are published in the *Government Gazette*[11] and operate as subsidiary legislation, as if they were regulations, and are subject to s. 42 of the *Interpretation Act 1984*. They can therefore be scrutinised or disallowed by parliament.

Section 21(10) of the PSM Act provides that courts are not prevented from inquiring into, and deciding whether, a standard (or ethical code or any of its provisions) is valid, consistent with, or authorised by, the PSM Act.

The six standards are as follows:

- *Employment standard*
- *Performance management standard*
- *Grievance resolution standard*
- *Discipline standard*
- *Redeployment standard*
- *Termination standard*.

Employee awareness of the standards is high, with more than 80% of respondents to the 2013 EPS indicating they are aware of each standard. Further information about the standards can be found in 'Appendix B – Public Sector Management Act 1994'.

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11 State Law Publisher 2001, 'Public Sector Management Act 1994: Standards in human resource management', *Western Australian Government Gazette*, no. 83, pp. 2189-2190; and State Law Publisher 2011, 'Public service', *Western Australian Government Gazette*, no. 19, pp. 527-529

Figure 4.5 shows strategies used by public sector bodies to monitor compliance with the standards in 2012/13. Through the AAS, the majority of entities reported having processes in place to review human resource policies to ensure consistency with the standards (79%), and to internally review processes carried out under the standards (72%). However, there is an opportunity for entities to consider gathering more information about their processes through seeking employee feedback and analysing any breach claims.

Figure 4.5   Strategies used by entities to monitor compliance with the public sector standards, 2012/13
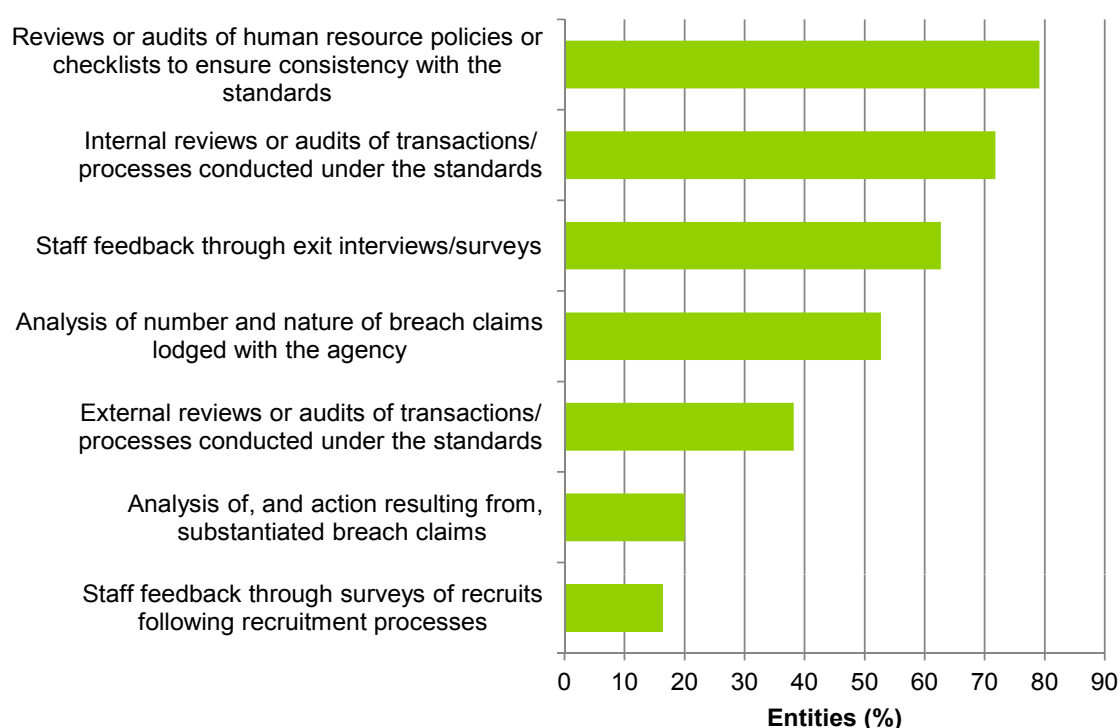
Source: AAS

Compliance with the standards is especially important in the current economic climate. Between 2011/12 and 2012/13, there has been a substantial increase in the number of applicants per position in public authorities.[12] With fewer employment opportunities and more competition for positions, there are more unsuccessful applicants and an increased likelihood of applicants feeling they have been treated unfairly. Less than one-third (28%) of 2013 EPS respondents considered recruitment and promotion decisions in their entity to be unfair (compared to 30% in the previous year), and 24% thought that recruitment and selection processes were biased and that candidates were not selected on the basis of merit (compared to 28% last year).[13]

The standards allow for some flexibility and the way they are implemented varies across entities. For instance, targeted recruitment of diversity groups is possible, in line with the merit principle, where recruiting persons in that diversity group meets a need in the entity and the persons meet the work-related requirements.

12 Source: Recruitment Advertising Management System
13 Excludes respondents who responded 'don't know or does not apply'.

Breach of standard claims

Under the standards, employees need to be made aware of their rights and responsibilities, and employing authorities must notify employees (both current and prospective) when decisions are made in certain areas covered by the _Employment_ and _Grievance resolution standards_.

If a person feels that a decision made by an entity has not complied with a standard (apart from the _Discipline standard_), they may be eligible to lodge a claim under the _Public Sector Management (Breaches of Public Sector Standards) Regulations 2005_. Entities have 15 days to resolve a claim with a claimant before they must refer it to the Commission to be assessed.

In a new AAS item this year, 23% of entities[14] reported they had resolved claims internally. Thirty-six per cent of all reported and finalised claims for 2012/13 were resolved within public sector bodies rather than sent to the Commission (as shown in Table 4.1).

Internal resolution is consistent with the devolved accountability structure for workforce management that operates in the WA public sector and is considered both desirable and appropriate. Entities are encouraged to resolve workforce issues at the lowest possible level and ideally reduce the need for matters to be formally referred to the Commission.

Table 4.1   Outcome of breach claims finalised under each public sector standard, 2012/13

| Standard | Total number of claims | Claims resolved internally | | Claims reviewed by the Commission | | |
				No breach	Breach	Other outcome[b]
Employment[a]	**145**	46	32%	74	3	22
Grievance resolution	**29**	15	52%	12	1	1
Performance management	**4**	3	75%	1	-	-
Redeployment	**1**	-	0%	-	1	-
Termination	**2**	1	50%	-	-	1
Total	**181**	**65**	**36%**	**87**	**5**	**24**

(a) _Employment standard_ includes breach claims about employee transfers.

(b) Other outcomes represent 'not valid', 'declined', 'withdrawn/lapsed' and 'conciliation'.

Source: AAS (only for claims resolved internally by entities) and breach claims received by the Commission

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14 One very small and one small entity did not have this information available.

Considering there were around 400 000 applications for WA government positions, and 138 863 public sector employees involved in processes covered by the standards, there were very few breach claims (181 finalised in 2012/13 across all standards as shown in Table 4.1). Of the breach claims finalised by the Commission, only 4% were substantiated. This indicates general compliance with the standards is very high.

Most respondents to the 2013 EPS (80%) understood the courses of action available to them, or knew where they could find out, if they believed their entity had breached a standard. This compares to 76% of respondents in the previous year.

In addition, 90% of entities that completed the 2013 AAS reported they provide information to applicants or employees when decisions are made under the *Employment* and *Grievance resolution* standards, in accordance with the requirements of the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*.

Nine per cent of 2013 EPS respondents reported taking no action upon believing their entity had made a decision in the past 12 months that did not comply with the standards (compared to 15% in the previous year). The main reasons for this were concerns about professional repercussions or thinking nothing would be done.

The Commission's advisory service can advise employees and employers on how to make a claim, how to best manage a claim that has been received, and alternative methods to raise issues.

Key chapter findings

Workforce management in the public sector appears to be effective, even during times of change and increased financial constraint. Employees indicate they are generally satisfied with their work, and there is a low level of reported grievances.

Most public sector bodies report developing and promoting policies and procedures for performance management and grievance resolution. The evidence suggests employees have good access to professional development opportunities and resources to assist them if they have issues in the workplace.

However, recorded participation in performance management continues to be relatively poor across the sector. While there are many workplace challenges arising from the current operating environment, it is important that performance monitoring, particularly in instances of substandard performance, is maintained to target strategies to improve workforce management and overall efficiency.

There is a high level of reported compliance with the public sector standards across the sector. In instances where breaches do occur, internal resolution is the preferred approach.

Implementation rates of anti-bullying strategies appear to be high across the sector. However, employees often do not report actual or perceived bullying within their entities. There also appears to be a lack of awareness of, and confidence in, grievance processes. Steps should be taken to encourage employee confidence in reporting and reinforce expectations of appropriate workplace behaviour.

Workforce profile

Exploring the shape of the sector

The WA public sector workforce is dynamic and diverse, demonstrated through its wide range of demographics. For example, the oldest permanent staff member in the public sector is employed as a gardener or handyperson, compared to the youngest who is a weekend weather assistant. The furthest northern location (within WA) that an employee is based is the Kalumburu Community, which is the northernmost settlement in WA, with a population of about 400 people. In the south, it is Torndirrup National Park, which is home to Albany's natural rock formations such as the Gap and the Blowholes.

Around 30% of public sector employees (who indicated country of birth) were born somewhere other than Australia. Some examples include Bahrain, Peru, Cyprus, Gibraltar and Russia. There are 170 different languages identified as primarily spoken at home by employees, including Lithuanian, Tagalog, Swahili and Romanian. Twenty-four employees use sign language at home.

In addition, there are 87 public sector employees who work outside WA. Their work locations include Christmas Island, Cocos Islands, China, Japan, India, Indonesia, Singapore, and the United Arab Emirates.

Monitoring demographic changes in this hugely diverse sector helps identify workforce and diversity planning challenges facing the public sector as a whole. This chapter provides information about the sector's workforce as at 30 June 2013, unless otherwise specified. Staff numbers, occupations and work locations are covered. The chapter also discusses the diversity profile of the public sector.

This year, there has been some growth in the public sector workforce in line with growth in the community and the requirement for frontline health and education services. Regional employees make up a significant component of the public sector workforce and are generally well-represented in regional areas compared to the broader population. The representation of women in management and the Senior Executive Service (SES) continues to improve overall.

Staff numbers

At the end of June 2013, 138 863 employees, representing 110 544 full-time equivalents (FTE), were employed by the public sector bodies that report workforce data to the Public Sector Commission.[1]

This represents an increase of 2.8% in FTE over the previous year. In comparison, there was an increase of 3.4% in the WA population and 1.3% in the broader WA workforce.[2]

The growth in the public sector can be largely attributed to increased staffing in the very large service delivery entities, the Departments of Health and Education, with increases in FTE of 3.5% and 3.9% respectively this year. This represents increases in the number of frontline employees, such as 'education aides', 'nursing support and personal care workers', and 'registered nurses'.

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1   Source: Human resource minimum obligatory information requirement (HRMOIR) workforce data. Entities listed in Schedule 1 of the *Public Sector Management Act 1994* (PSM Act) are not included.

2   Department of Regional Development 2013, *Estimated resident population regional summary 2002-2012*; and Australian Bureau of Statistics 2013, 'Table 08. Labour force status by sex – Western Australia – Trend, seasonally adjusted and original', *6202.0 - Labour force, Australia, Jun 2013*

Type of work

Table 5.1 shows that the proportion of 'professionals'[3] has increased and the proportion of 'clerical and administrative workers' has decreased over the last 10 years, representing an increasingly professionalised public sector workforce.

Table 5.1   Occupations in the public sector and broader WA workforce, 2003 and 2013

Occupations	Public sector 2003[a] (%)	Public sector 2013 (%)	WA workforce 2013 (%)
Managers	7.8	7.8	11.6
Professionals	43.9	47.9	19.9
Technicians and trades workers	4.3	4.4	17.9
Community and personal service workers	19.6	17.1	9.5
Clerical and administrative workers	20.8	18.4	13.9
Sales workers	0.1	0.5	8.9
Machinery operators and drivers	0.5	0.7	8.3
Labourers	3.1	3.3	9.9

Note: Due to rounding, results may not add up to 100%.

(a) Determined through converting occupations reported under the Australian Standard Classification of Occupations (ASCO) to occupations under the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

Source: HRMOIR, ANZSCO and the Australian Bureau of Statistics

In 2013, the public sector workforce had a substantially higher proportion of 'professionals' (47.9%) than the broader WA workforce (19.9%).[4] The proportion of professionals in the sector is similar to other jurisdictions, such as Victoria (50.0%) and Queensland (47.4%).[5]

The WA public sector had a lower proportion of 'managers' (7.8%) than the broader WA workforce (11.6%). The representation of managers in the sector has remained steady over the last 10 years.

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3   Includes 'registered nurses' and 'primary school teachers', who have the highest levels of representation within the public sector.

4   Australian Bureau of Statistics 2013, 'E13_aug96 - Employed persons by occupation, state, sex, age', *6291.0.55.003 - Labour force, Australia, detailed, quarterly, May 2013*

5   State Services Authority 2013, *The state of the public sector in Victoria 2011–12*, p. 10; and Queensland Public Service Commission 2013, *Queensland public service workforce characteristics 2012/13*, p. 8

Place of work

Geographical isolation creates one of the greatest challenges for the public sector. Economic growth across the state has led to increased demand for additional public services in regional areas to support growing communities and private investment.

The Perth metropolitan area comprises 76.0% of the public sector's workforce, with almost one-quarter (23.9%) of public sector employees employed in regional areas.[6] Figure 5.1 shows the regional locations of public sector employees. The largest proportion (24.1%) of regional staff work in the South West region.

**Figure 5.1   Public sector employees by non-metropolitan region, June 2013**
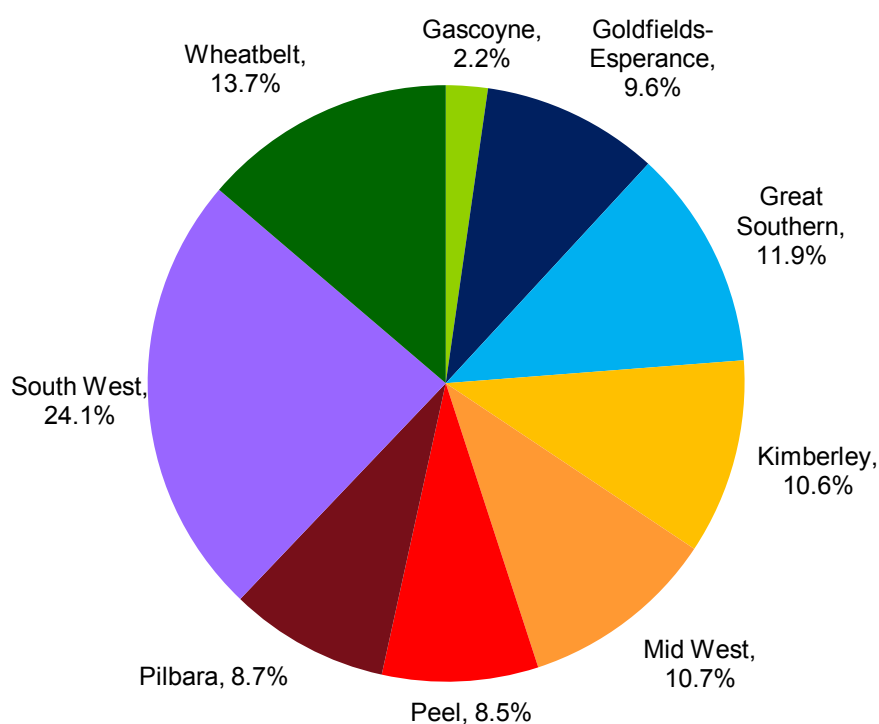
Source: HRMOIR

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6   Source: HRMOIR workforce data. A small proportion (0.1%) of public sector employees are located outside WA (such as in the Cocos Islands).

Factors influencing regional location of the public sector workforce include the region's population, relevant social and economic drivers, available resources, and existing and future infrastructure.

Figure 5.2 shows the regional locations of public sector employees compared to the broader WA labour force and population.[7] Public sector employees are well-represented across the regions, with the exception of the Peel region. This compares to the metropolitan area, where employees are also well-represented (76.0%), in comparison to 74.6% of the broader labour force and 73.5% of the population.

Figure 5.2   Regional comparison of WA public sector employees, labour force and population, 2012 and 2013
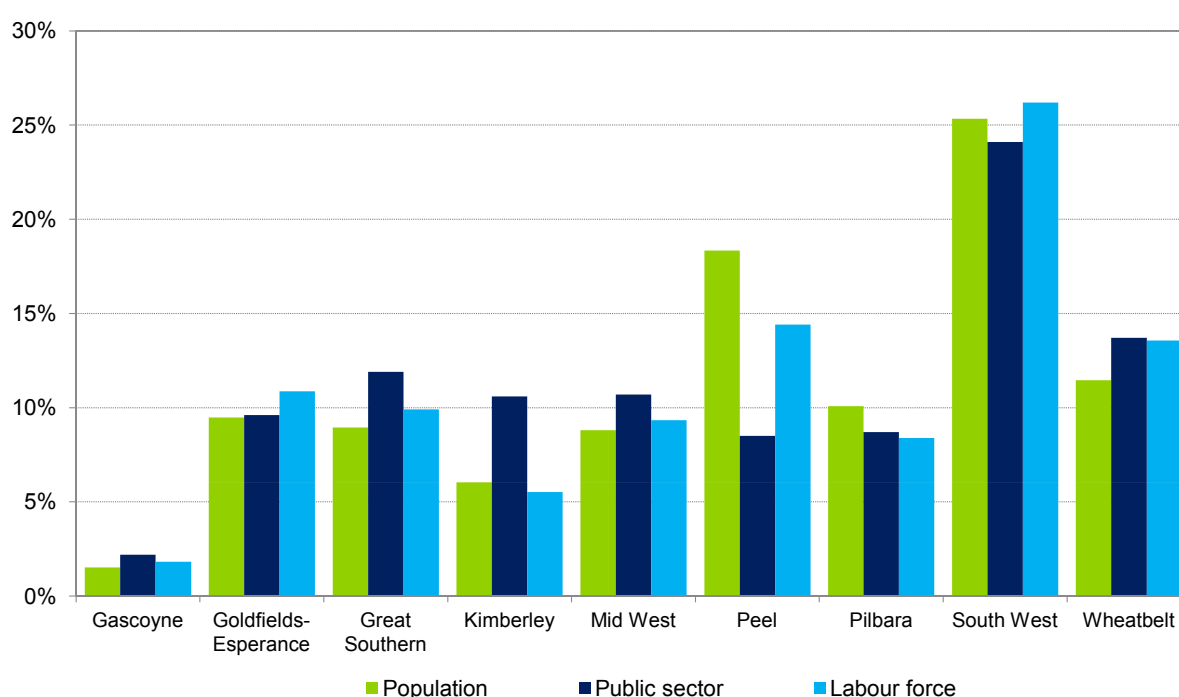
Source: HRMOIR, Department of Education, Employment and Workplace Relations, and Department of Regional Development

The challenge of attracting and retaining suitably skilled staff in the regions, and the Commission's delivery of initiatives to support the management of skills shortages in such situations, are further discussed in Chapter 6.

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7   Department of Education, Employment and Workplace Relations 2013, 'Estimates of unemployment, unemployment rate and labour force by state/territory and statistical local areas, March quarter 2012 to the March quarter 2013: smoothed series', *Small area labour markets Australia*; and Department of Regional Development 2013, *Estimated resident population regional summary 2002-2012*

Workplace diversity

There is an opportunity to tap into underutilised segments of the workforce. These segments include diversity groups historically underrepresented in the workforce, such as Indigenous employees, employees from culturally diverse backgrounds, employees with disability, women in management, and youth.

Representation in the workforce

Table 5.2 provides an overview of representation of diversity groups across the public sector for the last five years. The following changes were observed this year:

- Indigenous employee representation decreased slightly to 3.0%. However, this remains above the proportion of working age Indigenous Australians in the WA population (2.8%).[8]

- The proportions of women in the SES, and tier two and three levels of management, increased to 29.2%, 35.4% and 42.0% respectively.

- Representation of employees from culturally diverse backgrounds and youth decreased slightly to 12.4% and 5.1% respectively.

Table 5.2   Diversity groups in the public sector, June 2009 to 2013

Diversity group	Representation (%)				
	2009	2010	2011	2012	2013
Indigenous Australians	2.7	2.9	3.1	3.3	3.0
People from culturally diverse backgrounds	13.7	13.1	13.1	12.7	12.4
People with disability[a]	3.4	3.5	4.2	4.8	2.6
Women in the SES	25.1	26.7	26.4	27.6	29.2
Women in management					
• Tier one	23.1	27.7	29.6	31.4	26.2
• Tier two	38.3	36.9	35.6	33.7	35.4
• Tier three	36.8	39.0	40.0	40.5	42.0
Youth (under 25 years)	6.0	5.5	5.5	5.4	5.1
Mature workers (45 years and over)	51.2	51.7	51.9	51.9	51.9

(a) In 2013, the Department of Health identified a significant over-reporting error on its part for employees with disability. This means that the figures for 2009 to 2012 reflect an overrepresentation of people with disability.

Source: HRMOIR

8   Australian Bureau of Statistics 2013, *2002.0 - Census of population and housing: Aboriginal and Torres Strait Islander peoples (Indigenous) profile, 2011 third release*

In 2013, the Department of Health identified a significant over-reporting error on its part for employees with disability. This means that the figures for 2009 to 2012, as reported in Table 5.2, reflect an overrepresentation of people with disability. An accurate comparison across time is difficult on the basis of this data. However, an analysis of data prior to this error, which first arose in 2008, indicates representation of employees with disability in 2013 (2.6%) is higher than it was in 2007 (1.5%).[9]

The representation of employees with disability in 2013 is also above the WA working age representation of people needing assistance with core activities (1.9%).[10]

Indigenous employees and employees with disability

The slight decline in representation of Indigenous employees in 2013 is reflected in their engagement and separation rates. There were proportionally more separations than engagements of Indigenous employees in 2012/13.[11] The same was true for employees with disability. Due to their low representation, these groups may be particularly impacted in times of financial constraint and workforce changes.

The *Aboriginal employment strategy 2011–2015* and *Disability employment strategy 2013–2015* contain a range of initiatives targeted at improving the representation of Indigenous employees and employees with disability. These strategies are further discussed in Chapter 6.

Chapter 6 also provides further information on the public sector's involvement with the *National partnership agreement on Indigenous economic participation*.

Some entities are already achieving representation above the public sector average of 3.0%. The following case study highlights a relevant example from the Western Australian Alcohol and Drug Authority, and its key initiatives to achieve a diverse and inclusive workplace.

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9   The 2007 representation for employees with disability is based on a different methodology for calculating diversity statistics, and therefore should be interpreted with caution.

10 Australian Bureau of Statistics 2012, '2011 TableBuilder basic: Disability, carers and need for assistance classifications', *2011 Census of population and housing*

11 Source: HRMOIR workforce data. Engagements and separations include both permanent and fixed-term employees who either commenced or ceased to be employed by an entity.

Case study

Aboriginal employment in the alcohol and other drug sector

The Drug and Alcohol Office (DAO) recognises an Aboriginal workforce is essential to work in effective and culturally secure ways with Aboriginal communities. Employment of Aboriginal workers in DAO is higher than the public sector average, with a representation of 5.3% in June 2013.

DAO actively recruits Aboriginal workers into program areas. Measurable Aboriginal workforce strategies have been developed and DAO staff have a contemporary understanding of Aboriginal people and culture. The agency also has a dedicated Aboriginal workforce development program that provides nationally recognised training in the alcohol and other drug sector.

Strategies for improving Aboriginal employment outcomes include:

- support of Aboriginal people at all levels of the organisation, including a specific Aboriginal program area, and representation at corporate executive level and in entry level positions

- core DAO value of cultural security, respecting the legitimate cultural rights, values, beliefs and expectations of Aboriginal people

- *Strong spirit strong mind – Aboriginal drug and alcohol framework for Western Australia 2011–2015*, which guides cultural security and is a key program that underpins all of the work of DAO

- reconciliation action plan, which seeks to improve DAO's awareness of the needs of Aboriginal people and progress actions that will create opportunities, build relationships and grow respect for and with Aboriginal people

- Indigenous cadetship program, which supports Aboriginal people undertaking tertiary study to enhance employment opportunities

- 'Ways of working with Aboriginal people' training program for DAO and the broader sector, which increases the cultural awareness and competency of mainstream workers to better enable them to work in culturally secure ways with Aboriginal people

- 'Alcohol and other drug worker' forum and awards for excellence, which recognise and celebrate the successes of culturally secure programs and activities across the sector.

Women

In the last 10 years, the proportion of women in the public sector has moved from 63.8% to 71.7%, representing an increasingly female workforce. Women comprise a significantly greater proportion of the public sector workforce when compared with the broader WA workforce (43.5%).[12] Female employees make up much of the large nursing and teaching workforce.

Positions at lower salary levels tend to be predominately occupied by women. For example, 95.8% of 'education aides' are women while 97.3% of 'engineering managers' are men.[13] In June 2013, the highest representation of men (17.6%) was in the *Public Service and Government Officers General Agreement* (PSGOGA) Level 6 equivalent salary band of $91 676 to $107 199, compared to $22 111 to $54 813 (Level 1 equivalent) for the highest representation of women (22.3%).

The representation of women in management and the SES has generally increased over the last few years. However, women continue to be underrepresented at senior levels. Table 5.2 showed women held 29.2% of SES positions in the public sector in June 2013, and represented 26.2% of tier one managers (chief executives). Encouraging and supporting more women to take on leadership roles has become an area of focus. Chapter 6 provides further information on the initiatives the Commission is progressing on this issue.

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12 Australian Bureau of Statistics 2013, 'Table 08. Labour force status by sex – Western Australia – Trend, seasonally adjusted and original', *6202.0 - Labour force, Australia, Jun 2013*
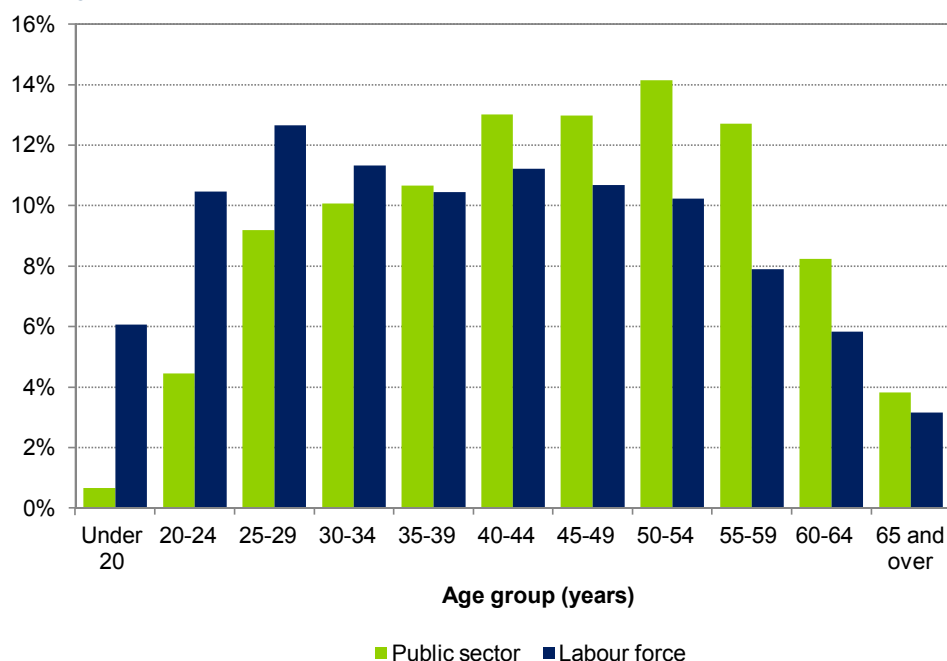13 Source: HRMOIR workforce data

Youth and mature workers

Table 5.2 showed the public sector is characterised by an ageing workforce, with the representation of mature employees standing at 51.9% in 2013. The representation of youth on the other hand fell slightly to 5.1%. The difference between the age groups is further evidenced by the separation rate of youth in 2012/13 (22.1%), which is almost double that of mature employees (11.9%).[14] Younger employees are more likely to leave to progress their careers in other entities or other sectors, or pursue further studies or travel.

While the representation of mature employees has stabilised over the last three years, Figure 5.3 shows that mature employees comprise a greater proportion of the public sector workforce (51.9%) when compared with the broader WA labour force (37.8%).[15]

Figure 5.3   Age profile comparison of public sector with the WA labour force, June 2013

Source: HRMOIR and Australian Bureau of Statistics

Just over one-tenth (12.1%) of the public sector is aged 60 years and over, while the proportion of workers under 30 years remains low at 14.3%. This creates some workforce planning and succession management challenges for the public sector.

Loss of corporate knowledge due to retirement can be addressed through implementing strategies such as phased retirement, mentoring programs, and other knowledge capture and transfer initiatives. In order to develop a new generation of employees, entry-level programs such as graduate and traineeship programs may be beneficial. Further information on succession planning, entry-level programs and other Commission initiatives in these areas is provided in Chapter 6.

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14 Source: HRMOIR workforce data. Separation rates are at the entity level. For example, if an employee resigns from one entity to join another entity, this is recorded as a separation.

15 Australian Bureau of Statistics 2013, 'LM2 - Labour force status by sex, age, capital city/balance of state', *6291.0.55.001 - Labour force, Australia, detailed - Electronic delivery, Jun 2013*

Distribution across salary levels

Table 5.3 provides an overview of the distribution across salary levels[16] of diversity groups across the public sector. This shows that:

- while their distribution remained low, overall salary levels improved slightly for Indigenous Australian employees in 2013

- the distribution of female employees remained relatively steady, however the result confirms women are concentrated at somewhat lower salary levels.

Table 5.3   Distribution across salary levels of diversity groups in the public sector, June 2009 to 2013

Diversity group	Distribution across salary levels (equity index)				
	2009	2010	2011	2012	2013
Women	64	67	69	69	71
Indigenous Australians	53	41	36	35	39
People from culturally diverse backgrounds	98	97	93	96	96
People with disability[a]	98	95	95	100	87

(a) In 2013, the Department of Health identified a significant over-reporting error on its part for employees with disability. This means that the figures for 2009 to 2012 reflect an overrepresentation of people with disability.

Source: HRMOIR

The *Aboriginal employment strategy 2011–2015* describes a range of initiatives aimed at improving employment outcomes of Aboriginal staff. The improved salary levels of Indigenous employees in 2013 is one potential example of outcomes arising from the implementation of this strategy.

The strategy encourages public sector bodies to implement Aboriginal entry-level programs, including cadetships and traineeships. Table 5.3 shows that salary levels for Indigenous Australian employees are lower than five years ago. One factor likely to have contributed to this is the increased number of Indigenous trainees being recruited within the public sector. Trainees are employed at lower salary levels, which impacts on the distribution across salary levels for Indigenous Australians.

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16 Distribution across salary levels is determined using the equity index. The ideal distribution is 100, with a score of less than 100 indicating that a diversity group is concentrated at the lower salary levels. For information about how to calculate the equity index, see the *State of the sector statistical bulletin 2013*.

In 2013, the Department of Health identified a significant over-reporting error on its part for employees with disability. This means that the figures for 2009 to 2012, as reported in Table 5.3, reflect an overrepresentation of people with disability. However, the distribution across salary levels of employees with disability in 2013 indicates they are fairly well-represented at all levels in the public sector.

Proactive approaches to retaining and developing diversity groups continue to be considered essential in order to improve representation at all salary levels.

Employee views on diversity

Results from the 2013 employee perception survey (EPS) indicate public sector employees generally have positive perceptions regarding organisational commitment to diversity and the treatment of employees from different diversity groups in the workplace. However, perceptions vary between different groups. Figure 5.4 shows Indigenous employees and employees with disability were significantly less likely to agree than public sector employees overall on a number of dimensions.[17]

Figure 5.4   Employee views on support for diversity within their entity, 2013
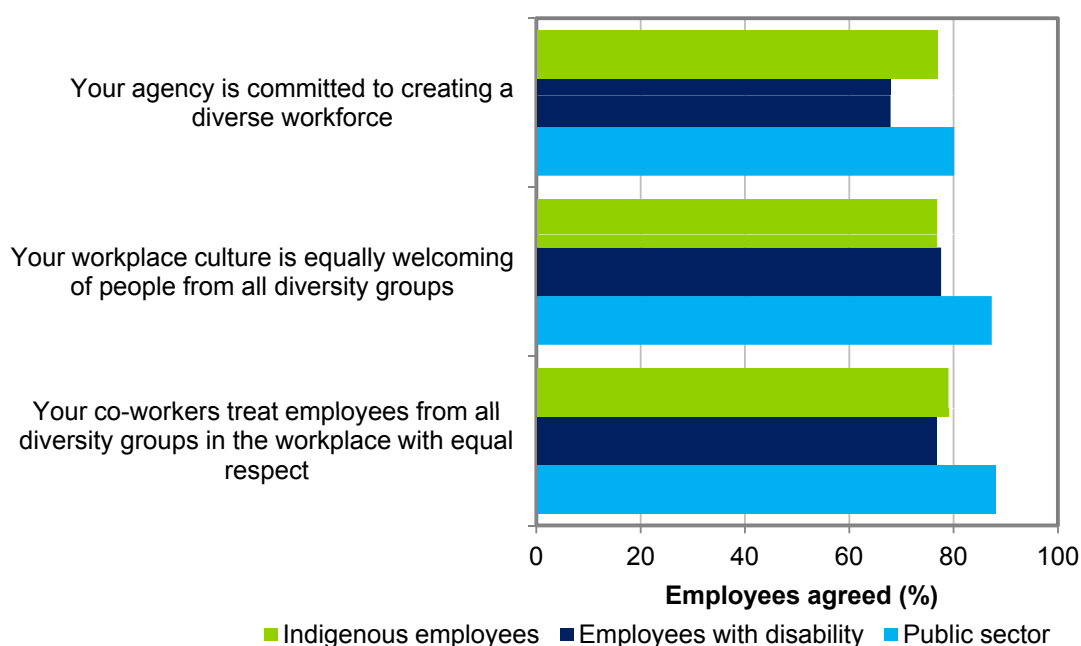
Source: EPS

Inclusive and supportive environments can be achieved by increasing understanding and knowledge of diversity across the sector. The Commission is working with public sector bodies to create and maintain inclusive workplaces. Further information is provided in Chapter 6.

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17 See the *State of the sector statistical bulletin 2013* for other results by diversity group.

Key chapter findings

The public sector workforce has experienced some growth in the past year, largely attributable to staffing in frontline health and education services. Growth in the public sector is in line with growth in the community. Regional employees comprise almost one-quarter of the public sector workforce, and are generally well-represented across the state when compared to the broader population.

There has been a shift in the sector's occupational profile in the last 10 years, indicative of an increasingly professionalised workforce. The representation of managers has remained steady in that time, with the proportion in the public sector in 2013 less than in the broader WA workforce.

The proportion of women in the public sector has continued to increase in the last 10 years, representing an increasingly female workforce. Public sector bodies have also made some positive progress in relation to the representation of women in management and the SES. The implementation of strategies to encourage and support more women to take on leadership roles will assist in continuing this upward trend.

The representation of Indigenous employees has decreased slightly in 2013. There were also proportionally more separations than engagements in 2012/13 for both Indigenous employees and employees with disability. These groups can be more vulnerable in times of financial constraint. Improving their representation in permanent full-time employment should remain a key focus through workforce planning initiatives.

With more than one-tenth of the WA public sector aged 60 years and over, there is a need to harness the knowledge and experience of mature employees, and retain them where possible, through implementing knowledge management strategies and providing flexible working arrangements. Building a base of skilled and qualified young employees, to whom knowledge can be transferred, will assist in preventing skills shortages due to retirement and other workforce challenges in the coming years.

Workforce and diversity planning

Planning for tomorrow, today

Planning for capability and capacity requirements enables the development of a workforce that is well equipped to meet current and future challenges. In the public sector, these challenges include addressing skills shortages; recruitment and retention in regional areas; succession planning and knowledge management for an ageing workforce; and increasing workplace diversity.

Recent budget initiatives are impacting on workforce planning, with entities required to determine how they can contribute to the target of 1000 voluntary severances across the sector and manage expenses in line with the cap on salary expense growth.[1] There is a need to find increased productivity gains from the existing workforce, which is in addition to the pressures experienced by the sector during the tight labour market conditions of recent years.

Part of the Public Sector Commissioner's role is to plan for the future management and operation of the sector (s. 21A(c) of the *Public Sector Management Act 1994* (PSM Act)). This role is shared with chief executives of public sector bodies (s. 29(1)(c) of the PSM Act). Chief executives and the WA Government are developing new mechanisms to deal with the changing operating environment, including enhanced redeployment arrangements, which provide for involuntary redundancy as a measure of last resort.

This chapter describes the state of workforce planning in the public sector and the strategies being undertaken to increase diversity, develop leaders and otherwise prepare for future capability requirements.

The evidence suggests the public sector is committed to planning for future workforce needs—almost all of the sector's employees are reportedly covered by workforce and diversity plans, and entities indicate they are developing and implementing strategies to avoid future skills gaps. There is a strong focus on increasing the capability of the sector through reported investment in professional development and entry-level training programs.

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1   Department of Treasury 2013, *2013–14 Budget fact sheets: Public sector workforce reform*

Workforce planning

As described in *Workforce and diversity planning – A guide for agencies*, planning for future workforce requirements involves making informed decisions about business practices, which are aligned to organisational goals and community needs, and developing strategies to build and maintain a skilled, flexible and sustainable workforce.

Workforce and diversity planning in the sector is guided by legislative requirements in the PSM Act and the *Equal Opportunity Act 1984* (EO Act), and other strategies and agreements such as:

- *Skilling WA – A workforce development plan for Western Australia*[2]
- *Strategic directions for the public sector workforce 2009–2014*
- *National partnership agreement on Indigenous economic participation*.[3]

The *Commissioner's Circular 2013–04: Equal employment opportunity management plans and workforce planning in the public sector* encourages entities to develop and implement an integrated workforce and diversity plan. As of September 2013, 85% of public sector bodies had a workforce plan and 63% had integrated their workforce and diversity plans. Equal employment opportunity (EEO) management plans are discussed later in this chapter.

Similar to last year, almost all employees (96%) work in an entity with a workforce plan. This is an excellent achievement and, as such, the focus is moving towards implementation of plans, and evaluation to address key workforce risks. The Public Sector Commission's workforce planning toolkit provides a range of guides, best practice examples and templates on relevant topics such as recruitment, capability development and succession planning.

The following case study highlights some of the initiatives Western Australia Police (WA Police) has developed as part of the implementation of its workforce plan.

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2   Department of Training and Workforce Development 2010, *Skilling WA – A workforce development plan for Western Australia*

3   Council of Australian Governments 2009, *National partnership agreement on Indigenous economic participation*

Case study

Planning and development for a more responsive police service

WA Police successfully launched its first workforce and diversity action plan in 2012/13. A new strategic human resources team was established, enabling a more holistic approach to identifying key workforce issues, driving workforce planning initiatives and overseeing the progress of the plan. Regular dialogue with senior leadership was maintained to deliver strategies, and best practice methodologies were shared through ongoing interjurisdictional collaboration.

Key achievements for 2012/13

- A priority placement policy was developed, which has achieved significant reductions in vacancies for hard to fill positions. The policy gives priority consideration to officers who commit to working in targeted positions when applying for future regional opportunities.

- Following identification of a service improvement opportunity to meet the needs of diverse groups, a pilot was scheduled to engage community liaison officers to work within Aboriginal and other culturally and linguistically diverse communities. This is anticipated to provide a more culturally responsive service and improve partnerships with, and employment opportunities for, diverse groups.

- A review revealed a business case to provide additional support for the management of ill or injured employees with restricted operational capacity. This resulted in a pilot program and human resources business partnership to implement new management guidelines and support managers.

- Professional and academic programs were provided to maintain WA Police's reputation as an industry leader in building leadership and technical capacity. Seventy-four per cent of commissioned officers attained, or were completing, postgraduate qualifications. There was an increasing appetite for tertiary training, with 211 academic opportunities offered across specialisations in 2012.

- A comprehensive review of the WA Police's performance management framework and substandard performance management process was commenced to contribute to a more efficient and productive workforce.

- In response to *New recruits in the WA Police*[4], the recruiting branch structure was revised, a new recruitment process was developed, and a review of police recruit selection criteria was undertaken. This included a new selection methodology tailored to law enforcement positions to better predict job performance.

- Police numbers were maintained through refreshed advertising and an overseas recruitment campaign.

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4   Office of the Auditor General 2012, *New recruits in the WA Police*

Risks to the public sector workforce

In a new item in the annual agency survey (AAS) this year, public sector bodies were asked to nominate the workforce risks facing their organisation in the next five years. As shown in Figure 6.1, the most nominated risks were addressing capability gaps due to a changing operating environment (51%), loss of corporate knowledge due to retirement (45%), and recruiting and retaining appropriately skilled staff (41%).

Figure 6.1   Workforce risks facing entities in the next five years, 2013
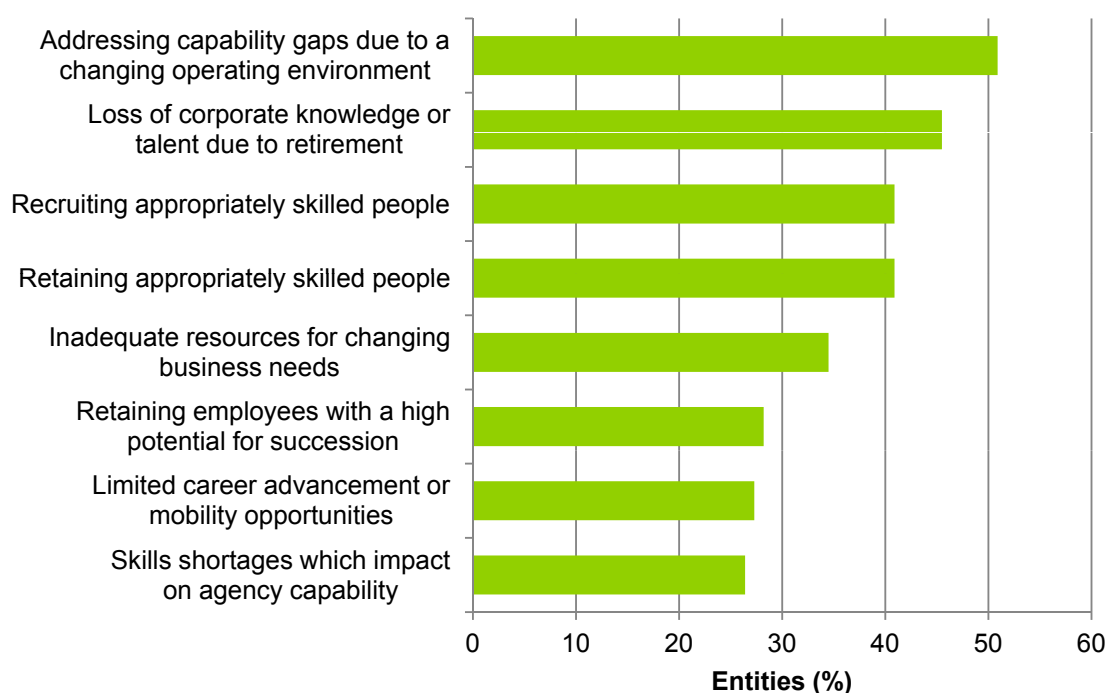
Note: Entities chose five items from a list of 19 possible options.
Source: AAS

The Commission collects workforce data from public sector bodies as part of the human resource minimum obligatory information requirement (HRMOIR) process, which is used for sector-wide monitoring, planning and reporting purposes.

While there are some workforce risks that are common to all entities, sophisticated use of workforce data enables entities to better identify staffing challenges and potential skills shortages. Data quality has a significant impact on the ability to model current and future workforce requirements.

## Addressing and preventing skills shortages

The changing employment climate, with increasing unemployment rates, has resulted in an increase in the number of applicants for advertised public sector roles. In 2012/13, there was an average of 17 applicants per closed job advertisement, compared to 11 in 2011/12.[5] As a result, it may be becoming easier to recruit and retain skilled employees.

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5   Source: Recruitment Advertising Management System

Nevertheless, prioritising recruitment, retention and development initiatives in areas of potential skills shortages remains a key focus to ensure public sector bodies continue to effectively deliver services.

In a new AAS item this year, entities were asked which strategies they used in 2012/13 to help address or prevent skills shortages. Figure 6.2 shows most entities reported investing in professional development of the existing workforce (85%) and using retention strategies, such as flexible working arrangements (74%).

Figure 6.2   Strategies used by entities to address or prevent skills shortages, 2012/13
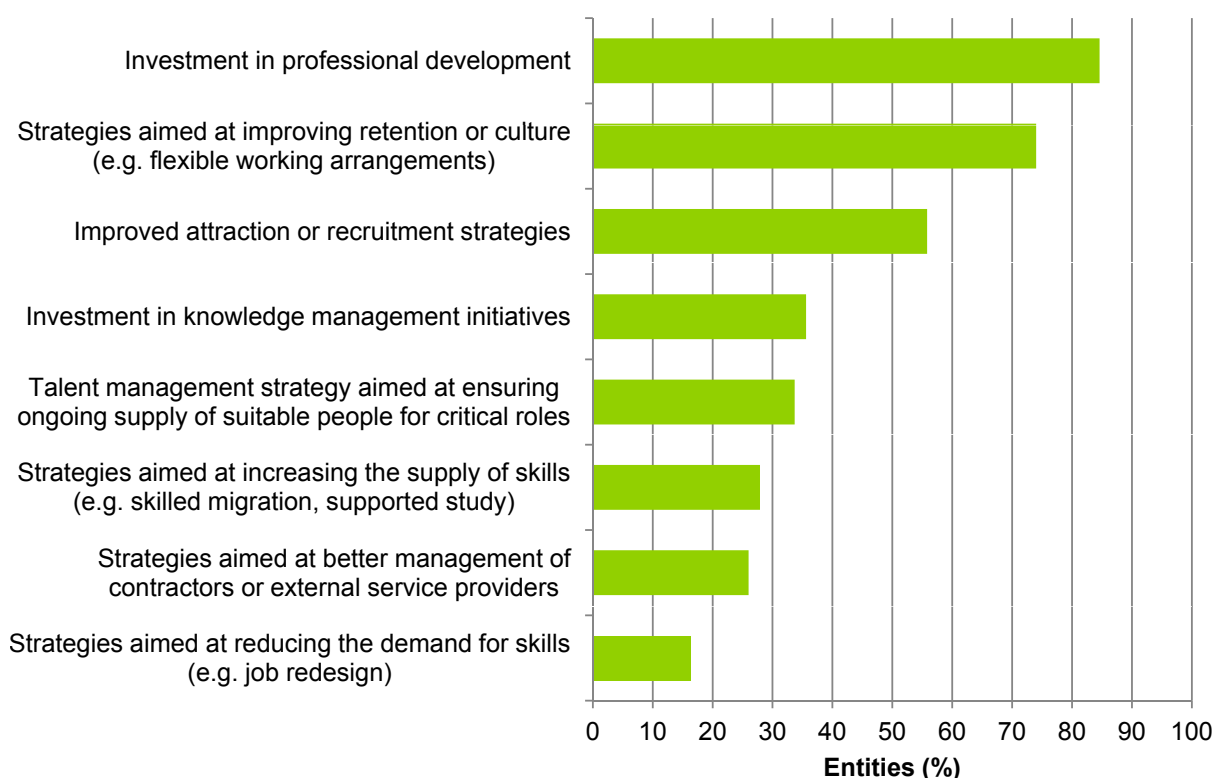
Source: AAS

Flexible working arrangements include practices such as flexi leave, purchased leave, study breaks, job sharing and compressed working weeks. Access to these arrangements can significantly improve work/life balance, increase morale and help to retain valued employees.

Creating a flexible SES workforce provides suggestions for developing and implementing a flexible work practices program for senior staff. This guide may be helpful when considering flexible working arrangements for other employees.

Entry-level employment programs

Entry-level employment programs, such as graduate and traineeship programs, enable employers to build a pool of skilled and qualified young people.

In the AAS, public sector bodies reported conducting the following training programs in at least part of their organisation during 2012/13:

- traineeship program (48%, compared with 44% in the previous year)
- graduate program (26%, the same as last year)
- cadetship program (15%, compared with 14% last year)
- apprenticeship program (8%, compared with 5% last year).

The Commission is committed to the promotion and development of employment-based training opportunities across the sector and released the *Employment-based training strategy 2013–2015* to review the state of training, barriers to participation, and initiatives to increase access. The strategy outlines Commission programs and provides information for public sector bodies that may wish to develop their own programs.

The Commission conducts several traineeship programs for individuals under 25 years who wish to acquire or improve administration skills, and prepare for a career in the public sector. These include the Government traineeship program, Aboriginal traineeship program and School-based traineeship program. Entities can also access candidates for Level 1 and 2 administrative positions from the Entry level employment program. Program participants may be suitable to fill existing or projected skills gaps.

Graduate programs – A guide for agencies provides practical advice to assist in the development of graduate programs. Public sector bodies can also enrol their graduate employees, or other employees who have recently completed a university degree, in the Commission's Graduate future leaders program, which provides a whole-of-government perspective on the political, legislative and operational environment.

Regional workforce

Strategies to prevent skills shortages are especially important in the regions. There is a higher separation rate of permanent employees in regional areas (8.8%) compared to the metropolitan area (7.2%), with the highest rates of separation occurring in the Kimberley and Pilbara regions (11.8% and 13.7% respectively).[6] There are also significantly fewer applicants per position in all regional areas than in the Perth metropolitan area (apart from the South West region).[7]

Key contributors to attraction and retention in the regions include availability of affordable housing, quality of infrastructure (such as transport and communications), accessibility of health care and availability of education and training.[8]

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6 Source: HRMOIR workforce data in 2012/13
7 Source: Recruitment Advertising Management System
8 Department of Training and Development 2010, *Skilling WA – A workforce development plan for Western Australia*

The Department of Training and Workforce Development (DTWD) has developed a series of regional workforce development plans that highlight specific challenges to recruitment, retention and capability development in each region. The following case study provides more information about the plans and their development.

Case study
Regional workforce development plans

Recognising the importance of, and unique challenges faced by, WA's regional workforce, DTWD has developed a series of regional workforce development plans. The suite of plans identifies the priority issues of the Great Southern, Wheatbelt, South West, Pilbara, Goldfields-Esperance, and Mid West workforces, and provides strategies to address them.

Through regional alliances comprising state government, local government, industry, community stakeholders and the local state training providers, the regional workforce development plans consider information gathered from sub-regional forums and consultations alongside theoretical research and analysis. The plans also consider regional and sub-regional priority occupations that are critical for the success of the key industries in the area, or that are in high demand, to inform discussions on education and training requirements.

For example, due to the rapid economic growth experienced in the Goldfields-Esperance region, and the impact of a transient workforce, the region suffers from a significant shortage of affordable housing. Therefore, a key focus of the *Goldfields-Esperance workforce development plan 2013–2016* is to address the housing shortage and in turn, attract young people to, and retain mature workers in, the region.

Each of the regional workforce development plans concludes with proposed solutions to improve workforce planning, recruitment and retention in the regions, in areas such as training development and delivery, policy development and implementation, workforce monitoring, and resourcing. Through region-specific priorities, DTWD encourages regional ownership while developing customised workforce development initiatives.

In 2012, the Commission was successful in securing Royalties for regions (R4R) funding from the Department of Regional Development and Lands[9] to build capacity in regional entities through the provision of workforce planning, development and employment initiatives.

As part of these initiatives, the Commission has expanded the Government and Aboriginal traineeship programs to include regional areas of WA. In 2012/13, the Commission conducted information sessions across the state to promote the programs and develop a pool of candidates. Twenty-three Indigenous trainees have commenced, or are due to complete, their training in a regional area in 2013.

Government traineeship program – A guide for agencies in the regions provides information for entities about employing trainees in regional locations.

Leading in the regions

The Commission recently completed a regional leadership study across the sector as part of the R4R initiatives, and found there are several nuances which make regional leadership unique from metropolitan leadership. For example, regional leaders:

- are the face of their entity within their local community

- are impacted by geographic isolation and distance from Perth

- need to interpret policy to fit within their regional context

- require greater generalist management skills

- have more autonomy and often greater responsibility for decisions

- need to manage cultural considerations relevant to their region

- do not always have access to resources such as information technology, mobile reception and people.

Regional public sector leaders are not seeking a centrally delivered leadership program. Instead, they wish to develop stronger connections within and across regions, learn from other leaders who understand regional issues, and share stories of successful policy in practice.

Opportunities for city and country employees to share knowledge, experiences and understanding should be encouraged to support better policy development and service delivery.

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9   As of 1 July 2013, the Department of Regional Development and Lands became the Department of Regional Development, and the Department of Lands was established. The Department of Regional Development is responsible for the R4R program following the changes.

Leadership development

As discussed in Chapters 2 and 3, public sector leaders play a crucial role in driving change, encouraging innovation, improving performance and accountability, and delivering quality services, while maintaining high standards of integrity. Effective leadership improves productivity and helps ensure that strategic priorities continue to be progressed during times of change in the sector.

Generally, respondents to the 2013 employee perception survey (EPS) indicated their supervisors effectively manage employees (74%, same as the previous year) and there is good communication between senior managers and employees (65%, compared with 67% last year). The development of future leaders is essential to maintain these high standards of leadership.

There were 510 members of the Senior Executive Service (SES) in the public sector in June 2013 (compared to 479 in the previous year).[10] These leaders were predominantly male (70.8%) and had a median age of 53.6 years. As 16.3% of them were aged 60 years and over, and the average retirement age of SES employees over the last five years was 61.4 years, the identification and retention of potential leaders has become more important to ensure there is sufficient 'bench strength' to replace those in senior positions.

Succession planning

Public sector bodies have identified the loss of corporate knowledge due to retirement as a significant workforce risk they are facing over the next five years (seen previously in Figure 6.1). Many highly skilled employees will consider retirement in the next few years, highlighting the business imperative to identify critical positions and develop capability in future candidates for these roles. Capability profiles may help to identify the required skills and knowledge for key roles.

Entities are using mentoring programs, acting opportunities, job shadowing and training sessions to enable the transfer of information and increase opportunities for hands-on learning.[11] *A guide to managing knowledge: Turning information into capability* provides information about developing and implementing knowledge management plans.

Development programs

Leadership development supports succession and knowledge management by increasing the number of employees who are skilled and ready for opportunities to move into leadership positions.

Entity-based initiatives, where possible, allow programs to be tailored to specific development needs, and ensure that development aligns with strategic priorities and goals. In a new AAS item this year, 67% of very small and small entities reported having no tailored executive development program in place, compared to 12% of large and very large entities.

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10 Source: HRMOIR workforce data

11 Reported as part of a mid-point review of entity implementation of the *Strategic directions for the public sector workforce 2009–2014* workforce strategy.

The following case study highlights the approach taken by the Commissioner of Main Roads to develop a customised leadership development program.

Case study

Leading at all levels

Main Roads has a strong history of leadership development at all levels, which is reflected in its 'Inspiring leadership strategy' and eight guiding leadership principles.

The agency's 2020 corporate strategic plan prioritises leadership capability for delivering the strategic agenda, and this has been identified as a key driver for increasing organisational productivity through employee engagement. In light of this, leadership development strategies were implemented in 2013, including the launch of two leadership programs. These customised programs were targeted at Level 7 and above, and 50 current and potential leaders were selected to participate. Employees from the Department of Transport also participated in the programs with the aim of strengthening relationships between agency leaders, and improving collaboration.

The aim of the leadership programs is to achieve positive behavioural changes in the participants' leadership style and foster an engaged and high performing work culture.

Participants are encouraged to reflect on their own leadership qualities, identify admirable leadership traits in others, and learn how to inspire and influence others. They are required to identify innovative ways to deliver the priorities of their agency's strategic plan and explore the leadership challenges present in their work environment. Participants work as a team, project managing and delivering individual elements of the areas of focus, such as creating value and ensuring future capability.

The programs are being assessed against an evaluation framework, in terms of impact on human capital and productivity, through individual performance agreements and other evaluation mechanisms. Preliminary assessments have returned positive feedback, with participants indicating a greater understanding of, and commitment to, leadership; greater self-awareness; and practical application of course content within their roles.

The Commission offers leadership development programs to improve leadership capability across mid-level to senior positions, such as the Public sector management program and partnerships with the Australia and New Zealand School of Government (ANZSOG), such as the Executive Master of Public Administration and Executive Fellows programs. These programs maximise leadership potential and support whole-of-government thinking.

The Commission also partners with ANZSOG to target senior executives and human resources practitioners through the 'Applied learning program'. The program develops the capability of existing and emerging leaders by providing opportunities to learn from successful national and international speakers, share ideas and build networks. Three of these events were conducted in regional locations as part of the R4R initiatives in 2012/13.

Diversity planning

Diversity planning forms an important part of workforce planning and the Government remains committed to diversity as a key workforce initiative.

Employee perceptions of workplace culture

Diversity planning promotes an inclusive workplace culture and equal opportunities for all employees. Most employees (80%) who responded to the 2013 EPS agreed their entity is committed to building such a culture (compared to 76% in 2012). Figure 6.3 shows that WA is similar to some other jurisdictions in this regard.

Figure 6.3   Interjurisdictional perceptions on entity commitment to a diverse workforce, 2011 to 2013
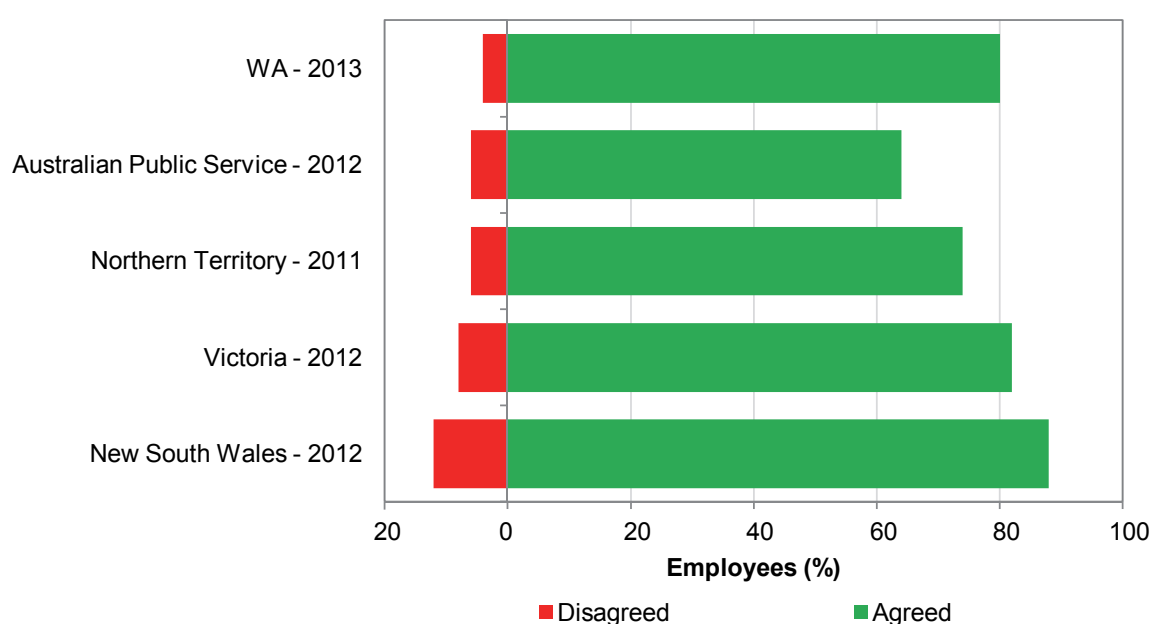
Note: Question wording and response scales may vary slightly between jurisdictions. Non-responses and neutral responses have been removed from this chart. All jurisdictions except Victoria and New South Wales allowed employees to respond 'Neither agree nor disagree'.

Source: EPS for WA and see 'Appendix A – Monitoring and evaluation framework' for other jurisdictions

EEO management plans

Section 145(1) of the EO Act requires all public authorities to prepare and implement an EEO management plan to ensure an inclusive workplace culture, and equal opportunities for all employees.

An integrated workforce and diversity plan assists entities to effectively achieve EEO and workforce planning outcomes relevant to their business, as well as streamline planning processes.

In October 2013, *Commissioner's Circular 2013–04* was released. This circular encourages public authorities to integrate their EEO management plans with their workforce plans.

Indigenous economic participation

The public sector is well-positioned to contribute to employment outcomes for Aboriginal Australians. Optimising opportunities to engage in public sector employment builds the capability of the sector, and contributes to the economic wellbeing of Aboriginal communities.

WA is a signatory to the Council of Australian Governments' (COAG's) *National partnership agreement on Indigenous economic participation* (national partnership).[12] The national partnership aims to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade, and to increase Indigenous public sector employment to reflect the working age population. The council has set a national target of 2.6% representation, and WA has committed to reach a target of 3.2% by 2015. In working towards this target, WA is mindful that the Australian Bureau of Statistics (ABS) has estimated the Indigenous Australian proportion of the working age population to be 2.8%.[13]

As at 30 June 2013, representation of Indigenous employees in the WA public sector stood at 3.0%, down slightly from the previous year.[14] For further information, see Chapter 5.

The *Aboriginal employment strategy 2011–2015* reflects WA's commitment to the national partnership. This strategy contains a range of initiatives to improve the representation of Aboriginal Australians in public sector employment.

The Commission has been working with entities to progress a range of strategies to support the employment of Aboriginal Australians. For example, an online Aboriginal cultural confidence module, Sharing culture, has been developed to increase awareness of Aboriginal culture. The Commission is also developing a series of forums as part of the Aboriginal leadership program, in collaboration with the Department of Aboriginal Affairs.

The Department of Housing has developed an Aboriginal traineeship program as part of its Aboriginal employment strategy. Details of the program are discussed in the following case study.

12 Council of Australian Governments 2009, *National partnership agreement on Indigenous economic participation*

13 Australian Bureau of Statistics 2013, *2002.0 - Census of population and housing: Aboriginal and Torres Strait Islander peoples (Indigenous) profile, 2011 third release*

14 Source: HRMOIR workforce data

Case study

Aboriginal traineeship program

The Department of Housing is committed to increasing employment opportunities for Aboriginal Australians and having a diverse workforce that is representative of customers and the community. The department's reconciliation action plan and Aboriginal employment strategy have set ambitious targets and identified a number of actions to improve the department's cultural competency.

The department had a 5.6% representation[15] of Indigenous employees in June 2013, above the public sector average, highlighting the commitment and success of its initiatives.

In 2012, the Department of Housing's Director General made a commitment to host six Aboriginal trainees under 25 years of age each year, with the offer of a permanent full-time position on completion of the traineeship. After a successful first intake in the metropolitan area, the program was rolled out to the state's regional areas. To facilitate the success of regional placements, regular study groups were arranged through video conferencing. Each trainee had an on-site supervisor, buddy and mentor.

A number of initiatives have been developed to support the trainees as they transition into the workforce. These include:

- a tailored induction package that guides trainees through what they can expect, from first contact with the department to completing the first six months of their traineeship

- opportunities for metropolitan-based trainees to undertake regional travel, and for regional trainees to visit metropolitan areas for work projects

- Aboriginal mentors who guide trainees through issues of work/life balance, are advocates and positive role models, and foster cultural security

- strong support and encouragement for trainee supervisors to attend the Commission's 'Supervising Aboriginal staff' course, supported by an Aboriginal cultural awareness program

- a dedicated traineeship coordinator and traineeship support officer, Kayla Rodd (graduate), is available to support trainees with study and work-related requirements, maintain regular contact and otherwise assist in the induction process.

The program has been very successful, with three graduates accepting permanent employment, as well as two anticipated permanent appointments. Two of the graduates who have accepted full-time employment with the department are Samantha Hedlam-Moffat and Angela Sheppard. Samantha is working as an administration assistant service officer within service delivery support, and Angela is working within capital works planning. Both graduates have reported enjoying the traineeship program and are appreciating the support they are receiving in their new roles.

In 2013, the regions are a focus of the traineeship program, with new trainees in Kununurra, Geraldton, and Broome.

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15 HRMOIR workforce data

Entity progress towards the national partnership outcomes

To assess public sector progress towards the national partnership outcomes, the 2013 AAS asked entities to nominate strategies they have in place to support the objectives, as shown in Figure 6.4.

Figure 6.4   **Entity strategies to support the national partnership objectives, 2012/13**
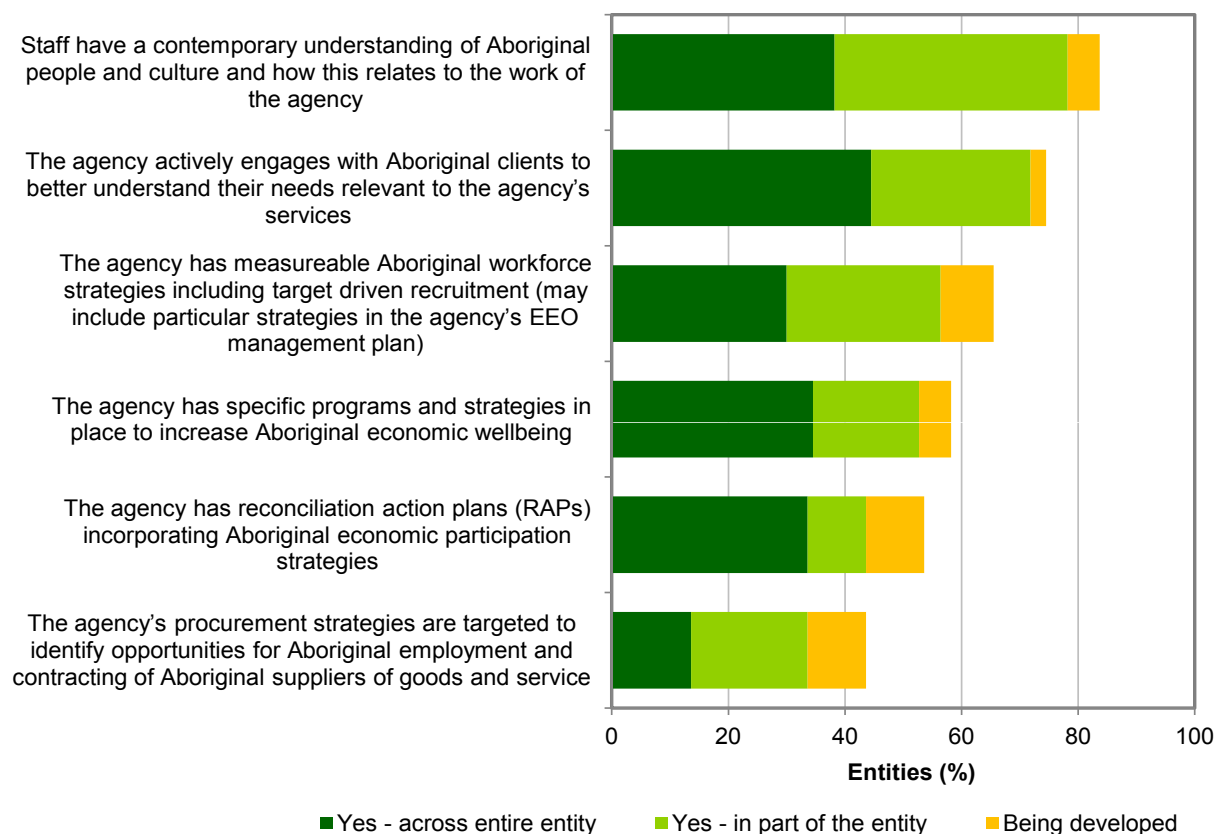
Source: AAS

Most public sector bodies (78%) reported staff in at least part of the organisation have a contemporary understanding of Aboriginal people and culture, and how this relates to the work of the entity (increased from 66% in the previous year). In addition, most entities (72%) reported actively engaging with Aboriginal clients to better understand their needs (compared to 65% last year).

Almost two-thirds (65%) of public sector bodies indicated they have measurable Aboriginal workforce strategies, or are in the process of developing them (compared with 63% last year).

Continued efforts in implementing these strategies are required over the next two years to meet the target of 3.2%, especially in light of the slight decrease in representation of Indigenous employees in the past year. However, WA is mindful that the ABS has estimated the Indigenous Australian proportion of the working age population to be 2.8%.

The challenge of retaining Indigenous employees in public sector employment is ongoing, as evidenced by the greater proportion of separations than engagements for Indigenous employees (see further information in Chapter 5). This reinforces the need to incorporate appropriate Aboriginal employment strategies into workforce and diversity plans, as well as improve career development opportunities for Aboriginal employees.

Employment for people with disability

The benefits of employment for people with disability, both for them and the broader community, provide a strong business case for targeted investment in this area.[16]

People with disability (with moderate core activity restriction) are underrepresented in WA's workforce, with a participation rate of 59% compared to 84% for those without disability.[17]

In August 2013, the Commission partnered with the Disability Services Commission to launch the *Disability employment strategy 2013–2015*. This strategy aims to improve participation, inclusion and access for people with disability at all levels of employment in the public sector. All entities are encouraged to implement this strategy within their workforce planning and development activities.

A Disability employment toolkit has also been developed and will continue to be refined as entities share effective approaches.

As at 30 June 2013, representation of people with disability in the WA public sector stood at 2.6%.[18] For further information, see Chapter 5.

The review of the *Disability Services Act 1993* has resulted in the requirement for entities to include strategies in disability access and inclusion plans to break down barriers and improve employment opportunities for people with disability.

Traditional public sector recruitment practices can act as barriers to employing people with disability. Inclusive recruitment processes can be administered, using the flexibilities enabled by *Commissioner's Instruction No. 2 – Filling a public sector vacancy*.

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16 Australian Network on Disability 2013, 'Business benefits of hiring people with disability'

17 Australian Bureau of Statistics 2010, 'Disability, ageing and carers, Australia: State tables for Western Australia - Table 12', *4430.0 - Disability, ageing and carers, Australia: Summary of findings, 2009*

18 Source: HRMOIR workforce data

Women in leadership

The representation of women in the SES increased to 29.2% in 2013.[19] This is still lower than most other Australian state and territory jurisdictions but is higher than large public companies, with 9.7% of executive management positions in Australia's top 200 companies being held by women.[20] For further information on other jurisdictions, see the Director of Equal Opportunity in Public Employment's *Annual report 2013*.

In response to the need to improve our representation of women in leadership positions, the Commissioner is 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. This important project will include the analysis of survey results to gain a greater insight into the leadership journey of senior women and examine ways of sharing the information gathered to a broad audience.

The Commission has also introduced initiatives such as sponsoring an International Women's Day luncheon to celebrate the accomplishments of female leaders.

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19 Source: HRMOIR workforce data
20 Equal Opportunity for Women in the Workplace Agency 2012, *2012 Australian census of women in leadership*

Key chapter findings

The public sector is making progress towards planning and developing the workforce for sustainable delivery of services. Most entities report having strategies in place to recruit and retain skilled employees, and increase the diversity and inclusiveness of their workplaces.

Capability gaps represent the biggest workforce risk to the public sector in the coming years. In response to this risk, most entities report investing in professional development, and over half offer entry-level programs, such as traineeships or graduate programs.

Developing the leaders of tomorrow remains a key priority to ensure sufficient 'bench strength' to meet future challenges for the sector.

Most public sector bodies have a workforce plan and almost two-thirds have an integrated workforce and diversity plan. The focus is now on implementing the strategies that have been developed, and continuing to review the plans as government priorities and funding change.

In 2012/13, there was a slight decline in the representation of Indigenous employees. In light of this decrease, improving employment outcomes for this group should remain a key focus through workforce planning initiatives and the *Aboriginal employment strategy 2011– 2015*.

The Commission continues to work with the public sector to develop strategies that will increase diversity and improve the quality of employee data to enable more accurate modelling of future workforce requirements.

Appendixes

Appendix A – Monitoring and evaluation framework

This appendix outlines the approaches and activities undertaken by the Public Sector Commission to monitor and evaluate compliance with relevant sections of the *Public Sector Management Act 1994* (PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act).

Under ss. 21 and 22D of the PSM Act, the Public Sector Commissioner is required to monitor and report on the state of administration and management of the public sector, as well as on compliance with public sector standards and ethical codes contained in Commissioner's instructions. 'Appendix B – Public Sector Management Act 1994' contains further information about the PSM Act and the standards and ethical codes.

The Commission's monitoring and reporting jurisdiction under the PSM Act applies to all WA public sector bodies, which includes:

- departments (established under s. 35 of the PSM Act)
- SES organisations
- non-SES organisations
- ministerial offices.

This jurisdiction does not include employees in government bodies that do not fall into the above categories such as:

- public universities
- local government authorities
- other entities listed in Schedule 1 of the PSM Act (e.g. government trading enterprises, port authorities, courts and tribunals, departments of the Parliament, electorate offices and the Police Force).

Under s. 22 of the PID Act, the Commissioner is required to report on compliance with the PID Act and the *Public interest disclosure code of conduct and integrity*. This builds confidence in processes under the PID Act, and promotes integrity, openness and accountability in public authorities.

The Commissioner's jurisdiction under the PID Act is broader than for the PSM Act and includes public universities, local government authorities and other PSM Act Schedule 1 entities. 'Appendix C – Public Interest Disclosure Act 2003' contains further information about the PID Act.

Monitoring and evaluation framework

The Commission uses a multi-methodological approach to monitor the state of administration and management of the public sector, including surveys (of entities and employees), other workforce data collections, reviews and compliance assessments. The Commissioner may also report from time to time on specific compliance issues and may use other information sources for this purpose.

The primary components of the monitoring and evaluation framework are listed in Table A.1 and further details about the components are provided following this table.

Table A.1   Monitoring and evaluation framework components

Framework component	Period in use
Compliance assessments and general enquiries	18 years
Human resource minimum obligatory information requirement workforce data	20 years
Annual agency survey	6 years (reviewed annually)
Annual public interest disclosure survey	8 years (reviewed annually)
Employee perception survey	18 years (reviewed four times)

Monitoring and evaluation framework components

The Commission uses the following methods to monitor and evaluate compliance with the relevant sections of the PSM Act and the PID Act.

Compliance assessments and general enquiries

Breach of standard claims

The *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* provide for persons to lodge claims where they believe that a public sector standard has been breached by an entity and they have been adversely affected by that breach.

Breach claims can be made about the following standards: employment (recruitment, secondment, transfer and acting), performance management, grievance resolution, redeployment and termination (see 'Appendix B – Public Sector Management Act 1994' for further details).

Where breach claims are referred to the Commission and are substantiated, the Commissioner recommends appropriate relief be provided by the respective entity. In 2012/13, 116 claims were finalised by the Commission.

Matters of referral

In 2012/13, 102 new matters of referral were received or identified by the Commission. These matters included requests for advice; action and complaints about management, governance or compliance with public sector standards; and specific allegations of unethical behaviour.

These matters are subject to a preliminary assessment to determine what other action may need to be taken by the Commission. This action may include monitoring compliance with public sector standards, human resource and conduct principles and ethical codes; the use of specific oversight powers contained in the PSM Act; or referring the matter to employing authorities or other appropriate bodies to take action.

Advisory service

The Commission provides a daily advisory service to public bodies covered by the PSM Act and the PID Act, their employees and members of the community. This service provides advice on a range of matters including the public sector standards, public interest disclosure, ethical codes, and integrity. If a matter is not within the Commissioner's jurisdiction, the advisory service will appropriately direct the enquiry to another public sector body. In 2012/13, more than 2100 matters were responded to by this service.

Analysis of compliance assessments and general enquiries

Issues raised within breach claims, matters of referral or through the advisory service are analysed to determine key trends and identify areas where assistance may be required. For example, the Commissioner may direct that practices be improved where issues are identified that place an entity at risk of non-compliance with standards.

While this analysis provides information about compliance and performance risks, the number and nature of matters do not, in isolation, constitute a valid measure of an entity's performance or extent of compliance. For example, public sector bodies that promote the compliance reporting process through staff education and awareness programs may have a higher number of matters reported, and entities with effective internal grievance, breach and complaints resolution processes may have fewer matters escalated to the Commission.

Human resource minimum obligatory information requirement (HRMOIR) workforce data

The HRMOIR process was developed to ensure access to information for the strategic management of the public sector workforce. On a quarterly basis, the Commission collects and reports HRMOIR workforce data from public sector entities through the Workforce Analysis and Collection Application (WACA). The data includes demographic information such as age, gender, diversity status and occupation.

The HRMOIR process aims to provide high quality data for entity and sector-wide workforce analysis, planning and reporting and helps to ensure that a consistent methodology is applied across entities.

The *State of the sector statistical bulletin 2013* lists key statistics collected through the HRMOIR process.

Annual agency survey (AAS)

Pursuant to s. 31 of the PSM Act, public sector entities are required to report to the Commissioner on the extent of compliance with public sector standards, codes of ethics and codes of conduct. The AAS is designed to assist entities to meet this requirement by requesting information about these matters for 2012/13, as well as other areas of administration and management such as workforce planning, occupational health and safety and innovation.

Additionally, pursuant to s. 23 of the PID Act, entities are required to provide information annually to the Commissioner on the extent of compliance with the PID Act. The AAS requests information about the entity's designated PID officers, internal procedures to ensure compliance, and any disclosures received in 2012/13.

This year's AAS has been streamlined to assist entities to provide high quality information in a timely manner. For example, when asked to describe the maturity of governance systems, entities selected from multiple choice options rather than using a separate response matrix as in previous years.

The AAS provides entities with an internal planning and diagnostic tool. Sector-wide results from the survey are presented throughout this report and entity-level responses are published in the *State of the sector statistical bulletin 2013*. This enables entities to compare their responses to those of similar entities and the sector as a whole.

As the AAS has evolved considerably over the past six years, trends across time may not be available for some items or may be limited to a smaller number of years.

Surveyed entities

In 2012/13, 110 public sector bodies within the jurisdiction of the PSM Act and PID Act were requested to complete the AAS. All entities complied with this request.

'Appendix D – Structure of the government sector' provides a list of public sector bodies within the jurisdiction of the PSM Act and PID Act. This year, only public sector entities were asked to complete the AAS; previously, some other government entities listed in Schedule 1 of the PSM Act have been invited to complete relevant parts of the survey.

Some small entities have a shared administrative arrangement with another public sector body. These entities have reported in the AAS that they do not have some systems in place although they access such systems through their shared arrangement. Therefore, the survey results presented in this report may slightly underestimate the implementation of some systems across the public sector.

Categorisation of survey results

Within this report, AAS results are typically presented for all public sector entities. However, for selected items, results are presented by entity size based on the following categories:

- very small: entities with fewer than 20 full-time equivalents (FTE)[1]
- small: entities with between 21 and 200 FTE
- medium: entities with between 201 and 1000 FTE
- large: entities with between 1001 and 10 000 FTE
- very large: entities with greater than 10 000 FTE.

AAS results have also been presented by entity function for some items. These functional categories have been developed by the Commission for illustrative purposes only and are not tied to legislation or other specific definitions. Entities have been classified according to the following functional categories:

- service: entities involved in direct provision of products/services to the community
- policy, development and coordination: entities that provide policy direction and/or industry coordination/development
- oversight, regulatory and sector administration: entities involved in management and/ or coordination of regulatory regimes for industry, or for the broader sector through an oversight role.

Entities are listed by size and function in 'Appendix D – Structure of the government sector'.

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1   Includes all current employees, except for casuals not paid in the final pay period fortnight of the financial year. One FTE equals one person paid for a full-time position at the end of the financial year.

Response options for selected survey questions

In Chapter 3 of this report, data is presented from AAS questions relating to strategic planning, operational planning, internal audit and evaluation, and risk management. The full questions and response options are shown in .

Table A.2   Complete response options for selected AAS questions

AAS questions	Response options
Which of the following options best reflects the nature of strategic planning in your agency?	• The agency does not have a strategic plan but processes are underway to develop one. • The agency has a strategic plan that includes clear, achievable and measurable objectives and strategies. However, its objectives and strategies need to be refined to address either changes in policy direction or changes in the operating environment. • The agency has a strategic plan and is confident that its objectives and strategies are relevant to the agency's policy direction and operating environment, and that they are clear, achievable and measurable. As yet, there has been limited formal evaluation of progress against the plan. • The agency has a strategic plan and is confident that its objectives and strategies are relevant to the agency's policy direction and operating environment, and that they are clear, achievable and measurable. Established systems are in place to periodically evaluate progress against the plan. • The agency has a strategic plan and is confident that its objectives and strategies are relevant to the agency's policy direction and operating environment and that they are clear, achievable and measurable. Established systems are in place to regularly evaluate progress against the plan. These evaluation systems include reference to a variety of stakeholder perspectives. • None of the above reasonably reflect the nature of strategic planning in the agency.

AAS questions	Response options
Which of the following options best reflects the connection between strategic and operational planning in your agency?	• The agency does not have an operational plan and/or strategic plan.
	• The agency does not have a common operational plan and/or strategic plan. However, business units have developed operational and/or strategic plans to align their particular area of activity to strategic goals and these are shared at the executive level.
	• The agency has a common operational plan to optimise the alignment of business activity to the common strategic plan. There is some common internal reporting against strategic objectives but this could not be considered to be uniform, comprehensive or highly integrated.
	• The agency has a common operational plan to ensure the alignment of business activity to the common strategic plan. All business units apply the operational plan in a consistent way and common internal reporting against strategic objectives provides for uniform, comprehensive and centralised monitoring of progress.
	• The agency has a common operational plan to ensure the alignment of business activity to the common strategic plan. All business units apply the operational plan in a consistent way with uniform, comprehensive and centralised monitoring of progress. Relevant performance metrics have been established for all business functions and these are connected to whole-of-agency key performance indicators.
	• The agency has a common operational plan to ensure the alignment of business activity to the common strategic plan. All business units apply the operational plan in a consistent way with uniform, comprehensive and centralised monitoring of progress. Relevant performance metrics established for all business functions and connected to whole-of- agency key performance indicators are routinely used as an integral part of continuous improvement activities in the agency.
	• None of the above reasonably reflect the connection between strategic and operational planning in the agency.

AAS questions	Response options
Which of the following options best reflects the scope of your agency's internal audit and evaluation program?	• The agency's internal audit and/or evaluation program is non-existent or ad hoc. • The agency has an internal audit and/or evaluation function and a plan that is based on identified risks. Activity is limited to testing essential compliance controls. • The agency has a well-established internal audit and/or evaluation function with a program of activity addressing internal controls and systems auditing. This does not routinely extend to more comprehensive evaluation activity to assess the effectiveness and efficiency of programs or activities. • The agency has a well-established internal audit and/or evaluation function with a program of activity addressing internal controls and systems auditing. More comprehensive evaluation activity does occur from time to time via separate processes not connected to the internal audit and/or evaluation function. • The agency has a well-established internal audit and/or evaluation function with a program of activity addressing internal controls and systems auditing, using a range of internal and external expertise. Separate processes are in place to regularly assess the effectiveness and efficiency of key programs or activities. • The agency has a well-established internal audit and/or evaluation function with a program of activity addressing internal controls and systems auditing, using a range of internal and external expertise. This includes more comprehensive program evaluation that assesses the effectiveness and efficiency of key programs or activities. The internal audit and/or evaluation function is integrated and connected to both risk management and continuous improvement processes. • None of the above reasonably reflect the nature and scope of the internal audit and evaluation program in this agency.

AAS questions	Response options
Which of the following options best reflects the nature of risk management in your agency?	• While the agency recognises the importance of risk management, the systems in place for assessing and managing risk are limited. The agency relies on experience and managerial expertise to identify and manage risks.
	• Some policies and procedures are in place to ensure a common approach to assessing and managing risk. There are pockets of good practice across the agency however other areas rely on experience and managerial expertise to identify and manage risks.
	• The agency has a common risk management framework and promotes a consistent approach to the identification and assessment of risks. All business units are expected to apply the framework in a consistent way. An overall risk profile exists for the agency that documents material risks, controls and planned mitigation strategies.
	• The agency has a common risk management framework which is consistently applied. Some employees have been trained in the identification and assessment of risks and/or in the development of appropriate mitigation strategies. There is periodic monitoring and reporting on the overall risk profile.
	• The agency has a common risk management framework which is consistently applied. All relevant employees have been trained in the identification and assessment of risks and in the development of appropriate mitigation strategies. There is integrated monitoring and reporting on the overall risk profile.
	• None of the above reasonably reflect the nature of risk management in the agency.

Annual public interest disclosure survey (PID survey)

Under s. 23 of the PID Act, public authorities are required to provide information annually to the Commissioner on the extent of compliance with the PID Act and the *Public interest disclosure code of conduct and integrity*. The PID survey is designed to assist authorities that are not public sector entities (and therefore not required to complete the AAS) to meet this requirement by asking whether they have designated a PID officer to receive disclosures, whether they have prepared and published internal procedures and whether they have received and investigated any disclosures in 2012/13.

Surveyed authorities

Some entities listed in Schedule 1 of the PSM Act (e.g. local government authorities, public universities and government trading enterprises) and government boards and committees registered with the Department of the Premier and Cabinet were asked to complete the PID survey. The following response rates were achieved:

- 100% of local government authorities (140 surveys sent)
- 100% of public universities (4 surveys sent)
- 100% of government trading enterprises and other Schedule 1 entities (19 surveys sent)
- 36% of government boards and committees (145 surveys sent).

The Commission has taken a phased approach to monitoring compliance with the PID Act for boards and committees. Many boards and committees were not sent the PID survey as their obligations under the PID Act are administered by another entity. There was also no requirement for boards and committees to complete an annual boards and committees survey this year.

All public authorities that were invited to complete the survey are listed in 'Appendix D – Structure of the government sector'.

Employee perception survey (EPS)

The EPS evaluates employee views about entity management and administration, ethical behaviour, equity and diversity, and employment conditions. This information helps the Commission to understand workplace culture and is critical in identifying areas of concern and acknowledging good practice. The EPS is also a valuable tool for entities to assess employee awareness of codes of ethics and conduct, the PID Act and the public sector standards.

Surveyed employees

In 2013, 17 entities completed the EPS. These entities comprised a range of sizes and portfolios; typically, the EPS is conducted in each entity with more than 20 employees approximately once every five years.

All employees within an entity are invited to respond and the average response rate was 38% for 2013.

This report assumes there is no significant bias between those who responded to the EPS and those who did not respond. However, some care should be taken in considering the EPS results as they may not be entirely representative of the views of the broader public sector.

'Appendix E – Employee perception survey' provides further information about the survey methodology and the EPS respondents.

Benchmarking of survey results

EPS data in the report includes comparison data for other Australian state and territory governments and the Australian Government where available and comparable. Several EPS items are included within employee surveys in these other jurisdictions and these items enable comparison of performance. The survey items were developed by an interjurisdictional working group on survey design and analysis.

Care should be taken in making comparisons between jurisdictions because there may be differences in wording of items or different response scales. These are noted where applicable throughout the report.

The sources of this comparison data are:

- Australian Public Service Commission: *State of the service report 2011–12*
- State Service Management Office, Tasmania: '2013 Tasmanian state service workforce survey'
- State Services Authority, Victoria: *The state of the public sector in Victoria 2011–12*
- Officer of the Commissioner for Public Employment, Northern Territory: *Northern Territory public sector employee survey report 2011*
- Public Service Commission, New South Wales: *People matter employee survey 2012 – Main findings report*.

Appendix B –
Public Sector Management Act 1994

The office of Public Sector Commissioner is established under s. 16 of the *Public Sector Management Act 1994* (PSM Act) with the main functions and powers outlined in ss. 21A-24, 45, 46, 49-51, and 97. The Commissioner principally assists the responsible minister (currently the Premier) in the administration of the PSM Act, and is directed by s. 22(1) to act independently in relation to the performance of his functions. The Commissioner is supported in his functions by a department established on and from 28 November 2008, designated as the Public Sector Commission.

Monitoring, evaluation and reporting under the PSM Act

This report fulfills the requirements under s. 22D(1) of the PSM Act for the Commissioner to report annually to each House of Parliament on:

- the state of administration and management of the public sector
- the compliance or non-compliance of public sector bodies and employees, either generally or in particular with:
  - the human resource management principles set out in s. 8(1)(a)(b) and (c) of the PSM Act
  - the principles of conduct set out in s. 9 of the PSM Act
  - public sector standards
  - codes of ethics
  - codes of conduct
- any other matters arising out of the performance of the Commissioner's functions that the Commissioner considers are of such significance as to require reporting.

Human resource management principles

Section 8 of the PSM Act sets out the human resource management principles.
The principles relevant to this report are:

- 8(1)(a) all selection processes are to be directed towards, and based on, a proper assessment of merit and equity
- 8(1)(b) no power with regard to human resource management is to be exercised on the basis of nepotism or patronage
- 8(1)(c) employees are to be treated fairly and consistently and are not to be subjected to arbitrary or capricious administrative acts.

Principles of conduct

Section 9 of the PSM Act sets out the principles of conduct that public sector bodies and employees must observe. They are:

- 9(a) to comply with the provisions of:
    - the PSM Act and any other Act governing their conduct
    - Commissioner's instructions, public sector standards and codes of ethics
    - any code of conduct applicable to the public sector body or employee concerned
- 9(b) to act with integrity in the performance of official duties and to be scrupulous in the use of official information, equipment and facilities
- 9(c) to exercise proper courtesy, consideration and sensitivity in their dealings with members of the public and employees.

Public sector standards in human resource management

The six standards issued by the Commissioner set out the minimum standards of merit, equity and probity to be complied with in the public sector. The standards have been developed and communicated to public sector bodies to achieve the outcomes described below.

- *Performance management standard*
  The performance of all employees is fairly assessed to achieve the work-related requirements of public sector bodies while paying proper regard to employee interests.

- *Redeployment standard*
  Redeployment decisions are equitable and take into account public sector bodies' work-related requirements and employee interests.

- *Termination standard*
  Termination decisions are fair and all entitlements are provided.

- *Discipline standard*
  The discipline process observes procedural fairness.

- *Grievance resolution standard*
  The process used by employing authorities to resolve or redress employee grievances is fair.

- *Employment standard* (*Commissioner's Instruction No. 1*)
  The four principles of merit, equity, interest and transparency are complied with when filling a vacancy (by way of recruitment, selection, appointment, secondment, transfer and temporary deployment [acting]) in the WA public sector.

Breach of standard claims

Where a person believes that a decision made by a public sector body has breached a standard (other than the *Discipline standard*) and they have been adversely affected by the breach, they may seek relief by lodging a breach of standard claim once the body has made a reviewable decision covered by a standard. The Commissioner administers a conciliation and review process to resolve breach of standard claims which is governed by the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*.

Details of the breach of standard claims process and the public sector standards are available on the Public Sector Commission's website.

Code of Ethics

On 3 July 2012, *Commissioner's Instruction No. 7 – Code of Ethics* became effective and replaced the *Western Australian Public Sector Code of Ethics* issued on 1 February 2008 by the former Commissioner for Public Sector Standards.

The *Code of Ethics* (issued by the Commissioner under s. 21(1)(b) of the PSM Act) sets out the minimum standards of conduct and integrity to be complied with by all public sector bodies and employees. It applies to all public sector employees, including chief executive officers, chief employees and ministerial staff, and public sector bodies covered by the PSM Act, which includes members of government boards established under their own legislation.

The three key principles of the *Code of Ethics* are:

- **Personal integrity** – we act with care and diligence and make decisions that are honest, fair, impartial, and timely, and consider all relevant information.

- **Relationships with others** – we treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare.

- **Accountability** – we use the resources of the state in a responsible and accountable manner that ensures the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

Codes of conduct

Codes of conduct set out the expected standard of conduct within a public sector body and are consistent with the principles of the *Code of Ethics*. *Commissioner's Instruction No. 8 – Codes of conduct and integrity training* requires all public sector bodies to develop, implement and promote a code of conduct and to ensure compliance with that code.

Appendix C –
Public Interest Disclosure Act 2003

The *Public Interest Disclosure Act 2003* (PID Act) applies to all WA public authorities, as defined in Part 1 of the PID Act. That definition, and the related definition of public officer, is expansive and includes, and extends beyond, the public sector as defined in the *Public Sector Management Act 1994*, so as to also encompass the following:

- staff of the Governor's Establishment
- political officeholders and electorate staff
- staff of the Parliament
- judicial officers and staff of courts and tribunals
- public universities
- local government authorities
- police officers
- government trading enterprises
- contractors and subcontractors to public authorities who supply goods or services to or on behalf of the authority or the state, or who perform public functions.

The objective of the PID Act is to:

- facilitate the disclosure of public interest information
- provide protection for people who make disclosures
- ensure appropriate disclosures are investigated and, where required, action taken.

The initial purpose of the PID Act was to ensure the openness and accountability of government. This purpose was achieved by enabling persons who witnessed illegal conduct, or the mismanagement of public resources, to disclose such wrongdoing without fear of reprisal. The PID Act was recently amended by expanding the capacity of employees to make public interest disclosures, and by increasing the protection available to whistleblowers.

Public interest information is information that shows, or tends to show, that a public authority, a public officer or a public sector contractor is, has been, or proposes to be, involved in:

- improper conduct

- an act or omission that constitutes an offence under a written law

- a substantial, unauthorised or irregular use of, or substantial mismanagement of, public resources

- conduct involving a substantial and specific risk of injury to public health, prejudice to public safety or harm to the environment

- a matter of administration affecting someone in a personal capacity that falls within the jurisdiction of the Parliamentary Commissioner for Administrative Investigations (Ombudsman).

Anyone, including members of the public, can make a disclosure of public interest information. A person making a disclosure must believe on reasonable grounds that the information they have is, or may be, true.

Disclosures must be made to a proper authority—either to a designated public interest disclosure officer within the public authority concerned, or to one of the proper authorities named in the PID Act, such as the Corruption and Crime Commission, the Office of the Auditor General, the Ombudsman or the Public Sector Commissioner. In certain circumstances, disclosures may be made to journalists. The PID Act does not protect disclosures made to persons other than proper authorities, or made to journalists in accordance with s. 7A(2) of the PID Act.

Proper authorities are required to manage appropriate disclosures in accordance with the PID Act. This includes investigating appropriate disclosures, providing reports to the discloser, and not identifying the discloser, or the subject of the disclosure, other than as provided for by the PID Act.

A person who makes an appropriate disclosure under the PID Act is afforded protections, including immunity from legal action, disciplinary action and termination for making the disclosure. These protections may be forfeited if:

- the person discloses information contained in the disclosure other than in accordance with the PID Act

- the person fails to assist in the investigation of the disclosure without a reasonable excuse.

As part of protecting disclosers, the PID Act also makes it an offence to take, or threaten to take, detrimental action against another because they have made, or intend to make, a disclosure under the PID Act. Penalties also apply where a person incites another person to commit that offence.

A person who believes that they have been, or will be, subjected to detrimental action in reprisal for disclosing public interest information may either apply to the Supreme Court for an order remedying the detrimental action, take civil action in tort, or make a complaint under the *Equal Opportunity Act 1984*. In the event that a discloser who is an employee still fears reprisal, the individual can apply to the employing authority for workplace relocation.

Role of the Commissioner

The role of the Commissioner is established in Part 4 of the PID Act. The Commissioner is to:

- establish a code setting out the minimum standards of conduct and integrity to be complied with by proper authorities (*Public interest disclosure code of conduct and integrity* (PID code))
- prepare guidelines on internal procedures relating to the functions of a proper authority under the PID Act and ensure all public authorities have copies of these guidelines (*Public interest disclosure – guidelines*)
- assist public officers and public authorities to comply with the PID Act and PID code
- monitor compliance with the PID Act and PID code
- report annually to parliament on:
  - the performance of the Commissioner's obligations under the PID Act
  - public authorities' compliance with the PID Act
  - public authorities' compliance with the PID code.

The Commissioner is also the proper authority for receiving disclosures of public interest information that relate to a public officer (other than a member of parliament, a minister of the Crown, a judicial officer, or an officer referred to in Schedule 1 of the *Parliamentary Commissioner Act 1971*).

Role of principal executive officers

Under s. 23 of the PID Act, the principal executive officer (PEO) of a public authority is required to:

- designate a specified position within the authority to receive disclosures of public interest information
- provide any employee who has made an appropriate disclosure with protection from detrimental action or the threat of detrimental action
- ensure the public authority complies with the PID Act and the PID code
- prepare and publish internal procedures relating to the authority's obligations under the PID Act
- provide information annually to the Commissioner on the:
  - number of public interest disclosures received
  - results of any investigations conducted and the action taken, if any
  - such other matters as are prescribed.

Changes to the PID Act

The PID Act changed on 21 November 2012 when amendments contained in the *Evidence and Public Interest Disclosure Legislation Amendment Act 2012* came into operation. These changes are set out below.

Enhanced protections available for disclosers of public interest information

The enhanced protections take two forms:

1. injunction – if persons believe they have been, or will be, subject to detrimental action in reprisal for making a protected disclosure, they may apply to the Supreme Court for either an order remedying the detrimental action, or injunctive relief.

2. relocation – employees who believe they have been, or will be, subject to detrimental action in reprisal for making a public interest disclosure may apply to their employing authority to be relocated. The employer will be required to relocate the employee away from the employee's existing work location when relocation is the only practical means of substantially reducing the danger of reprisal (provided the employee consents to the proposed relocation).

The ability to make an anonymous disclosure

A person is now explicitly able to make an anonymous public interest disclosure. If a person makes an anonymous disclosure, the relevant public authorities are relieved of their obligation to notify the discloser of the status or outcome of any investigation initiated, or any action taken, as a result of the disclosure.

The ability to make a disclosure to a journalist under certain conditions

Similar to laws in other jurisdictions, a disclosure can now be made to a journalist under certain conditions, and only when the disclosure has first been made to a proper authority.

Persons may make a disclosure to a journalist, provided they disclose information which is substantially the same as that which they disclosed in the original disclosure, and the proper authority receiving the original disclosure, or the person to whom a matter was referred to under s. 9(1)(b) of the PID Act, did one of the following:

- refused to investigate, or discontinued the investigation of, a matter raised by the disclosure
- did not complete an investigation within six months of the matter being raised
- completed an investigation but did not recommend that action be taken
- did not notify the discloser within three months of the disclosure being made about the proposed actions or the actions taken
- did not provide a report (if applicable) stating the outcome of the investigation and any action proposed or taken and the reasons for that action.

For the purposes of the PID Act, a journalist means a person engaged in the profession or occupation of journalism in connection with the publication of information in a medium for dissemination to the public of news and observation of news.

A person who makes a disclosure to a journalist, under the circumstances outlined above, is taken to be a person who makes a public interest disclosure and this person will be eligible to receive all the relevant protections under the PID Act.

The ability to reveal the identity of the discloser and the subject of a disclosure

Persons may need to identify the discloser or the subject of a public interest disclosure if they have been ordered by a court, or another person or body with the authority to make such an order.

Appendix D –
Structure of the government sector

The WA government sector structure is outlined in Table D.1. Collectively, departments, SES organisations, non-SES organisations and ministerial offices are referred to as the public sector.

Table D.1   WA government sector structure

Entity type	Examples
Departments Primarily responsible for delivery of public services and providing policy advice and administrative support to ministers. Departments are established under s. 35 of the *Public Sector Management Act 1994* (PSM Act).	• Department of the Attorney General • Department of the Premier and Cabinet • Department of Commerce
SES organisations Established for public purposes under a written law to perform defined statutory functions, and generally responsible though a board to a minister. SES organisations are specified in Schedule 2 of the PSM Act.	• Rottnest Island Authority • Botanic Gardens and Parks Authority • Western Australian Tourism Commission
Non-SES organisations Established for public purposes under a written law to perform defined statutory functions; generally responsible through a board to a minister, although usually with a degree of operational independence.	• Forest Products Commission • Corruption and Crime Commission • Legal Aid Commission of Western Australia
Ministerial offices Persons appointed to assist certain political officeholders.	• Staff of the office of the Minister for Health

Entity type	Examples
Government boards and committees Established under law to perform statutory functions such as guidance and direction for an organisation; regulation, registration and appeal; coordination of policies and projects; and advisory functions.	• Road Safety Council • Mental Health Review Board • Gender Reassignment Board

PSM Act Schedule 1 entities[a]
 	
Entities as defined in Schedule 1 of the PSM Act. These entities are constituted by or under a written law, or by the Governor or a minister, to undertake specific public functions, but operate at arm's length to the executive arm of the Government, often in a commercial/ semi-commercial environment or as part of the Westminster system of government. Schedule 1 entities include the judiciary (courts and tribunals), legislature (Parliament), public universities and local government authorities.
	• Public universities
	  (e.g. Murdoch University)
	• Local government authorities
	  (e.g. City of Perth)
	• Government trading enterprises
	  (e.g. Water Corporation)
	• Port authorities
	  (e.g. Fremantle Port Authority)
	• Police Force (i.e. sworn officers)
	• Courts and tribunals
	  (e.g. State Administrative Tribunal)
	• Departments of the Parliament
	  (e.g. Department of the Legislative Assembly)
	• Electorate offices

(a) Schedule 1 entities are not required to report to the Public Sector Commission under the PSM Act.

Public sector entities

Tables D.2 to D.5 provide a list of entities making up the public sector in 2012/13. Entities are classified according to functional category and size. 'Appendix A – Monitoring and evaluation framework' provides more information about these categories.

Table D.2   Departments

Department name	Functional category	Size
Department for Child Protection and Family Support	Service	Large
Department for Communities[a]	Service	Medium

(a) From 1 July 2013, the Department of Local Government and the Department for Communities were amalgamated by means of abolishing the Department of Local Government and renaming the Department for Communities as the Department of Local Government and Communities.

Department name	Functional category	Size
Department of Aboriginal Affairs	Policy, development and coordination	Small
Department of Agriculture and Food	Policy, development and coordination	Large
Department of Commerce	Oversight, regulatory and sector administration	Medium
Department of Corrective Services	Service	Large
Department of Culture and the Arts	Service	Small
Department of Education	Service	Very large
Department of Education Services	Service	Small
Department of Environment and Conservation[b]	Oversight, regulatory and sector administration	Large
Department of Finance	Oversight, regulatory and sector administration	Large
Department of Fire and Emergency Services	Service	Large
Department of Fisheries	Oversight, regulatory and sector administration	Medium
Department of Health	Service	Very large
Department of Housing[c]	Service	Large
Department of Local Government[d]	Oversight, regulatory and sector administration	Small
Department of Mines and Petroleum	Policy, development and coordination	Medium
Department of Planning	Oversight, regulatory and sector administration	Medium
Department of Racing, Gaming and Liquor	Oversight, regulatory and sector administration	Small
Department of Regional Development and Lands[e]	Policy, development and coordination	Medium

(b) From 1 July 2013, the Department of Environment and Conservation was renamed the Department of Parks and Wildlife and the Department of Environmental Regulation was established.

(c) The Housing Authority completed the annual agency survey on behalf of the Department of Housing.

(d) From 1 July 2013, the Department of Local Government and the Department for Communities were amalgamated by means of abolishing the Department of Local Government and renaming the Department for Communities as the Department of Local Government and Communities.

(e) From 1 July 2013, the Department of Regional Development and Lands was renamed as the Department of Regional Development, and the Department of Lands was established as a stand-alone department.

Department name	Functional category	Size
Department of Sport and Recreation	Policy, development and coordination	Small
Department of State Development	Policy, development and coordination	Small
Department of the Attorney General	Service	Large
Department of the Premier and Cabinet[f]	Policy, development and coordination	Medium
Department of the Registrar Western Australian Industrial Relations Commission	Oversight, regulatory and sector administration	Small
Department of Training and Workforce Development	Service	Medium
Department of Transport	Oversight, regulatory and sector administration	Large
Department of Treasury	Oversight, regulatory and sector administration	Medium
Department of Water	Policy, development and coordination	Medium
Disability Services Commission[g]	Policy, development and coordination	Large
Mental Health Commission	Policy, development and coordination	Small
Office of the Auditor General	Oversight, regulatory and sector administration	Small
Office of the Director of Public Prosecutions	Service	Medium
Office of the Environmental Protection Authority	Oversight, regulatory and sector administration	Small
Office of the Inspector of Custodial Services	Oversight, regulatory and sector administration	Very small
Public Sector Commission	Oversight, regulatory and sector administration	Small
Western Australia Police[h]	Service	Large
Western Australian Electoral Commission	Service	Small

(f) For the purposes of this report, the Department of the Premier and Cabinet includes ministerial offices.

(g) The Disability Services Commission is both a department (established under s. 35) and a SES organisation (as described in Schedule 2) within the PSM Act.

(h) The Police Service is a department (established under s. 35) and the Police Force is a Schedule 1 entity under the PSM Act.

Table D.3   SES organisations (listed in PSM Act Schedule 2)

SES organisation name	Functional category	Size
Art Gallery of Western Australia	Service	Small
Botanic Gardens and Parks Authority	Service	Small
C. Y. O'Connor Institute	Service	Small
Central Institute of Technology	Service	Large
Challenger Institute of Technology	Service	Medium
Chemistry Centre (WA)	Service	Small
Commissioner of Main Roads	Service	Large
Country High School Hostels Authority	Service	Small
Country Housing Authority[a]	-	-
Disability Services Commission[b]	Policy, development and coordination	Large
Durack Institute of Technology	Service	Medium
Economic Regulation Authority	Oversight, regulatory and sector administration	Small
Gascoyne Development Commission	Policy, development and coordination	Very small
Goldfields-Esperance Development Commission	Policy, development and coordination	Very small
Goldfields Institute of Technology	Service	Small
Government Employees Superannuation Board	Service	Medium
Great Southern Development Commission	Policy, development and coordination	Very small
Great Southern Institute of Technology	Service	Small
Housing Authority	Service	Large
Insurance Commission of Western Australia	Service	Medium
Kimberley Development Commission	Policy, development and coordination	Very small
Kimberley Training Institute	Service	Small
Lotteries Commission (Lotterywest)	Service	Small
Metropolitan Cemeteries Board	Service	Small
Metropolitan Redevelopment Authority	Policy, development and coordination	Small
Mid West Development Commission	Policy, development and coordination	Very small

(a) This entity has not been captured in the 2012/13 reporting sample.

(b) The Disability Services Commission is both a department (established under s. 35) and a SES organisation (as described in Schedule 2) within the PSM Act.

SES organisation name	Functional category	Size
Minerals and Energy Research Institute of Western Australia[c]	-	-
Peel Development Commission	Policy, development and coordination	Very small
Perth Theatre Trust	Service	Very small
Pilbara Development Commission	Policy, development and coordination	Small
Pilbara Institute	Service	Small
Polytechnic West	Service	Large
Professional Standards Council[c]	-	-
Public Transport Authority of Western Australia	Service	Large
Rottnest Island Authority	Service	Small
School Curriculum and Standards Authority	Oversight, regulatory and sector administration	Small
Small Business Development Corporation	Policy, development and coordination	Small
South West Development Commission	Policy, development and coordination	Small
South West Institute of Technology	Service	Medium
The Library Board of Western Australia (State Library of Western Australia)	Service	Small
The Western Australian Museum	Service	Small
West Coast Institute of Training	Service	Medium
Western Australian Alcohol and Drug Authority (Drug and Alcohol Office)	Policy, development and coordination	Small
Western Australian Land Information Authority (Landgate)	Service	Medium
Western Australian Tourism Commission	Service	Small
Wheatbelt Development Commission	Policy, development and coordination	Very small
WorkCover Western Australia Authority	Service	Small
Zoological Parks Authority	Service	Small

(c) This entity has not been captured in the 2012/13 reporting sample.

Table D.4   Non-SES organisations

Note: This list is based on information available to the Commission at the time of printing the report.

Non-SES organisation name	Functional category	Size
Agricultural Produce Commission	Oversight, regulatory and sector administration	Very small
Animal Resources Authority	Service	Small
Architects Board of Western Australia	Oversight, regulatory and sector administration	Very small
Bunbury Water Board (Aqwest)	Oversight, regulatory and sector administration	Small
Busselton Water Board	Oversight, regulatory and sector administration	Small
Commissioner for Children and Young People	Policy, development and coordination	Very small
Commissioner for Equal Opportunity	Policy, development and coordination	Small
Conservation Commission of Western Australia	Policy, development and coordination	Very small
Construction Industry Long Service Leave Payments Board	Oversight, regulatory and sector administration	Very small
Construction Training Fund	Service	Very small
Corruption and Crime Commission	Oversight, regulatory and sector administration	Small
Forest Products Commission	Policy, development and coordination	Small
Health and Disability Services Complaints Office	Service	Very small
Heritage Council of Western Australia	Policy, development and coordination	Small
Keep Australia Beautiful Council (WA)	Policy, development and coordination	Very small
Law Reform Commission of Western Australia	Policy, development and coordination	Very small
Legal Aid Commission of Western Australia	Service	Medium
Legal Practice Board	Oversight, regulatory and sector administration	Small
Office of the Information Commissioner	Oversight, regulatory and sector administration	Very small
Parliamentary Commissioner for Administrative Investigations (Ombudsman)	Oversight, regulatory and sector administration	Small

Non-SES organisation name	Functional category	Size
Parliamentary Inspector of the Corruption and Crime Commission of Western Australia[a]	-	-
Perth Market Authority	Service	Small
Potato Marketing Corporation of Western Australia	Oversight, regulatory and sector administration	Very small
Solicitor General[a]	-	-
Teacher Registration Board of Western Australia[a]	-	-
The Burswood Park Board	Service	Very small
The National Trust of Australia (WA)	Service	Small
The Queen Elizabeth II Medical Centre Trust	Service	Very small
Veterinary Surgeons' Board	Oversight, regulatory and sector administration	Very small
Western Australian Coastal Shipping Commission[a]	-	-
Western Australian Health Promotion Foundation (Healthway)	Policy, development and coordination	Small
Western Australian Meat Industry Authority	Oversight, regulatory and sector administration	Very small
Western Australian Sports Centre Trust (VenuesWest)	Service	Medium

(a) This entity has not been captured in the 2012/13 reporting sample.

Table D.5   Entities that report under another entity

Reporting entity name	Included entity name	Included entity type
Department of Agriculture and Food	Rural Business Development Corporation	SES organisation
Department of Commerce	Building Commission	Non-SES organisation
	Commission for Occupational Safety and Health	Non-SES organisation
	Plumbers Licensing Board	Non-SES organisation
Department of Culture and the Arts	ScreenWest	Non-SES organisation
	State Records Commission	Government board
Department of Education Services	Trustees of Public Education Endowment	Non-SES organisation
Department of Environment and Conservation	Swan River Trust	Non-SES organisation
Department of Finance	State Supply Commission	SES organisation
Department of Planning	Western Australian Planning Commission	Non-SES organisation
Department of Sport and Recreation	Combat Sports Commission	Non-SES organisation
Department of the Attorney General	Office of the Public Advocate	Non-SES organisation
	Public Trustee's Office	Non-SES organisation
Government Employees Superannuation Board	Parliamentary Superannuation Board	Non-SES organisation
Heritage Council of Western Australia	State Heritage Office	Non-SES organisation
Office of the Environmental Protection Authority	Environmental Protection Authority	Non-SES organisation
Public Sector Commission	Office of the Director of Equal Opportunity in Public Employment	Non-SES organisation
	Salaries and Allowances Tribunal	Non-SES organisation

Government boards and committees

Table D.6 provides a list of government boards and committees.

Table D.6   Government boards and committees

Government boards and committees
For a list of boards and committees, see the Department of the Premier and Cabinet's Government Boards and Committees Register at www.dpc.wa.gov.au/Consultation/Pages/GovernmentBoardsandCommittees.aspx

PSM Act Schedule 1 entities

Tables D.7 to D.9 provide a list of PSM Act Schedule 1 entities.

Table D.7   Local government authorities

Local government authorities
For a list of authorities, see the Local Government Directory on the Department of Local Government and Communities website at www.dlg.wa.gov.au/Content/Directory/Default.aspx

Table D.8   Public universities

Universities	
Curtin Univerisity of Technology	Murdoch University
Edith Cowan University	University of Western Australia

Table D.9   Other Schedule 1 entities

Other Schedule 1 entities	
Albany Port Authority	Prisoners Review Board of Western Australia
Broome Port Authority	Racing and Wagering Western Australia
Bunbury Port Authority	Racing Penalties Appeal Tribunal
Dampier Port Authority	State Administrative Tribunal
Department of the Legislative Assembly	The Electricity Generation Corporation (Verve Energy)
Department of the Legislative Council	The Electricity Networks Corporation (Western Power)
Electorate offices	The Electricity Retail Corporation (Synergy)
Esperance Port Authority	The Independent Market Operator
Fremantle Port Authority	The Regional Power Corporation (Horizon Power)
Geraldton Port Authority	Water Corporation
Gold Corporation	Western Australian Energy Disputes Arbitrator
Governor's Establishment	Western Australian Greyhound Racing Association
Liquor Commission	Western Australian Land Authority (LandCorp)
Police Force	Western Australian Treasury Corporation
Port Hedland Port Authority	

Appendix E – Employee perception survey

The employee perception survey (EPS) evaluates and reports on public sector employee views about management and administration, ethical behaviour, equity and diversity, and public interest disclosure.

Typically, the EPS is conducted in each public sector entity with more than 20 employees once every five years. Different regional areas of the largest agencies, Department of Health and Department of Education, are surveyed every year.

Between March and August 2013, 17 entities, out of a possible 85 (with more than 20 employees), completed the survey (including two regional areas from the Department of Health and one from the Department of Education). The average response rate to the survey was 38%.

To improve the representativeness of the sample, entities were selected across a range of sizes and portfolios. However, care should be taken in interpreting the EPS results because the sample may not be entirely representative of the broader public sector.

Table E.1 provides a comparison of the demographics of the 2013 EPS respondents with those of the wider public sector.[1] Compared with the sector, the EPS respondents were more likely to be male and working in a regional location.

Table E.1   Comparison of EPS respondents and WA public sector employees, 2013

		EPS respondents (%)	WA public sector (%)
Gender	Men	38	28
	Women	62	72
Region	Metropolitan	63	76
	Regional	37	24
Age (years)	Under 30	11	14
	30 – 49	46	47
	50 – 64	40	35
	65 and over	3	4

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1   Source: Human resource minimum obligatory information requirement (HRMOIR) workforce data as at 30 June 2013.

Table E.2 provides a list of the entities that completed the EPS in 2013 and their individual response rates.

Table E.2   EPS response rates for entities, 2013

Participating entity	Surveys distributed	Surveys returned	Response rate (%)
Department of Aboriginal Affairs	318	82	26
Department of Agriculture and Food	1235	653	53
Department of Education – Midwest Region	1659	355	21
Department of Fisheries	560	212	38
Department of Health – Western Australia Country Health Service – Great Southern	1870	356	19
Department of Health – Western Australia Country Health Service – Midwest	1727	370	21
Department of Sport and Recreation	202	132	65
Department of the Attorney General	1645	806	49
Durack Institute of Technology	229	135	59
Forest Products Commission	165	107	65
Great Southern Institute of Technology	211	119	56
Insurance Commission of Western Australia	350	173	49
Legal Aid Commission of Western Australia	324	134	41
Metropolitan Redevelopment Authority	106	68	64
Polytechnic West	1139	473	42
Western Australia Police Service (unsworn)	1900	979	52
Western Australian Tourism Commission	94	53	56
Total	**13734**	**5207**	**38**

Appendix F – Directed inquiries

Pursuant to s. 24H(1) of the *Public Sector Management Act 1994* (PSM Act), the Public Sector Commissioner may on his own initiative, or under s. 24H(2) at the direction of the Premier as the minister responsible for the PSM Act, arrange for the holding of a special inquiry into a matter related to the public sector.

In 2012/13, the Commissioner was directed to arrange for a special inquiry into the Peel Health Campus.

In accordance with s. 24H(4) of the PSM Act, the Commissioner has included the text of that direction given by the Premier in the Public Sector Commission's *Annual report 2012/13*.

The inquiry report and further details are available on the Commission's website.

Appendix G –
Machinery of government changes

Machinery of government (MOG) changes refer to changes made to public sector structures or administrative arrangements, arising from decisions of executive government or legislative changes. MOG changes include the establishment, designation, amalgamation, division or abolition of entities, or the movement of functions between entities.

To achieve and maintain operational responsiveness and flexibility, the Public Sector Commission provides advice to ministers on MOG changes to improve the efficiency and effectiveness of the public sector. MOG changes frequently occur following an election or when ministerial portfolio responsibilities change, and sometimes as a result of legislative changes passed by parliament.

Pursuant to s. 35(4) of the *Public Sector Management Act 1994* (PSM Act), the Public Sector Commissioner, when directed by the Premier as the minister responsible for the PSM Act, must make recommendations to the Governor to:

- establish and designate departments
- amalgamate or divide existing departments and designate the resulting departments
- abolish departments
- alter the designations of existing departments.

In accordance with s. 35(5) of the PSM Act, the Commissioner is obliged to include the text of a direction given by the Premier in an annual report to parliament.

There have been no directions given by the Premier in regard to MOG changes this year. All changes have arisen from decisions made by ministers or the Cabinet, or as a result of legislative changes.

In 2012/13, the following MOG changes occurred:

- On 1 July 2012, the Goldfields Institute of Technology was established.
- On 1 November 2012, the Fire and Emergency Services Authority of Western Australia was abolished, and the Department of Fire and Emergency Services was established in its place.
- On 7 December 2012, the Western Australian College of Teaching was abolished, and the Teacher Registration Board of Western Australia was established in its place.
- The Governor in Executive Council altered the designation of the Department of Indigenous Affairs to the Department of Aboriginal Affairs with effect on and from 17 May 2013.

The Governor in Executive Council also altered the designation of the Department for Child Protection to the Department for Child Protection and Family Support with effect on and from 23 August 2013.[1]

On 8 April 2013, Cabinet endorsed 12 MOG changes, of which 10 were overseen by the Commission. With effect on and from 1 July 2013, the following MOG changes have occurred:

- The Department of Local Government and the Department for Communities were amalgamated by means of abolishing the Department of Local Government, and renaming the Department for Communities as the Department of Local Government and Communities.
- The Department of Environment and Conservation was renamed the Department of Parks and Wildlife, and the Department of Environment Regulation was established.
- The Department of Lands was established as a stand-alone department, and the Department of Regional Development and Lands was renamed as the Department of Regional Development.
- The Office of Science was relocated from the Department of Commerce to the Department of the Premier and Cabinet.
- Employing powers under the PSM Act and budget appropriation for the Art Gallery of Western Australia, The Western Australian Museum, Perth Theatre Trust and The Library Board of Western Australia (State Library of Western Australia) were decentralised.
- The Regulatory Gatekeeping Unit and Regulatory Reform Branch functions of the Department of Treasury were transferred to the Department of Finance.

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1 Due to an error on the Cabinet decision sheet, the Department for Child Protection was incorrectly redesignated to the Department of Child Protection and Family Support, which took effect from 17 May to 22 August 2013. To more accurately reflect the name of the department and its role within the community, the Cabinet approved an amendment to the name of the department to the Department for Child Protection and Family Support in a Cabinet decision dated 27 June 2013.

Appendix H – Compliance statements

In accordance with s. 31(2) of the *Public Sector Management Act 1994* (PSM Act), organisations which are not listed in Schedule 1 of the *Financial Management Act 2006* (FM Act) are required to provide each year to the Public Sector Commissioner a statement on the extent to which they have complied with the public sector standards in human resource management, codes of ethics and any relevant code of conduct.

These compliance statements are reported below, in accordance with s. 31(4) of the PSM Act. Some non-SES organisations report with an affiliated entity instead under s. 31(1), and this is indicated where relevant.

Compliance statements provided under the PSM Act, 2012/13

Architects Board of Western Australia

No compliance issues concerning the public sector standards, the *Code of Ethics* or the board's code of conduct arose during the period from 1 July 2012 to 30 June 2013.

Commissioner for Children and Young People (CCYP)

The CCYP has a strong commitment to promoting integrity in official conduct.

The CCYP is an independent statutory officer, reporting directly to the Parliament. The Commissioner is committed to achieving high standards of monitoring and ensuring compliance with the public sector standards, the *Code of Ethics* and the office's code of conduct. The corporate executive, which includes the Commissioner, leads and promotes these standards within the office.

The office has policies, procedures and processes that support the application of:

- the *Code of Ethics*
- the public sector standards in human resource management
- the Commissioner's code of conduct and management of conflict of interest policy
- a family friendly workplace.

In the reporting period, the office has:

- incorporated all key public sector and CCYP documents in staff induction kits and programs, with all new staff required to attend ethics and accountability training
- continued to promote the code of conduct to all staff, including through the CCYP induction package for new staff
- held regular staff meetings where any matters relevant to public sector standards could be raised and discussed
- reviewed and endorsed the CCYP disciplinary policy to more clearly identify responsibilities and actions to be taken in the event of a disciplinary matter
- implemented a substandard performance management policy which was made available to all staff
- reviewed and endorsed several policies to ensure they remain current and promote the principles contained within the public sector standards and *Code of Ethics*, including gifts, benefits and rewards, management of conflicts of interest, grievances, staff attendance, and delegations.

The Commissioner has established procedures to ensure compliance with s. 31(2) of the PSM Act and has conducted appropriate internal assessments of recruitment practices and processes.

In 2012/13, there were no applications made for breaches of standards.

There has been no evidence of non-compliance with the *Code of Ethics*.

Commissioner for Equal Opportunity

In accordance with s. 31(2) of the PSM Act, the Commissioner for Equal Opportunity has fully complied with regard to the public sector standards, Commissioner's instructions, the *Code of Ethics* and the entity's code of conduct.

Commission for Occupational Safety and Health

Reported under the Department of Commerce in accordance with s. 31(1) of the PSM Act.

Conservation Commission of Western Australia

The Department of Environment and Conservation undertook human resource management for the Conservation Commission in 2012/13 under an operational relationship agreement.

In the administration of the Conservation Commission, the Director has complied with the public sector standards in human resource management, the *Code of Ethics* and the Conservation Commission's code of conduct.

Information on both the *Code of Ethics* and the code of conduct is provided to employees on commencement with the Conservation Commission.

No complaints have been lodged under the *Code of Ethics* during the reporting period and there have been no instances of misconduct.

Environmental Protection Authority

Reported under the Office of the Environmental Protection Authority in accordance with s. 31(1) of the PSM Act.

Legal Practice Board

The Legal Practice Board has fully complied with s. 31(2) of the PSM Act as it relates to the operations of the Board. The Board continues to be fully compliant with regard to the public sector standards and the *Code of Ethics*.

The Board is committed to maintaining a high standard of accountability, integrity and transparency in all its functions and activities, in line with the public sector standards. As part of this, the Board continues to undertake a program to review and update all the Board's policies relating to its internal and external functions, including human resource and workforce management. The Board is committed to continuing to develop its own code of conduct, both for Board members and Board staff, in line with *Commissioner's Instruction No. 8 – Codes of conduct and integrity training*.

In accordance with s.31 (2) of the PSM Act, the Board provides the following information regarding compliance during the period under review:

- nil breach claims

- information on the standards is provided at recruitment and the *Code of Ethics* is included in the Offer of Employment contract

- all employees receive an induction manual on employment with the Board, and the *Code of Ethics* is included in the Board's employee induction manual (the employee induction manual sets out all the Board's policies and conditions of employment, and all employees are required to sign a document stating they have read the manual)

- training is provided to persons on recruitment panels to ensure compliance with relevant standards

- the Board's policies are consistent with ethical principles and are subject to regular review and updating.

The Board is committed to continually seeking to review and update its current practices through avenues such as the auditing and review of its functions, performance management, ongoing training, and seeking feedback from all stakeholders.

Office of the Director of Equal Opportunity in Public Employment

Reported under the Public Sector Commission in accordance with s. 31(1) of the PSM Act.

Office of the Information Commissioner (OIC)

The OIC operates under an established code of conduct that references the *Code of Ethics*. OIC also has an employee grievance resolution policy in place. All new staff are provided with a copy of the code and grievance policy as part of an induction pack, and these documents are also available to staff on the OIC intranet.

The OIC has a low rate of staff turnover and has only recently been solely responsible for its own staff recruitment and human resource processes. Three new employees were appointed during 2012/13 and the *Employment standard* was adhered to at all levels.

The OIC is committed to complying with the standards and codes set out by the Public Sector Commission. Improvement to OIC policies and procedures is always encouraged through open discussion and regular audits.

Office of the Public Advocate

Reported under the Department of the Attorney General in accordance with s. 31(1) of the PSM Act.

Parliamentary Commissioner for Administrative Investigations (Ombudsman)

In the administration of the office of the Parliamentary Commissioner for Administrative Investigations, I have complied with the public sector standards in human resource management, the *Code of Ethics* and the office's code of conduct.

I have put in place procedures designed to ensure such compliance, and conducted appropriate internal assessments to satisfy myself that the above statement is correct.

Parliamentary Superannuation Board

Reported under the Government Employees Superannuation Board in accordance with s. 31(1) of the PSM Act.

Plumbers Licensing Board

Reported under the Department of Commerce in accordance with s. 31(1) of the PSM Act.

Salaries and Allowances Tribunal

Reported under the Public Sector Commission in accordance with s. 31(1) of the PSM Act.

Solicitor General

Reported under the Department of the Attorney General in accordance with s. 31(1) of the PSM Act.

State Heritage Office

Reported under the Heritage Council of Western Australia in accordance with s. 31(1) of the PSM Act.

Veterinary Surgeons' Board

There were no issues during the 2012/13 financial year regarding compliance with the public sector standards and ethical codes. Staff have been made aware of the standards and codes, and have access to hard copies.

Appendix I – Abbreviations

AAS	Annual agency survey
AEDM	Accountable and ethical decision making
CEO	Chief executive officer
DPC	Department of the Premier and Cabinet
EEO	Equal employment opportunity
EPS	Employee perception survey
FM Act	*Financial Management Act 2006*
FTE	Full-time equivalent
FoGHR	Foundations of government human resources
HRMOIR	Human resource minimum obligatory information requirement
ICG	Integrity Coordinating Group
KPI	Key performance indicator
MOG	Machinery of government
OAG	Office of the Auditor General
OSH Act	*Occupational Safety and Health Act 1984*
PEO	Principal executive officer
PID	Public interest disclosure
PID Act	*Public Interest Disclosure Act 2003*
PSM Act	*Public Sector Management Act 1994*
SES	Senior Executive Service
WA	Western Australia

Appendix J – Glossary of terms

Aboriginal Australian

See entry under 'Indigenous Australian'.

Advisory service

The Public Sector Commission provides a daily advisory service via phone and email to public bodies covered by the *Public Sector Management Act 1994* (PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act), their employees, and members of the community. This service provides advice on a range of matters including the public sector standards in human resource management, public interest disclosure, ethical codes and integrity.

Annual agency survey (AAS)

The AAS is conducted by the Commission to collect information from departments, Senior Executive Service (SES) organisations and non-SES organisations with regard to their compliance with the general principles of human resource management, the *Commissioner's Instruction No. 7 – Code of Ethics*, codes of conduct, and the PID Act; and their general state of administration and management. Further information is provided in 'Appendix A – Monitoring and evaluation framework'.

Australian and New Zealand Standard Classification of Occupations (ANZSCO)

A skill-based classification of occupations, developed as the national standard for organising occupation-related information for purposes such as policy development and evaluation, human resource management, and labour market and social research. The classification includes all jobs in the Australian workforce.

Australian Standard Classification of Occupations (ASCO)

A skill-based classification of occupations, encompassing all jobs in the Australian workforce. It has been superseded by ANZSCO.

Breach of standard claim

The *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* provide for persons to make a claim that an entity has not complied with the requirements of a public sector standard where they believe they have been adversely affected by the breach. When referred to the Commission, a determination is made by the Public Sector Commissioner as to whether a breach has occurred. Information about the standards is provided in 'Appendix B – Public Sector Management Act 1994'.

Chief employee

A chief employee is the principal officer of a non-SES organisation, or of an agency where the principal officer is not a member of the SES, as specified in s. 3 of the PSM Act.

Chief executive officer (CEO)

For the purposes of this report, CEOs are the principal officers of departments or SES organisations, as specified in s. 3 of the PSM Act. They are accountable for the efficient and effective management of their agency. A CEO is directly responsible to either a minister or a board for implementing agency services and providing policy advice. The Commissioner employs all CEOs appointed under the PSM Act.

Code of conduct

A code of conduct is a formal written policy applicable within each public sector body that expands on the principles set out in the *Code of Ethics*. Further information is provided in the *Conduct guide* and 'Appendix B – Public Sector Management Act 1994'.

Code of Ethics

The *Code of Ethics* outlines the minimum standards of conduct and integrity for public sector bodies and employees. Further information is provided in 'Appendix B – Public Sector Management Act 1994'.

Commission

For the purposes of this report, the term 'Commission' refers to the Public Sector Commission, unless otherwise specified. The Commission is principally established to assist the Commissioner in the management, administration and performance of the public sector.

Commissioner

For the purposes of this report, the term 'Commissioner' refers to the Public Sector Commissioner, unless otherwise specified. The Commissioner is appointed under s. 17 of the PSM Act.

Commissioner's instruction

Commissioner's instructions are issued by the Commissioner under ss. 21 or 22A of the PSM Act and provide direction to public sector bodies and employees on matters relating to the Commissioner's functions, administration and management of the public sector, and the application of the PSM Act. Existing instructions include:

- *Commissioner's Instruction No. 1 – Employment standard*
- *Commissioner's Instruction No. 2 – Filling a public sector vacancy*
- *Commissioner's Instruction No. 3 – Discipline – general*
- *Commissioner's Instruction No. 4 – Discipline – former employees*
- *Commissioner's Instruction No. 5 – Publishing a public sector notice*
- *Commissioner's Instruction No. 6 – Workforce data reporting obligations*
- *Commissioner's Instruction No. 7 – Code of Ethics*
- *Commissioner's Instruction No. 8 – Codes of conduct and integrity training*
- *Commissioner's Instruction No. 10 – Review of classification level of employees seconded to special offices to assist a political office holder*.

Council of Australian Governments (COAG)

The primary intergovernmental forum in Australia is known as COAG. The members of COAG are the Prime Minister, state and territory premiers and chief ministers, and the President of the Australian Local Government Association.

The council is currently pursuing a reform agenda aimed at improving economic and social participation, strengthening the national economy, creating a more sustainable and liveable Australia, delivering better health services and closing the gap in Indigenous disadvantage.

Distribution (equity index)

The distribution of a diversity group relates to how evenly a group is dispersed through the salary profile. Distribution is determined using the equity index. An index of 100 is considered optimal; an index less than 100 suggests the group is disproportionately represented in lower salary levels. If there are less than 10 persons in a diversity group, the index may not be a good indicator of the true distribution of salary levels within the group.

For information about how to calculate the equity index, see the *State of the sector statistical bulletin 2013*.

Employee perception survey (EPS)

The Commission conducts the EPS across the public sector to establish employee views of the extent to which behaviour in their entity is consistent with human resource standards, the *Code of Ethics*, and equity and diversity principles. The survey also aims to establish employee knowledge of, and confidence in, the PID Act. For further information, see 'Appendix A – Monitoring and evaluation framework' and 'Appendix E – Employee perception survey'.

Employment type

Employment type relates to whether employees are employed on a permanent, fixed term, casual or sessional basis and whether they work full or part-time.

- **Permanent**
  An employee who is employed for an indefinite period of time, usually under the terms and conditions of a relevant award or agreement.
- **Fixed term**
  An employee who is employed for a fixed period of time.
- **Full-time**
  An employee who usually works at least the agreed or award hours for a full-time employee in his or her occupation. If the agreed or award hours do not apply, an employee is regarded as full-time if ordinarily working 35 hours or more per week.
- **Part-time**
  An employee who works less than full-time hours as defined above.
- **Casual**
  An employee who is paid an hourly rate and receives a loading, usually in lieu of leave entitlements. The employee may work any number of hours, and the job may be temporary or have irregular hours.
- **Sessional**
  An employee who is employed to work for sessional periods (e.g. a school term or semester).

Engagement

Engagement (when used in reference to employment) refers to employees who have commenced employment in the WA public sector in the last financial year. This includes both employees who have joined from outside the sector and employees from different employing authorities within the sector, and occurs through promotions, transfers, redeployments and secondments.

Equal Opportunity Act 1984 (EO Act)

The EO Act provides for the principles of equal opportunity in WA. It addresses discrimination in the areas of employment, accommodation, education, and the provision of goods, facilities, services and activities on the following grounds:

- sex
- sexual orientation
- gender history
- family responsibility or family status
- marital status
- race
- religious or political conviction
- age
- impairment
- pregnancy.

Part IX of the EO Act provides specifically for equal opportunity in public employment, and establishes the statutory position and functions of the Director of Equal Opportunity in Public Employment.

Ethical codes

Ethical codes comprise the *Code of Ethics*, together with the individual codes of conduct of public sector bodies. 'Appendix B – Public Sector Management Act 1994' provides further information on the *Code of Ethics* and codes of conduct.

Financial Management Act 2006 (FM Act)

The FM Act provides for the management, administration and reporting of the public finances of WA.

Full-time equivalent (FTE)

One FTE is one person paid for a full-time position. The FTE for a position is calculated by dividing the number of hours the employee is paid by the standard award hours for that position.

FTE totals include all current employees apart from board members, unless they are on an entity's payroll; trainees engaged through any traineeship program, award or agreement; casuals that were not paid in the final pay period for the financial year; and any time that is not ordinary time paid such as overtime and flex time.

Human resource management principles

Section 8 of the PSM Act sets out the human resource management principles. 'Appendix B – Public Sector Management Act 1994' provides further information.

Human resource minimum obligatory information requirement (HRMOIR) data

On a quarterly basis, the Commission collects and reports HRMOIR workforce data through the Workforce Analysis and Collection Application (WACA). The data includes demographic information such as age, gender, diversity status and occupation. For further information, see 'Appendix A – Monitoring and evaluation framework'.

Indigenous Australian

The terms 'Indigenous Australian' and 'Aboriginal Australian' are both used in this report.

The term 'Indigenous Australian' is respectfully used to refer to persons of Aboriginal and/or Torres Strait Islander descent who identify as such, and are accepted as such, by the community in which they live. This term is used in recognition of the terminology used in the *National partnership agreement on Indigenous economic participation*, and other relevant benchmarks.

The term 'Aboriginal Australian' is used in reference to the Aboriginal community and WA Government local policy programs such as the *Aboriginal employment strategy 2011–2015*. This is also in line with the renaming of the Department of Indigenous Affairs to the Department of Aboriginal Affairs.

Integrity Coordinating Group (ICG)

The ICG seeks to achieve cooperation and consistency through public awareness, workplace education, prevention, advice and investigation activities across a range of integrity themes. The group comprises the Parliamentary Commissioner for Administrative Investigations (Ombudsman), Auditor General, Information Commissioner, Corruption and Crime Commissioner and Public Sector Commissioner.

Machinery of government (MOG)

MOG changes are those made to public sector structures or administrative arrangements, arising from a recommendation by the Commissioner to the Governor. This may occur at the direction of the Premier or as a result of a decision made by the Cabinet. MOG changes include the creation, amalgamation, abolition or division of departments or organisations, or the movement of functions between departments or organisations. 'Appendix G – Machinery of government changes' provides further information about the MOG changes that occurred in 2012/13.

Management tiers

Tier one managers direct and are responsible for the entity, as well as its development as a whole. They have ultimate control of, and responsibility for, employees in the other management tiers. Typical titles include director general, CEO, general manager, executive director and commissioner. There is usually only one tier one manager in an entity.

Tier two managers report directly to tier one management and assist tier one management by implementing organisational plans. They are directly responsible for leading and directing the work of other managers of functional departments. They may be responsible for managing professional and specialist employees. They do not include professional and graduate staff (e.g. engineers, medical practitioners and accountants) unless they have a primary management function.

Tier three managers report to tier two management. They formulate policies and plans for their area of control, and manage a budget and employees. They are the interface between tier two management and lower level managers. They also do not include professional and graduate staff unless they have a primary management function.

The management profile of a smaller entity may comprise only one or two tiers of management.

Matters of referral

Matters may be referred to the Commission for investigation or monitoring as part of its compliance monitoring role under s. 21 of the PSM Act. This may include requests for assistance; complaints about poor management, governance or compliance with public sector standards (outside of a breach claim process); and specific allegations of unethical behaviour. A matter may result in an examination, review or special inquiry. However, investigations may also be instigated by the Commissioner without a matter being raised with the Commission by an external party.

Mature workers

Mature workers are those aged 45 years and over.

Non-SES organisations

These comprise bodies, offices, posts or positions that are established or continued for a public purpose under a written law, and are not specified in either Schedule 1 or Schedule 2 of the PSM Act. For a list of entities, see 'Appendix D – Structure of the government sector'.

Occupational Safety and Health Act 1984 (OSH Act)

The OSH Act promotes and improves standards for occupational safety and health; establishes the Commission for Occupational Safety and Health; provides for a tribunal for the determination of certain matters and claims; and facilitates coordination of the administration of laws relating to occupational safety and health.

People from culturally diverse backgrounds

These are people born in countries other than the following, which have been categorised by the Australian Bureau of Statistics as mainly English speaking countries:

- Australia
- Canada
- Ireland
- New Zealand
- South Africa
- United Kingdom (England, Northern Ireland, Scotland, Wales)
- United States of America.

People with disability

People with disability have an ongoing employment restriction due to their disability that requires any of the following:

- restriction in the type of work they can do
- modified hours of work or schedules
- adaptations to the workplace or work area
- specialised equipment
- extra time for mobility or for some tasks
- ongoing assistance or supervision to carry out their duties.

Principal executive officer (PEO)

A PEO (referred to in s. 23 of the PID Act) is the person who has general direction and control of, and overall responsibility for, the operations of an entity and the management of its staff. For example, chief executives of public sector bodies and PSM Act Schedule 1 entities, and chairpersons of boards (if there is no chief executive or staff), are PEOs of their entities.

Principles of conduct by public sector bodies

Section 9 of the PSM Act sets out the principles of conduct to be observed by public sector bodies. 'Appendix B – Public Sector Management Act 1994' provides further information.

Proper authority for receiving a public interest disclosure (PID)

A PID must be made to a proper authority, which includes registered PID officers and named authorities listed in s. 5(3) of the PID Act. 'Appendix C – Public Interest Disclosure Act 2003' provides further information.

Public administration and management principles

Section 7 of the PSM Act sets out the principles of public administration and management to be observed in relation to the public sector.

Public authority

Public authority is defined in s. 3 of the PID Act to mean:

- a department of the public service established under s. 35 of the PSM Act
- an organisation specified in column 2 of Schedule 2 of the PSM Act
- a non-SES organisation within the meaning of that term in s. 3(1) of the PSM Act
- a local government or a regional local government
- a body that is established or continued for a public purpose under a written law
- a body that is established by the Governor or a minister
- any other body or the holder of an office referred to in subsection (2) of the PID Act that is declared by the regulations to be a public authority.

Public interest disclosure (PID)

A PID is a disclosure of public interest information made under the PID Act. 'Appendix C – Public Interest Disclosure Act 2003' provides further information.

Public Interest Disclosure Act 2003 (PID Act)

The PID Act facilitates the disclosure of public interest information, and provides protection for those making disclosures and those who are the subject of disclosures. 'Appendix C – Public Interest Disclosure Act 2003' provides further information.

Public interest disclosure (PID) officer

A person who is a PID officer occupies a position within a public authority designated to receive disclosures of public interest information. 'Appendix C – Public Interest Disclosure Act 2003' provides further information.

Public interest disclosure survey (PID survey)

The PID survey is an annual survey conducted by the Commission to collect information about compliance with the PID Act and the *Public interest disclosure code of conduct and integrity*. The PID survey asks public authorities about their PID officers, internal procedures and whether they have received any disclosures in 2012/13. 'Appendix A – Monitoring and evaluation framework' provides further information.

Public interest information

Public interest information is defined in s. 3 of the PID Act, and refers to information such as improper conduct, offences under state law, mismanagement of resources, and acts that may cause concerns for individual or public safety. 'Appendix C – Public Interest Disclosure Act 2003' provides further information.

Public sector

Collectively, departments, SES organisations, non-SES organisations and ministerial offices are referred to as the public sector. For a list of entities, see 'Appendix D – Structure of the government sector'.

Public Sector Management Act 1994 (PSM Act)

The PSM Act provides the legislative framework for the structure, administration and management of the WA public sector. The PSM Act covers areas such as:

- public sector conduct obligations
- the role and functions of the Commissioner
- functions and responsibilities of CEOs
- managing substandard performance and disciplinary matters
- appointments to the SES.

Public sector standards

The public sector standards are issued by the Commissioner in accordance with s. 21 of the PSM Act and set out minimum levels of merit, equity and probity in relation to recruitment, selection, secondment, transfer, temporary deployment, performance management, grievance resolution, redeployment, discipline and termination. 'Appendix B – Public Sector Management Act 1994' provides further information.

Reporting period

This report is based on information about activities that occurred during the 2012/13 financial year unless otherwise specified.

Representation

Representation (when used in reference to diversity) is the number of employees who self-identify as belonging to a diversity group, expressed as a proportion of the number of valid responses to a voluntary diversity survey managed by public authorities.

Response rate

The response rate is the number of valid survey responses as a proportion of the valid number of persons or entities who were invited to complete a survey.

Salary ranges

Unless otherwise specified, salary ranges are based on the *Public Service and Government Officers General Agreement 2011* (PSGOGA) general division salary levels, where salary range 10 combines Class 1 and above.

Salary range data includes all employees of an entity, including permanent employees, fixed term employees, casuals, trainees and others according to their current equivalent annual base wage or salary. The equivalent salary is the wage that would be paid to a full-time employee at that level including:

- base wage or salary for employees on unpaid leave
- equivalent annual rate of pay as specified in the award, enterprise or workplace agreement
- salary incremental step
- ordinary time earnings
- higher duties allowance for ordinary time hours.

Penalty payments, overtime pay, shift and other remunerative allowances are excluded.

Schedule 1 entity

Schedule 1 entities are statutory authorities specified in Schedule 1 of the PSM Act, which do not form part of the public sector as defined in s. 3 of the PSM Act. For a list of entities, see 'Appendix D – Structure of the government sector'.

Senior Executive Service (SES)

The SES comprises senior executive roles (including senior executive officers and CEOs) as constituted under s. 43 of the PSM Act. The purpose of the SES is to arrange for a group of executive officers capable of:

- providing high level policy advice and undertaking managerial responsibilities
- being deployed within, and between, agencies
- promoting the efficiency of individual agencies.

CEOs are appointed by the Governor under s. 45 of the PSM Act. An officer may be appointed as a member of the SES in accordance with s. 53 of the PSM Act. The SES position will be higher than PSGOGA Level 8, however not all employees above Level 8 are SES members.

Separation

A separation occurs when an employee ceases to be employed by an entity. Employee movements are at an entity level i.e. if an employee resigns from one entity to join another entity, this is recorded as a separation.

Separation rate

This represents the number of permanent and fixed-term employees who ceased to be employed by an entity, divided by the total number of permanent and fixed-term employees. Employee movements are at an entity level i.e. if an employee resigns from one entity to join another entity, this is recorded as a separation.

SES organisation

SES organisations are statutory authorities specified in Schedule 2 of the PSM Act, which form part of the public sector as defined in s. 3 of the PSM Act, and which are subject to that Act. For a list of entities, see 'Appendix D – Structure of the government sector'.

Treasurer's instruction

Treasurer's instructions are issued by the Treasurer under s. 78 of the FM Act about matters of financial administration. They prescribe minimum requirements on such matters as accounting for revenue, expenditure and property, the standards of reporting and others necessary to achieve the objects and purposes of the Act. They must be observed by all entities to which they apply.

Women in management

Women in management refers to the representation of women in the top three management tiers, including the SES. The management tiers link to decision-making responsibility, rather than salary.

Youth

Youth refers to employees under 25 years of age.

Appendix K – References

For all Public Sector Commission publications, please refer to the Commission's website at: www.publicsector.wa.gov.au

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Appendix L – List of figures

Appendix M – List of tables

Appendix N – Acknowledgements

Contribution of information and statistics

The Commission thanks the following entities that provided information and statistics for this year's report:

- Commission for Occupational Safety and Health (WorkSafe WA)
- Department of Finance
- Department of the Premier and Cabinet
- Department of Regional Development
- Department of Training and Workforce Development

- Department of Treasury
- Disability Services Commission
- Office of the Auditor General
- RiskCover

Contribution of case studies

The Commission gives special thanks to the entities that are featured in case studies in this year's report. The following entities contributed information for these case studies:

- Central Institute of Technology
- Commissioner of Main Roads
- Country High School Hostels Authority
- Curtin University of Technology
- Department for Child Protection and Family Support
- Department of Agriculture and Food
- Department of Culture and the Arts
- Department of Education
- Department of Health
- Department of Housing
- Department of Local Government and Communities
- Department of Mines and Petroleum

- Department of Training and Workforce Development
- Disability Services Commission
- Fremantle Port Authority
- Integrity Coordinating Group
- Public Sector Safety, Health and Injury Management Steering Group
- State Library of WA
- Western Australia Police
- Western Australian Alcohol and Drug Authority
- Western Australian Land Information Authority (Landgate)
- WorkCover WA Authority
- Zoological Parks Authority

Contribution of photos

The Commission acknowledges and thanks the following entities for contributing photos of government employees and projects to this year's report:

- Botanic Gardens and Parks Authority
- Department of Agriculture and Food
- Department of Corrective Services
- Department of Culture and the Arts
- Department of Education
- Department of Fisheries
- Department of Parks and Wildlife
- Department of Regional Development
- Department of the Attorney General
- Durack Institute of Technology
- Forest Products Commission
- Kimberley Training Institute
- Lotteries Commission
- Murdoch University
- Pilbara Institute
- ScreenWest
- State Heritage Office
- The Electricity Networks Corporation (Western Power)
- The Electricity Retail Corporation (Synergy)
- Water Corporation
- Western Australian Alcohol and Drug Authority
- Western Australian Electoral Commission
- Wheatbelt Development Commission