PSC Public Sector Commission

GOVERNMENT OF
WESTERN AUSTRALIA

State of the sectors 2016

Reassess, reinvent, reinforce

Letter of transmittal

I hereby submit to the Parliament of Western Australia my report, *State of the sectors 2016 – Reassess, reinvent, reinforce* in accordance with section 22D of the *Public Sector Management Act 1994*, section 22 of the *Public Interest Disclosure Act 2003* and section 45ZD of the *Corruption, Crime and Misconduct Act 2003*.

The report describes the state of public sector administration and management in accordance with the *Public Sector Management Act 1994* and reports on the extent of compliance by public sector agencies with public sector standards and ethical codes.

State of the sectors 2016 – Reassess, reinvent, reinforce also meets my obligation to report on the extent of public authorities' compliance with the *Public Interest Disclosure Act 2003*. It also meets obligations to monitor trends and activities in relation to the *Corruption, Crime and Misconduct Act 2003*, to ensure public authorities are responding effectively to misconduct.

M C Wauchope
PUBLIC SECTOR COMMISSIONER

17 November 2016

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Commissioner's foreword

As the Western Australian Public Sector Commissioner I am in a unique position to have a broad view of the operations and achievements of our public authorities, including State government agencies, local governments, public universities, government trading enterprises, and many government boards and committees. Over the past year I have observed our sectors beginning to transform, with leaders reinventing their organisations, reassessing their operating environment and reinforcing core public service values and principles.

I am pleased to deliver to the Parliament of Western Australia, public authorities and the Western Australian community my sixth *State of the sectors* report. The theme of the 2016 report—Reassess, reinvent, reinforce—follows on from last year's report where I observed the sectors creating opportunities and using this momentum to drive renewal. I believe we are now seeing these efforts come to fruition.

This report contains my observations about our sectors, based on data collected from our survey program and my regular interactions with public authorities across the State. As this past year marked the start of new arrangements for reporting minor and serious misconduct under the *Corruption, Crime and Misconduct Act 2003*, we now have a very broad picture of the conduct of public officers. I am confident this report reflects the transformation of the integrity landscape and will provide a solid benchmark going forward.

Overall the sectors are in good shape. Our workforce is outwardly flexible and well positioned to contend with current and future challenges as they arise. However, the data only provides part of the story. I believe the greatest insight, reflection and learning comes through showcasing good practice, innovation and collaboration. This year we have seen many examples of public authorities transforming themselves and redefining the way the community uses government services.

The Underground Perth Busport Project, managed by the Public Transport Authority, has transformed public transport in the metropolitan area by enhancing the commuter experience. Landgate through its Land Registry is transforming the way land registration transactions are conducted to meet the future needs of the State in the digital age. The establishment of the Office of the Government Chief Information Officer and its work on the *Digital WA strategy* will also redefine how public sector agencies operate in our increasingly digital world. All are examples that highlight an ongoing commitment by public sector agencies to become smart, agile and innovative businesses, improving the way the community accesses information and services.

We have also seen some of the largest service-based agencies reinvent the way they do business. The Departments of Health, Training and Workforce Development, and Child Protection and Family Support are just a few. I acknowledge the leaders of these agencies who agreed to share their transformation stories. Their journey is featured throughout the report—'In their own words'—and are both enlightening and thought-provoking. I aim to continue to highlight good practice and share stories that will enable leaders to use the lessons learned as they embark on their own journey.

Fiscal pressures, rapidly changing information and communications technology and evolving workforce demographics are key factors leading to a more complex operating environment. However, external pressures should be anticipated and considered as part of any effective transformation process. Over the last 12 months, public authorities have been shaped by legislative changes and workforce initiatives. A case in point relates to changes to the oversight of minor and serious misconduct and the misconduct prevention and education functions–the biggest transformation to the integrity landscape in over a decade–which we have led in partnership with the Corruption and Crime Commission. While the data shows we have inherently ethical public authorities, it has also revealed there are vast differences in the maturity of systems and processes to prevent and manage misconduct.

Over the past year we have seen how public perception can be influenced by the offer and acceptance of gifts, benefits and hospitality by public officers. We have also seen how the maturity of governance systems of public authorities, and capability of public

officers, in managing these issues appropriately varies across the sectors. The risks associated with government procurement has also been highlighted during the year, particularly the relationships that can exist between public officers involved in making procurement decisions and service providers. In light of these issues, the Commission has sought to assure that public authorities understand how to report conduct-related matters and determine if they are complying with their legislative requirements. The results of this assurance work is highlighted in the 'Evaluations across the sectors' features in the report. Highlights from our 'Arrangements to manage misconduct and notify minor misconduct' evaluation starts on page 58 and highlights from 'Personal use of publicly-funded facilities by public officers' is on page 66. Both evaluations provide key learnings all public authorities should consider.

Mastering the ambiguity and uncertainty created by external pressures is not easy and affects organisational culture, governance and capability. Leaders must ensure their people are sufficiently capable of managing the complexities of external pressures. This involves authorities constantly scanning the external environment and realigning the business to meet the demands and expectations of the government and community.

In my view leaders need to re-think the organisational paradigm to take advantage of the transformation process and ensure an approach that addresses the future, not just the here and now. It is imperative this is supported by strong organisational culture, good governance, ethical decision making frameworks and the necessary capabilities. As evidenced by our leaders featured throughout the report, true and lasting transformation requires change across all parts of the system and 'buy-in' from all stakeholders—particularly our people.

The change process should consider the interests of our employees and allow them to engage meaningfully with it, especially as it relates to their roles and responsibilities. Above all, we must continue to invest in the development of our employees as the nature and scope of our work evolves and incorporate diverse perspectives. Similarly, it is important to reinforce the core principles of public service, by acting in the public interest, embedding integrity and accountability, and understanding what it means to be a public employee of this State. These are the building blocks on which strong and ethical sectors are built.

M C Wauchope
PUBLIC SECTOR COMMISSIONER

17 November 2016

How to read this report

The observations and findings presented in the *State of the sectors 2016* report, draw on the sources of information described below. This information is interpreted and reported in the context of ongoing consulting work, consideration of cases and issues examined in an oversight capacity, and interactions with public authorities, leaders and public officers through a variety of advisory and capacity-building programs and activities.

Analysing our public sector environment

The Commissioner has a specific role under several pieces of legislation, including the *Public Sector Management Act 1994* (PSM Act), *Public Interest Disclosure Act 2003* (PID Act) and *Corruption, Crime and Misconduct Act 2003* (CCM Act).

The Commissioner collects data from public authorities and reports on compliance with, and outcomes of, a range of legislative processes and issues involving the workforce.

In analysing our public sector environment, the Commission relies on public authorities providing timely and accurate responses to its surveys. It should be noted, that an authority's systems and capability impacts the data collected and reported.

Public authorities' perspectives

Data and perspectives about public authorities are the result of two annual surveys conducted by the Public Sector Commission (the Commission). This year, the Public sector entity survey (PSES) obtained the views and details of operations of 78 public sector agencies. The Integrity and conduct survey (ICS) obtained the views and details of operations of 215 other public authorities. Where data or perspectives are a combination of information from both surveys, the 'catch-all' term public authority is used.

Employee perspectives

Each year the Commission selects a sample of public sector employees to survey on their perceptions about their role, team and agency. This year, the Employee perception survey (EPS) obtained the views of 7390 employees across 11 public sector agencies.

Workforce trend data

The Commission regularly collects workforce and diversity data from public sector agencies through the Human resource minimum obligatory information requirement (HRMOIR). Diversity data from all other public authorities is sourced from the Equal employment opportunity survey. This information helps describe the workforce in public sector agencies and highlights changes over time.

Other data sources

Data on minor misconduct and other Commission operations is sourced from the Commission's Resolve database. Comparative data and other quotes are referenced in footnotes as they occur through the report. A list of references is provided at Appendix H.

Accessing the series

Visit www.publicsector.wa.gov.au to find previous State of the sector reports and State of the sector statistical bulletins.

Workforce

Workforce

Strong and effective leadership is key to high performance. The last year has been particularly challenging for our leaders in a complex operating environment.

Despite public sector workforce participation remaining relatively steady over the last five years, we have moved away from traditional administrative jobs to more professional roles. Due to the nature of the work, employees are remaining in the sector longer, requiring an adjustment in cultures to accommodate an increasingly intergenerational workforce. Our next generation of leaders will play a crucial role in shaping this agenda.

'The jobs of tomorrow will require a broad set of transferable skills, such as creativity, problem solving and critical thinking, while traditional blue-collar jobs are becoming increasingly technologically focused'[1]

To ensure the workforce has the right skills in a changing context, our leaders must maintain a focus on developing flexible and responsive people who are willing to adapt as required. This can be achieved by reviewing and renewing the way we recruit, manage, deploy and develop our people. The shifting economy has broadened the scope of talent we attract, including those who may not have previously considered a career in the public sector.

The size of the public sector workforce will not always keep pace with population growth. Harnessing untapped expertise and expanding current competencies is essential to building the capability of our workforce, improving productivity and producing better outcomes for the Western Australian community.

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[1] Committee for Economic Development of Australia (CEDA), 2016, *VET: Securing skills for growth*

What does our public sector workforce look like?

The public sector is made up of dedicated and determined people who want to make a difference to our community. As shown below, most employees occupy front-line, service delivery roles relating to education, health and welfare.

Figure 1.　Workforce snapshot by occupational group

	Number (FTE)	Median age (years)	Median income ($,000)	Personal leave (days per year)	Median tenure (years)	Separation rate (% per year)
Teachers	21 021	44.7	100.5	8.3	8.2	11.1
Nurses and midwives	11 503	43.2	83.9	12.2	6.1	13.5
Labourers	3702	52.5	47.1	9.5	5.2	16.7
Medical practitioners	3731	37.5	162.4	3.6	3.3	22.9
Fire and emergency workers	1229	43.6	95.6	14.1	10.6	5.9
Prison officers	1765	50.3	82.7	12.0	8.8	3.7
Health and welfare support workers	3324	49.7	64.3	13.7	7.6	14.1
Bus and train drivers	298	52.6	71.9	8.8	7.9	5.9
Carers and aides	10 278	47.4	49.2	11.8	6.0	14.4
Others	50 958	46.8	81.7	10.7	7.4	13.1

THE PUBLIC SECTOR WORKFORCE

AT A GLANCE

There are

107 809

Total FTE

27.4% men

72.6% women

2.0% people with **disability**

2.7% Aboriginal Australians

12.6% people from **culturally and linguistically diverse backgrounds**

23.8% work in **Regional WA**

76.1% work in the **Perth metro** area

Age profile

4.0% 24 and under

42.9% 25-44 years

Median age 46.1 years

53.0% 45 and over

Employee work location

	FTE		% change since 2012
Perth metropolitan	82 046	▼	-0.4
Gascoyne	543	▼	-9.0
Goldfields-Esperance	2448	▼	-1.7
Great Southern	2571	▼	-12.1
Kimberley	3003	▲	**6.3**
Mid West	2680	▼	-1.6
Peel	2428	▲	**14.5**
Pilbara	2291	▼	-2.0
South West	6643	▲	**14.6**
Wheatbelt	3096	▼	-6.2

Note: Numbers in this graphic may not add to 100% due to excluded data and/or rounding.

A stable workforce

The public sector workforce has been relatively stable over the past five years, not seeing the expansions and contractions felt by other sectors. As the figure below shows, between 2012 and 2016 the workforce only increased by 0.2% from 107 579 to 107 809 full-time equivalent (FTE). Over a similar period, the Western Australian population increased by 7.2% from 2.4 million to 2.6 million[2] .

Figure 2.   Total FTE change in public sector workforce since 2012

| 107 579 | 110 544 | 108 999 | 109 019 | 107 809 |

| 2012 | 2013 | 2014 | 2015 | 2016 |
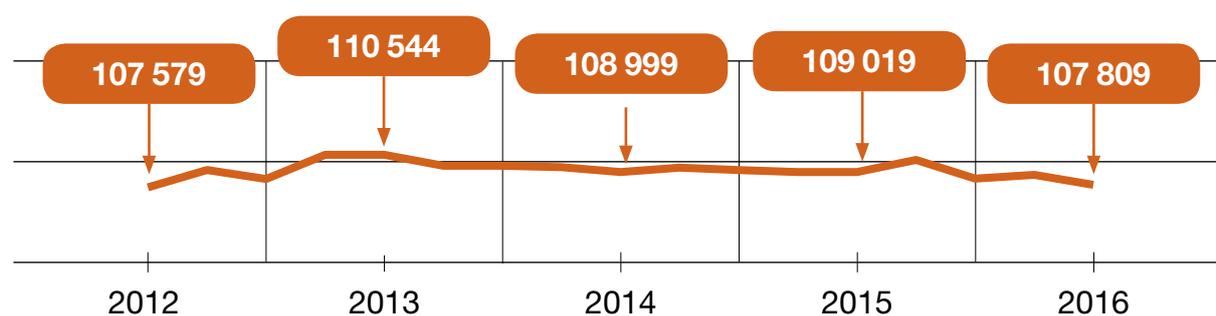
A growing regional workforce

Our employees are based in all corners of the State, as well as overseas. There are currently 60 employees working in locations including Christmas Island, Cocos Islands, China, Japan, India, Indonesia, Singapore, the United Arab Emirates and the United Kingdom.

The map on page 14 shows the regions that have had increases or decreases in service delivery based on the number of FTE that have been allocated to those areas. Increases that have occurred can be attributed to a growth in front-line services in the education and training cluster, and the health and human services cluster.

A diverse workforce

We acknowledge services will be more effective if they are delivered by a workforce representative of the community. The graphic on the next page shows the percentage change in representation of key diversity groups across public authorities since 2012. Despite the sectors having varying degrees of success in attracting, retaining and developing diversity in recent years, close to three-quarters (72%) of public sector employees surveyed believe their agency is committed to creating a diverse workforce.

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[2] Australian Bureau of Statistics Catalogue 3101.0 Table 4.

DIVERSITY
AT A GLANCE

Legend:
- **Public sector**
- **Local government**
- **Public universities**
- **Other authorities**

% of the workforce	2012	2014	2016	2012	2014	2016
Aboriginal Australians	3.3 / 3.0	3.0 2.9 / 2.9 2.2	2.8 1.9 / 2.7 2.1	1.4 / 1.1	1.5 1.6 1.5 / 1.1 0.9 1.0	1.7 / 1.1
People with disability	4.8 / 2.1	2.6 2.3 / 2.0 1.8	2.2 1.5 / 2.0 1.6	1.5 / 1.5	1.5 1.3 / 1.6 1.4	1.6 1.7 / 1.3 1.4
Women in management	27.6 / 7.9	29.2 30.1 / 8.6 12.3 12.3	31.7 32.7 / 8.8	25.0 / 5.3	25.0 25.0 / 10.0 5.0	25.0 25.0 / 5.9 11.8
People from culturally and linguistically diverse backgrounds	18.6 / 12.8	20.4 17.2 / 12.5 12.5	15.0 16.3 / 12.4 12.6	22.4 / 19.6	24.1 22.4 / 13.5 12.3	23.7 25.3 / 12.5 13.4
People 24 years and under	10.1 / 5.4	12.5 13.8 / 5.1 4.6	14.4 13.9 / 4.7 4.0	5.6 / 5.4	6.3 6.5 / 6.0 6.2	6.5 7.0 / 6.3 5.0
People 45 years and over	51.9 / 41.5	51.9 52.5 / 42.1 43.6	52.4 53.0 49.4 / 45.0	45.3 / 38.0	41.6 42.9 / 37.5 37.3	41.7 43.5 33.7 / 35.7

Who are our public sector leaders?

Senior executives

Public sector employees with responsibility for high level decision making, policy advice and oversight are referred to in this chapter as 'senior executives'. While this definition includes heads of agencies, we acknowledge that leadership occurs at every level.

The number of senior executives in agencies has remained steady over the past four years. The graphic on page 18 shows most of our senior executives are based in the metropolitan area, increasing the challenge of leadership over large geographical distances. The Commission acknowledges the diversity of our senior executives has changed only slightly over the last five years, and is committed to working with public authorities to increase representation across the diversity groups.

Gender equity in leadership

Since 2012, the representation of women in senior roles in agencies has increased by 6.2%. Where gender is recorded and reported for government boards and committees, 40% of members are women.

The Department of Local Government and Communities (DLGC) released the 2015 Women's Report Card[3] which reported data about Western Australian women across leadership, economic independence, safety and justice, and health and wellbeing dimensions. The report card found that while the representation of women in leadership roles in local government increased between 2003 and 2015, representation declined with seniority, and remains low at senior levels.

Agencies reported implementing a number of strategies to improve the representation of women in senior roles, including offering flexible working arrangements, mentoring programs, unconscious bias awareness training and using workforce data to inform workforce planning policies and procedures.

Figure 3.   Gender balance among senior executives in public sector agencies

	2012	2013	2014	2015	2016	Change since 2012
Women	27.6%	29.2%	30.1%	32.2%	33.8%	▲ 6.2%
Men	72.4%	70.8%	69.9%	67.8%	66.2%	▼ -6.2%
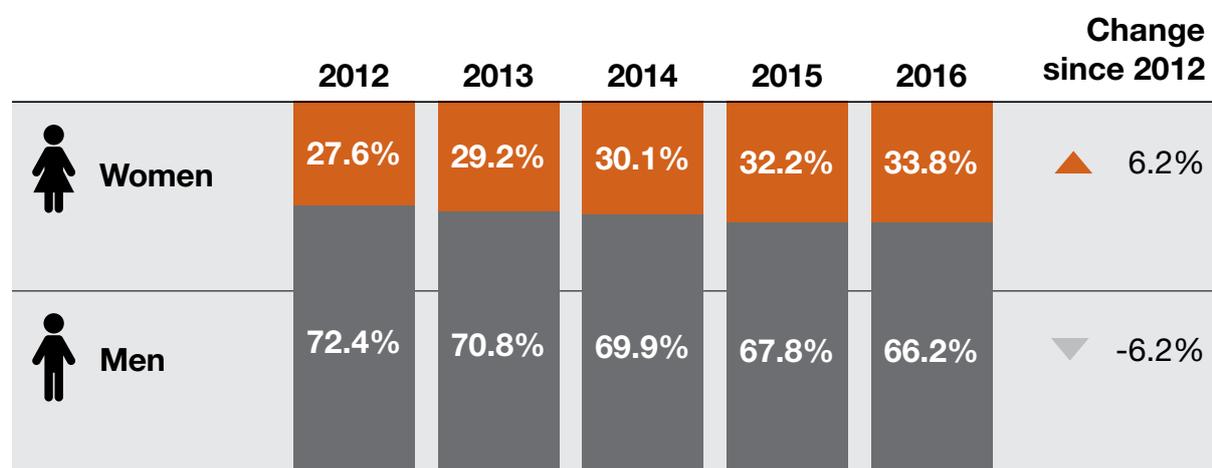
[3] DLGC, 2016, *2015 Women's Report Card*

SENIOR EXECUTIVES

AT A GLANCE

There are **500** senior **executives** in the public sector

66.2% men

33.8% women

1.4% people with **disability**

1.0% Aboriginal Australians

8.6% people from **culturally and linguistically diverse backgrounds**

2.6% work in **Regional WA**

97.4% work in the **Perth metro** area

Age profile

Median age 54.0 years

11.6% 25-44 years

88.4% 45 and over
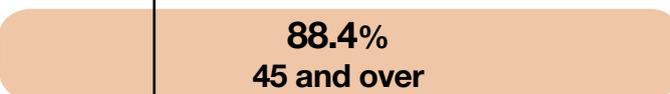
Diversity profile

% of senior executives

% change since 2012

	2012	2013	2014	2015	2016	% change since 2012
People from culturally and linguistically diverse backgrounds	8.2	8.6	8.1	8.2	8.6	▲ 0.4
People with disability	4.2	2.8	2.4	1.5	1.4	▼ -2.8
Aboriginal Australians	0.6	0.5	0.8	1.4	1.0	▲ 0.4
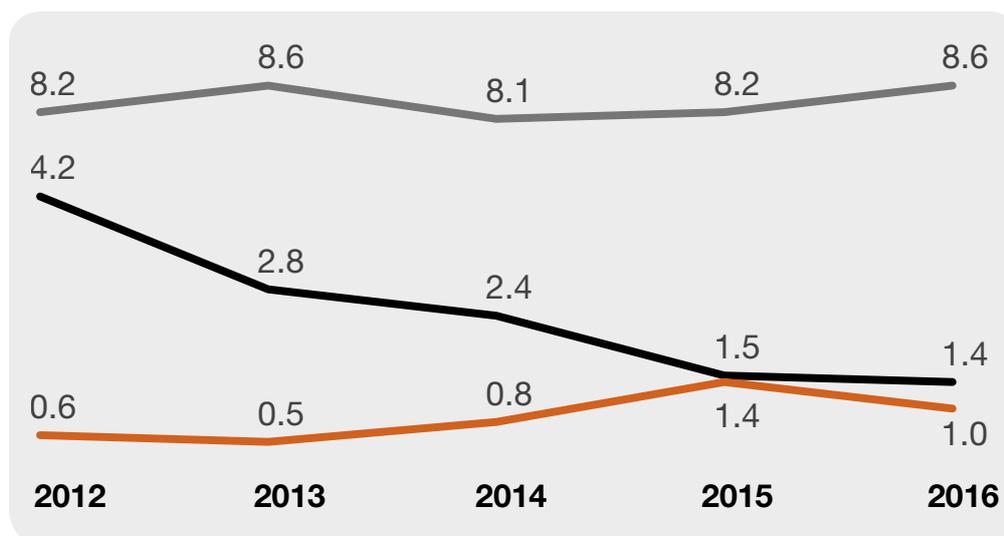
— People with disability
— Aboriginal Australians
— People from culturally and linguistically diverse backgrounds

Leadership development

Leadership development is best managed strategically[4]. With an aging senior leadership cohort, agencies must turn their attention to developing the capability of future leaders. Long-term leadership capability aims to ensure agencies are well positioned to resist external pressures into the future.

Leadership development often occurs at the local level and efforts have been centred on growing leaders who can deliver effectively in the context of their own agencies. While this capability development has traditionally been 'fit for purpose', it has resulted in variations in the way leadership and talent is identified, managed, developed and deployed. These variations have somewhat limited the ability to make consistent comparisons and targeted decisions about the succession, development and investment of people across the sector.

In response to this, the Commission has worked in partnership with the Australian and New Zealand School of Government (ANZSOG) to build a strong baseline of skills and capability among our senior executives. Over the last 10 years, 28 agency leaders have participated in three-day intensive CEO forums to strengthen their strategic management techniques.

Importantly, 25 senior executives from 20 agencies have undertaken the Executive Fellows Program. This intensive, three week residential program, has brought together senior executives, leading academics and experienced practitioners from Australia, New Zealand and other overseas countries. The program enhances the core relationship, leadership and management skills needed to meet the challenges of leading in the public sector.

Similarly, 44 managers and senior executives from 27 agencies have undertaken the Executive Master of Public Administration qualification. This two year, part-time post graduate qualification has prepared emerging public sector leaders with required policy and public administration skills.

All participants of ANZSOG programs automatically become part of its alumni program. The program sustains professional networks and the alumni are a resource to call on when facing challenging agendas, offering cross-jurisdictional and inter-departmental perspectives that can assist with solutions.

We have built a cohort of more than 95 senior executives who have a solid foundation of core competencies to lead their agencies.

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[4] Centre for Creative Leadership, 2014, *Developing a Leadership Strategy: A Critical Ingredient for Organizational Success White Paper*

STORIES FROM THE SECTORS

Public sector leadership

The Independent Public School Principals' Fellowship Program is specifically for outstanding principals of Independent Public Schools who are willing to trial, enhance, support and advocate for policies, systems, programs and processes to provide an even better education for students. The program is part of a comprehensive school leadership strategy for the system.

The Department of Education has partnered with Harvard University's Graduate School of Education, tapping into an innovative and collaborative community of exceptional faculty, students and alumni dedicated to the comprehensive study and effective practice of education.

Twenty specially selected principals took part in an intensive learning program in Boston in July 2016. They were provided with an overview of strategic leadership, from insights into vision and purpose through to developing positive cultures, engaging families, managing change and identifying high quality classroom practice.

'Harvard is interested in our Independent Public Schools initiative and broader school autonomy, as well as the alignment of our fellowship program with leadership development and school improvement,' said Sharyn O'Neill, Director General, Department of Education.

The Harvard component of the program is complemented by a short-term change project, executive mentoring and system reform work. The most important outcome of the program is for principals to be equipped to advance their leadership skills for the benefit of their schools and contribute to leadership and reform across the system.

'The opportunity to engage in discussions with school leaders and educators from around the world was a unique experience,' said Lou Zeid, Principal, Carramar Primary School.

'Returning from Harvard and participating in the executive mentoring component and the additional Immunity to Change online course has allowed me to act on and continue my learning and development as a leader,' he said. Another 20 outstanding principals will be selected for the program in 2017–2018.

PERCEPTIONS OF LEADERS

AT A GLANCE

Public sector employees think their leaders:

Are ethical

- **85**% agreed their immediate supervisor demonstrates honesty and integrity
- **84**% agreed their agency actively encourages ethical behaviour
- **69**% agreed senior managers lead by example in ethical behaviour

Communicate effectively

- **79**% agreed their immediate supervisor makes use of appropriate communication
- **75**% agreed their immediate supervisor effectively communicates with them about business risks impacting the work group
- **63**% agreed communication between senior managers and employees is effective

Public sector leaders say they are:

Satisfied in their role

- **90**% are satisfied with their job overall
- **85**% agreed that they are proud to work for the WA public sector
- **81**% are satisfied with their agency as an employer

Empowered to make challenging decisions

- **86**% agreed their input is adequately sought and considered about decisions directly affecting them
- **85**% agreed they are sufficiently challenged by their work
- **82**% agreed they have the authority to do their job effectively

This contributes to high levels of:

Innovation

86% of leaders agreed their workgroup had implemented innovations in the last 12 months

Customer service

93% of leaders agreed their workgroup is committed to providing excellent customer service

Productivity

91% of leaders agreed their work group achieves a high level of productivity

ASPIRING LEADERS

AT A GLANCE

There are **15 440** aspiring leaders

43.7% men
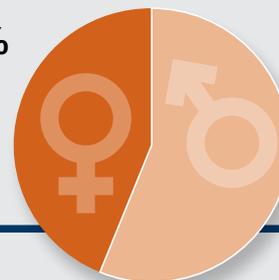
56.3% women

2.6% people with **disability**

2.5% **Aboriginal Australians**

14.5% people from **culturally and linguistically diverse backgrounds**

13.3% work in **Regional WA**

86.7% work in the **Perth metro** area

Age profile

0.4% **24 and under**

45.7% 25-44 years

Median age 46.3 years

54.0% 45 and over

Note: Numbers in this graphic may not add to 100% due to excluded data and/or rounding.

Developing our aspiring leaders

Developing aspiring leaders requires a lift in our collective ability to identify, manage and develop talent. Senior executives and people managers, such as Chief human resource officers (CHROs), are best placed to undertake this task.

For the purposes of this report, aspiring leaders refer to public sector employees employed in positions at *Public Service and Government Officers General Agreement 2014* levels 5 to 8. The graphic above shows the demographics of the pool of potential talent that is our next generation of public sector leaders.

Over the coming year, the Commission encourages agencies to consider the following as they move forward in their leadership development efforts:

- focusing effort on capabilities that are most critical to performance
- identifying and developing early-in-career leaders as much as senior leaders
- valuing both horizontal and vertical leadership progression
- taking a team, as well as an individual, view of leadership capability
- addressing systemic barriers to the employment and progression of leaders and applying consistency where it makes the most sense to do so.

From graduate to CEO

By Anne Nolan, Director General, Department of Finance

Anne has been the Director General of the Department of Finance since 2011, after being fortunate enough to work in a range of senior roles, in a number of government departments. Throughout her career, Anne has been driven by a:

- passion for questioning and continually seeking to always do things better
- strong interest in leading and shaping good public policy
- belief in the importance of excellence in the public sector.

These principles had their genesis in the early days of Anne's career as a graduate in the Department of Treasury, and were reinforced after taking time to travel early in her career, to gain more 'life experience' following her completion of the public sector graduate program. 'Travelling helped me realise how fortunate I was to be Western Australian, and better understand the impact that public policy can have on the community. After travelling, I returned to the public sector reinvigorated and I was ready to 'think outside the square' when it came to crafting meaningful policy.'

Anne applied this approach to great effect during her career in a range of agencies. 'A wide exposure to the different issues and challenges agencies face has given me so many opportunities to develop invaluable experience that I've been able to apply to a broad range of situations.'

As a former graduate, Anne has always considered graduate programs as an important way to develop people and excellence in the public sector. The Department of Finance's graduate program encourages graduates to feel empowered to follow their professional curiosity and demonstrate innovative thinking, teamwork and passion when it comes to providing solutions that benefit the community. 'These are the qualities that define the leaders of tomorrow.'

It is this philosophy of development which Anne now instils in new recruits starting out in the Department of Finance graduate program. 'I've always sought to pursue opportunities and projects from which I can learn and professionally grow, and we've framed the content of our graduate program to reflect this'.

Reflecting on what career advice to give others, Anne said 'You never know where your career may take you in the public sector, so I encourage staff to follow their passion and pursue opportunities to learn and develop, but most importantly – enjoy what you do.'

IN THEIR OWN WORDS

Transforming Child Protection and Family Support

By Ms Emma White, Director General, Department for Child Protection and Family Support

Explain your understanding of the word 'transforming'?

Transforming describes an all-encompassing change process. Developing the reform projects and embarking on their implementation has required discipline and determination by everyone involved to (re)discover what's working well, what's not, and to nurture a vision that takes us to what is achievable.

Tell us about your project.

The Child Protection and secondary Family Support system in Western Australia has gone from strength to strength following the Ford Review in 2007. The review confirmed that despite progress, we are not getting outcomes for vulnerable families, children and young people. The urgent need to turn the tide on this trajectory has underpinned every aspect of our reforms.

What role did communication and collaboration play in the project?

The multiplicity of needs and challenges experienced by families and children in contact with the child protection system demands a coordinated, targeted and accountable response between government departments, designed and delivered in partnership with the community services sector and service users. The only way to achieve this is through open communication and collaboration with service users, staff and leadership at the strategic and operational levels.

How did good governance and integrity factor into the project?

We have implemented, reviewed and changed our governance arrangements over the life of the reform projects. The establishment of a Strategy and Reform Unit has more recently assisted us to continue to progress and deliver this work.

What are three key things you learned from the project?

1. Honour and support our staff that do such difficult work of high public value
2. Communicate a clear vision and its relevance frequently and widely
3. Establish a credible and accessible evidence base and communicate the rationale for decisions at every step of the project.

How are we transforming our workforce?

Diversity and inclusion

Given there is no 'one-size-fits-all' approach to managing the workforce, leaders should be contemporary and flexible in their approach. Recently, the Commission has encouraged public authorities to revisit the composition of their workforces.

IN FOCUS

Diversity and inclusion

Why was the work commenced?

In mid-2015 the whole-of-sector Aboriginal and disability employment strategies concluded. In evaluating the previous strategies' outcomes, and commencing consultation on the new strategies, it was clear more work needed to be done to make the workforce more representative of our community. Changing the status quo had to be addressed, while ensuring the new strategies were practical and achievable for all public authorities.

How has the approach to diversity and inclusion across the sectors changed?

The Commissioner and the Director of Equal Opportunity in Public Employment (DEOPE) commenced discussions with key stakeholders on how to provide clear, simple messages to public authorities on common workforce and diversity issues.

This culminated in the launch of *Time for action: Diversity and inclusion in public employment* and *See my abilities: An employment strategy for people with disability* in June 2016.

How is the Commission supporting public authorities?

The Commission's Advisory Board will lead the way by examining contemporary research, statistics and best practice to monitor if public authorities are on track or if more work needs to be done. In collaboration with other leaders, they will also work to bring prominence to diversity and inclusion in their interactions with public authorities, the private sector, not-for-profit organisations and prospective employees.

IN FOCUS

Unconscious bias

Why was the work commenced?

The Hon. Liza Harvey, MLA, in her capacity as Minister for Women's Interests, requested the Commission commence a body of work around raising awareness of unconscious bias in public authorities, and the role it can play in organisational practices and procedures, particularly in relation to recruitment. This work is crucial as public authorities look to improve diversity representation and workplace inclusiveness.

What is bias?

Bias is an unavoidable part of being human. Everyone creates assumptions based on their past experiences, cultural exposure and context. In a diversity context, bias reflects predetermined views about individuals and groups based on certain characteristics. These views can directly influence our behaviour (conscious bias) or operate subconsciously, going unacknowledged by the individual (unconscious bias).

What is unconscious bias?

According to the Australian Institute of Management (AIM)[5], unconscious bias is the ingrained stereotyping that informs our decision making, but of which we are unaware. Most discrimination results from unconscious stereotyping and cultural biases that do not enter into the decision maker's conscious mind. Intentional, conscious bias accounts for only a fraction of workplace discrimination. The effects of unconscious bias are more subtle, pervasive and difficult to change.

What is the Commission doing to address unconscious bias?

The Commission investigated how to address, manage and reduce the influence of conscious and unconscious bias on individual and organisational practices. The first stage of this process included understanding how public authorities had been raising awareness of unconscious bias in their workplaces, a summary of which is provided over the page.

The Commission then developed and delivered a *Managing unconscious bias in the workplace* workshop series for CHROs and people managers from across public authorities.

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[5] AIM, 2012, *Gender Diversity in Management*

The workshops were attended by representatives from 59 State government agencies, 12 metropolitan local governments and two public universities. To accompany this series, a CHRO community of practice was established to continue embedding unconscious bias awareness tools, strategies and practices into workplaces.

Trialling de-identification

Over the past 12 months, the Commission trialled the de-identification of applications in a number of recruitment processes, ranging from graduate to CEO selection. The trial looked to assess the practicalities of removing applicant names, gender and age identifiers before and during the shortlisting process, and to evaluate the impact on selection panel members' unconscious biases.

In reviewing feedback to the trial, findings indicate that de-identification is beneficial towards raising awareness of unconscious bias during the selection process. People who are made aware of—and acknowledge—their conscious and unconscious biases take a significant step towards considering and altering their behaviour. The Commission is currently researching options around implementing a technical solution within the existing eRecruitment system to support the de-identification process.

What are public authorities doing to address unconscious bias?

Documented and actioned policies and programs to promote discrimination-free employment were implemented by 81% of public sector agencies.

Strategies to review recruitment practices, staff development, promotion and transfer opportunities, and conditions of service, in order to identify any discriminatory practices, were documented and actioned by 68% of agencies.

Other public authorities reported implementing the following strategies to raise awareness of unconscious bias:

- Educating selection panel members about unconscious bias and embedding this into recruitment and selection training
- Delivering unconscious bias workshops and training to management and staff
- Implementing policies to balance the diversity of panel members
- Incorporating information into existing workforce and diversity policies, training programs and diversity and inclusion initiatives
- Implementing recruitment strategies to attract diverse candidates.

IN THEIR OWN WORDS

Transforming Vocational Education and Training (VET)

By Dr Ruth Shean, Director General, Department of Training and Workforce Development

Explain your understanding of the word 'transforming'?

My *Oxford Dictionary* defines transformation as 'a marked change in form, nature or appearance'. If I was asked to edit the next edition, I would suggest adding 'function' as well. What is the point of transformation if function is not to be changed in some way?

Tell us about your project.

The Training Sector Reform Project (TSRP) was built on the work of Professor Margaret Seares' review of the VET sector that called for reframing the architecture of the State's publicly-funded VET sector. In 2015, Training Minister Liza Harvey convened the TSRP to address this question. The project, chaired by Cheryl Edwardes and with the project leadership of John Langoulant, commenced in October 2015. The project report's recommendations included restructuring 11 state training providers into five TAFE colleges. This approach was endorsed by the State Government in February 2016, with progressive implementation to commence six weeks later. A key reform was the reduction of 230 staff so that administration resources could be redirected to training.

How did good governance and integrity factor into the project?

Trust across the five TAFE colleges and the Department was a key ingredient to positive quality progress. We met weekly by phone to ensure consistency of approach to staffing reforms. We shared our challenges and achievements. We also followed up assiduously so that no issue was left unresolved. The honesty with which all people have approached this task has led to both exceptional progress and also significant goodwill - remarkable for a reform which had the capacity to cause upheaval and concern.

What are three key things you learned from the project?

When you work through people's objections one by one, and spend a lot of time focusing on solutions, you are likely to engage them positively on the common goal—regardless of their attitude in the first place. People who may be affected negatively by change will be positive about that change if you engage with them honestly from the beginning. And finally, creating a culture of trust, capacity and optimism will drive through most obstructions.

Data-driven workforce planning

Workforce planning and data-driven decision making is a priority for agencies, with 77% agreeing they routinely use workforce data to inform workforce planning activities. While there is no prescribed workforce planning and management approach, most agencies see the value of having an up-to-date workforce plan, with 90% reporting they are currently reviewing, or have reviewed, their workforce and/or diversity plan in the last two years.

A greater focus on collecting and using workforce data to support strategic and operational planning assists agencies to respond to changing operating environments. A broader range of data about the public sector's workforce and equitable management practices can also help inform key decisions about current and future service delivery.

> '90% of public sector agencies recently reviewed their workforce plans'

Constructive performance conversations

Some managers find it challenging to manage performance as staff numbers are reduced and service demands increase. To support managers, agencies are delivering initiatives to improve managerial skills and confidence in providing performance feedback. Over the last year, more than 600 managers participated in the Commission's *Management essentials* program that builds the capability of managers in a range of management skill areas, including having performance conversations with their employees.

> 'More public sector employees are participating in constructive performance feedback sessions'

Just over half of all agencies surveyed reported more than 80% of Tier 2 and 3 officers participated in formal performance planning and appraisal. More than three-quarters of the leaders surveyed received performance feedback from their supervisor in the last 12 months, and noted it had helped their performance. CEO performance agreements developed by the responsible authority, CEO and the Commissioner, formalise this process for heads of agencies.

Public sector employees described high levels of satisfaction with their supervisors, with 73% agreeing their immediate supervisor is effective in managing people.

Capability development

To transform the workforce in times of change, new and innovative capability development initiatives are required.

Of the agencies surveyed, 82% indicated leadership development programs are promoted or provided for in their documented human resource plans or strategies. Among surveyed leaders, 78% agreed training and development opportunities were made available over the last year. Further, 76% of leaders agreed there is adequate opportunity to develop the required leadership skills.

Half of all agencies incorporated formal mentoring into capability strategies, with other initiatives including job rotations, shadowing, formal coaching and stretch assignments as development opportunities. More than three-quarters (78%) also reported promoting or providing opportunities for secondments.

Agencies' abilities to measure the return on investment is a key indicator in determining the effectiveness of development programs across the sector. While a number of agencies indicated they evaluated and reviewed formal learning activities, 41% indicated they had no formalised approach to measuring investment in employee development.

Flexibility and agility

With people remaining in the workforce longer and family structures changing, current approaches around flexibility and agility will assume increasing importance.

'The majority of agencies are promoting and providing a range of development opportunities'

More than three-quarters (77%) of employees surveyed agreed they have access to, and use, flexible work arrangements. More than two-thirds (69%) agreed their workplace culture supported them to achieve work/life balance. For maximum benefit, flexible working arrangements should be adopted strategically and supported by a culture that understands the value it brings to the individual and the workforce.

The concept of 'returnment' after long career breaks is growing. Returnships are paid, short-term employment contracts that offer the possibility of a permanent role at the end of the program. Some benefits of returnships include:

• Access to a relatively untapped talent pool with existing corporate knowledge

• Focused attention of experienced employees to work on specific projects

• Capacity to strengthen the capability of key areas.

Graduate future leaders

Each agency makes a decision to develop and implement a graduate program based on the skills, knowledge and abilities required in its workforce. Graduate programs can bring educated, energetic employees into agencies to help build capacity, retain knowledge and address diversity needs.

Since 2012, the Commission has facilitated the *Graduate future leaders* program for 262 graduates from across a number of agencies. The program has developed graduates by providing a well-rounded understanding of working for and across government. In 2016, 45 graduates, with an average age of 25.4 years, participated in the program.

Leadership success profiling

The Commission is currently developing a CEO success profile that will identify and measure job-role characteristics, including relevant work experience, knowledge and skills, personal attributes, competencies and motivations needed for successful senior executive leadership.

The success profile will be used to promote a shared understanding between agencies, CEOs and the Commissioner around contemporary leadership role expectations, accountabilities and experiences critical to individuals and the agency. The profile will be used as a foundation tool to assist with the performance management of CEOs through performance agreements.

STORIES FROM THE SECTOR

Over the past year public sector agencies have implemented initiatives to build leadership potential, diversify skill sets and help transform their workforces.

Developing leaders

To support employees as they advance through the organisation, the Department of Lands established the Emerging Leaders Program. The development program includes modules on effective leadership, emotional intelligence, resilience and coaching skills.

Promoting mobility

The Department of Treasury implemented an internal transfer program, providing employees with the opportunity to nominate to work within another area of the Department.

The program has helped to diversify skill sets and networks within the Department, as well as facilitate the flexible use of resources to assist areas of the business during peak periods.

Increasing performance management

To increase the completion of employee Performance Development Plans in locations across the State, the Department of Parks and Wildlife delivered information sessions as part of their human resources roadshows.

The information sessions have assisted in increasing employees' understanding of the professional development process and associated benefits, with completion rates increasing by approximately 10%.

Building a representative workforce

The Department for Child Protection and Family Support runs an Aboriginal Cadetship Program to support Aboriginal university students studying a qualification relevant to child protection work.

Since 2010, the Department has supported 13 Aboriginal cadets on the program. Of these, eight cadets have graduated and six have joined the Department.

What impact do workforce strategies have?

Reduced absenteeism and improved retention

Research conducted by the Australian Human Resources Institute (AHRI) on Absence Management[6] found the average number of unscheduled absences in public employment was 10.8 days per year. It indicated low levels of employee engagement, poor leadership style and a culture of 'sick-leave entitlement' were all contributing factors to unscheduled absences. In the Western Australian public sector, the average number of unscheduled absences (defined as personal, carers and sick leave) taken per FTE was 10.9 days per year.

Ideally the knowledge, skills and experience gained by our people in the course of their employment should be largely retained in the sector. More than two-thirds of employees reported having no plans to leave their agency within the next two years.

Enhanced engagement and satisfaction

Employee engagement describes the emotional commitment an employee has to organisational goals, and has been shown to lead to better outcomes for stakeholders. Public sector employees have reported high levels of engagement, including:

- Improved customer service – 86% agreed their immediate work group are committed to providing excellent customer service.
- Enhanced innovation – more than two-thirds indicated their workgroup implemented innovative processes or policies in the last 12 months and 71% agreed their agency uses technological advances to improve service delivery.
- Increased productivity – 84% agreed their work group has high levels of productivity.
- Improved work/life balance – 85% agreed they are able to access and use flexible working arrangements to assist in their work/life balance and 81% agreed their agency is committed to health and wellbeing.

Overall, most (81%) public sector employees surveyed are satisfied in their role and more than two-thirds (67%) reported satisfaction with their agency as an employer. More than three-quarters of employees (76%) feel they are sufficiently challenged, with a similar number (77%) reporting being proud to work in the Western Australian public sector.

Improved role clarity

Leaders who understand and can articulate their role and how it contributes to the work of their agency deliver better outcomes. Among leaders of public sector agencies, 94% indicated they understand how their work contributes to the agency's objectives and 93% are clear about what their responsibilities are within their role.

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[6] AHRI, 2016, *Absence Management Infographic*

AN ENGAGED PUBLIC SECTOR

AT A GLANCE

What is employee engagement?

The level of commitment an employee has towards an organisation.
Every year, WA public sector employees are asked about:

Pride

Attachment

Motivation

Advocacy

Inspiration
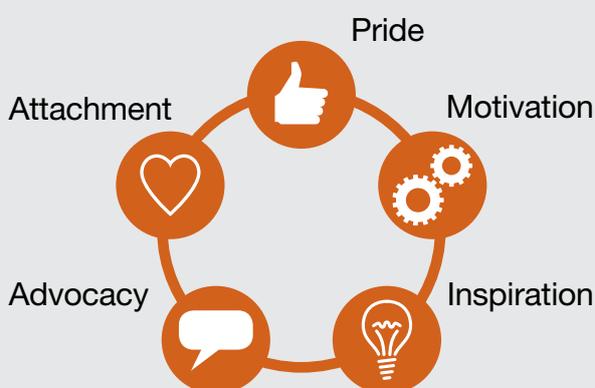
Employee engagement levels

100

average **62**

81

74 74

71

65

62

61

58

56

55

51

11 agencies surveyed in 2016

0
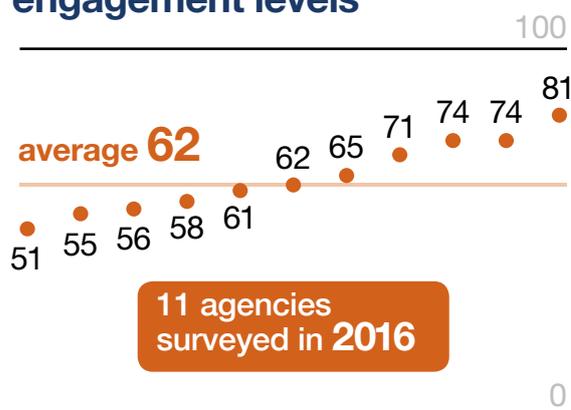
Why does employee engagement matter?

Research from around the world shows that employees with higher engagement also produce better services and outcomes.

In the WA public sector, each percentage increase in engagement led to increases in:

- productivity (37% of the engagement increase)

- innovation (47% of the engagement increase)

- customer service quality (22% of the engagement increase)

Drivers of employee engagement

The strongest drivers of engagement in the WA public sector are:

- Leadership
- Work/life balance
- Job empowerment

Other drivers include:

- Diversity
- Development
- Ethics and integrity
- Immediate supervisor

The drivers of engagement will differ for each organisation depending on culture and workforce characteristics.

Services

Services

A common challenge faced by every public sector agency is how best to meet the needs of its customers. Accustomed to enhanced service delivery from the private sector, the community views agencies as just another service provider and one which should meet their increasing expectations.

> 'Asking public employees to innovate may not produce results if the organisational environment itself does not support innovation.'[7]

Driven by these expectations, leaders are increasingly required to redefine the agency's role, strengthen its customer focus and build integrated service delivery models. There are a number of initiatives already underway that demonstrate how—in the right circumstances—effective public service delivery models can be developed and positive outcomes achieved, many of which are detailed in this report.

However, within the context of budgetary constraints, rapidly changing technology and public sector reform programs, it is important that all agencies continue to seek ways to become more efficient and effective in their service delivery.

Since 2014, 62 agencies have been required to determine the most efficient ways to deliver their services by costing and measuring activities under the Agency expenditure review (AER) program. The AER provides leaders with the opportunity to drive productivity and build a culture of innovation and high performance.

Transformation can be challenging and requires the right culture and leadership to support and implement change. Reinforcing the agency's strategic objectives—embracing diversity of knowledge and ideas, encouraging employees to ask questions and experiment—is key to ensuring the public sector continues to deliver world-class services to the community.

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[7] Organisation for Economic Cooperation and Development, 2015, T*he innovation imperative: Setting an agenda for action*

What do our services look like?

Public sector agencies deliver a wide range of services and support to the community in a number of ways. While the public sector workforce has remained relatively stable over recent years, there has been some changes in trends, including increasing front-line and regional services.

Health and human services, and education and training form almost 75% of public sector services. A description of the agencies included in each service cluster is provided in Appendix D.

Figure 4.   Total FTE per 1000 population by service cluster

	Culture and Community	0.69	Industry and Environment	2.17
	Education and Training	16.17	Infrastructure and Development	2.98
	Finance	0.65	Justice and Public Safety	3.72
	Health and Human Services	14.75	Oversight and Administration	0.49

Total growth of services

Most of the growth over the past five years has occurred in our front-line services, with education and training increasing by 2145 FTE, infrastructure and development by 187 FTE and culture and community by 157 FTE. Industry and environment contracted by 805 FTE, as did finance by 657 FTE.

A breakdown of total FTE growth and contraction by service cluster compared with data from 2012 is provided below.

Figure 5.   Total FTE growth by service cluster

% change

		2012	2016	% change
	Culture and Community	1642	1799	▲ 9.6
	Education and Training	39 750	41 895	▲ 5.4
	Finance	2332	1676	▼ -28.2
	Health and Human Services	38 757	38 205	▼ -1.4
	Industry and Environment	6430	5625	▼ -12.5
	Infrastructure and Development	7528	7715	▲ 2.5
	Justice and Public Safety	9833	9628	▼ -2.1
	Oversight and Administration	1307	1267	▼ -3.1

■ **2012**   ■ **2016**
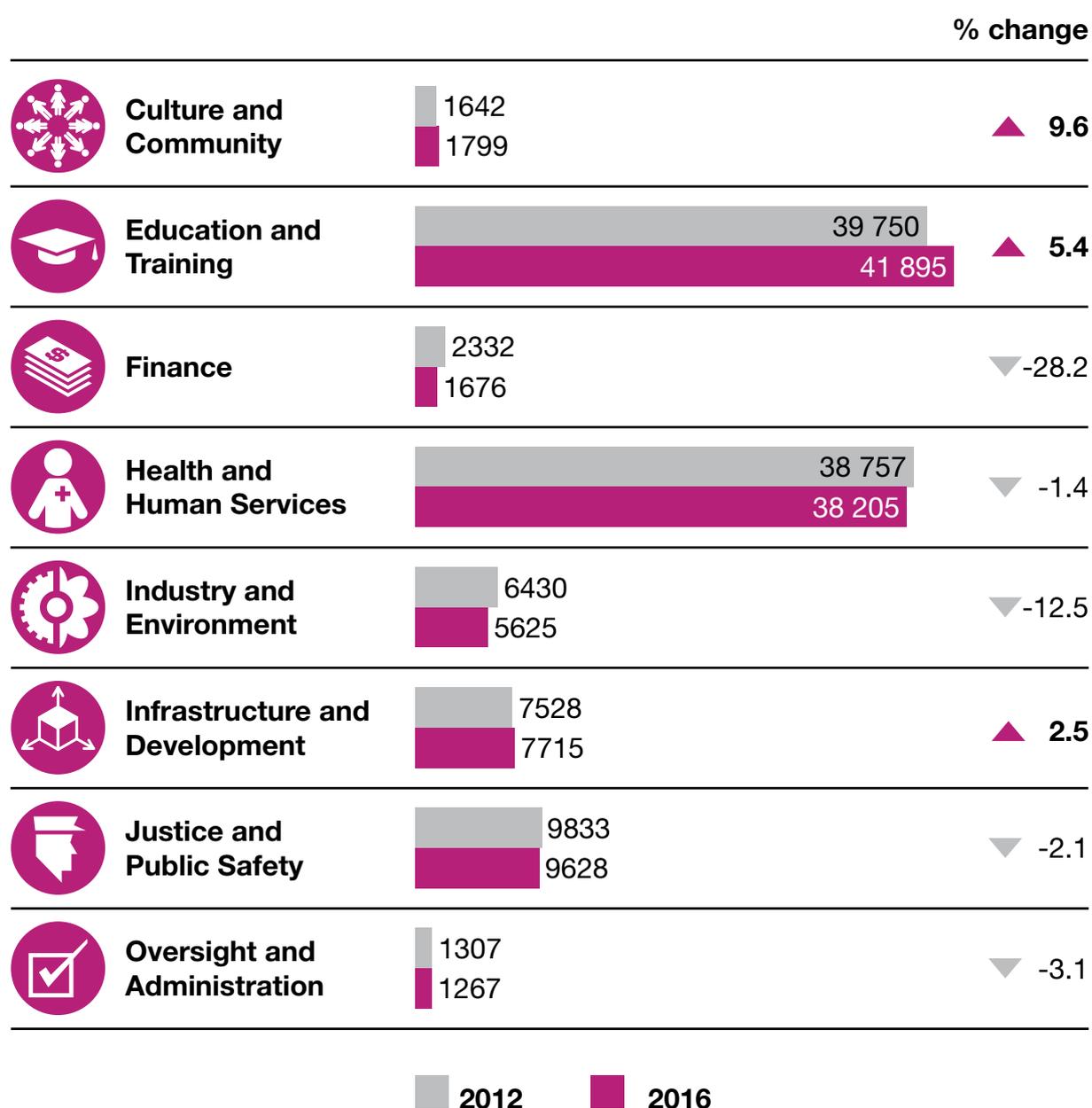
Services across the State

We provide services to all corners of the State, and have seen growth in regional services over the last five years. The figure below shows areas of growth and contraction in regional FTE by service cluster.

Figure 6.   Regional FTE by service cluster

	2016	% change since 2012
Culture and Community	83	▲ 1.0
Education and Training	13 163	▲ 4.8
Finance	58	▼ -17.4
Health and Human Services	7837	▲ 3.3
Industry and Environment	1493	▼ -14.2
Infrastructure and Development	1126	▲ 6.1
Justice and Public Safety	1942	▲ 3.3
Oversight and Administration	0	0
Total FTE	**25 703**	▲ **2.3**

While we have seen significant growth in our regional services over the past five years, we have consequently seen some contraction in metropolitan FTE, as per the below figure.

Figure 7.   Metropolitan FTE by service cluster

	2016	% change since 2012
Culture and Community	1716	▲ 10.0
Education and Training	28 676	▲ 5.7
Finance	1618	▼ -28.5
Health and Human Services	30 367	▼ -2.6
Industry and Environment	4131	▼ -11.8
Infrastructure and Development	6585	▲ 4.1
Justice and Public Safety	7686	▼ -3.4
Oversight and Administration	1267	▼ -3.1
Total FTE	**82 046**	▼ **-0.4**

DIVERSITY BY
SERVICE CLUSTER

AT A GLANCE

% of FTE who are:

- Aged 24 and under
- Aboriginal Australians
- People from culturally and linguistically diverse backgrounds
- People with disability

Culture and Community

<25	Aboriginal	CALD	Disability
11.0	1.7	13.6	2.4

Education and Training

<25	Aboriginal	CALD	Disability
4.0	2.4	9.0	1.5

Finance

<25	Aboriginal	CALD	Disability
1.6	0.7	24.2	4.0

Health and Human Services

<25	Aboriginal	CALD	Disability
4.3	3.2	18.6	1.5

Industry and Environment

<25	Aboriginal	CALD	Disability
2.7	2.2	12.6	3.0

Infrastructure and Development

<25	Aboriginal	CALD	Disability
3.3	2.1	17.8	2.3

Justice and Public Safety

<25	Aboriginal	CALD	Disability
2.6	4.2	11.5	5.6

Oversight and Administration

<25	Aboriginal	CALD	Disability
6.1	3.6	18.0	3.6

IN THEIR OWN WORDS

Transforming health services

By Dr David Russell-Weisz, Director General, Department of Health

Explain your understanding of the word 'transforming'?

Western Australia has an excellent public healthcare system and in the last decade an unprecedented amount has been invested in world-class infrastructure. Health reform focused on the next step of the transformation – establishing a modern governance model aligned to best practice, improving accountability, performance, efficiency and sustainability, ultimately focused on delivering better patient care.

Tell us about your project.

The health system had become too large and complex to continue to operate under a central governance model with all authority and accountability resting with the Director General of the Department of Health. The new *Health Services Act 2016* enables us to establish five health services as separate statutory authorities, each governed by a board of highly-skilled professionals and Health Support Service governed by a chief executive. The Director General of the Department of Health has a distinct role as System Manager.

What role did communication and collaboration play in the project?

Communication and collaboration have been crucial to the success of the reform program, and continue to play a critical role. Regular engagement with all stakeholders helped to keep the process transparent and enabled us to resolve contentious issues quickly. It also drove team collaboration across the system through information sharing and unified decision making.

How did good governance and integrity factor into the project?

Good governance and integrity were the backbone of the program. A steering committee set the strategic direction for the reform program and provided advice on performance, transition and governance to achieve budget, infrastructure, clinical and workforce milestones. A Program Management Office was also set up to independently monitor each project and report on it.

What are three key things you learned from the project?

Transparency and communication; the merits of a War Room; celebrate successes every step of the way; don't assume anything - it's better to be over-prepared and over-planned.

STORIES FROM THE SECTORS

The Premier's Awards for Excellence in Public Sector Management recognises outstanding achievements and initiatives in public sector service delivery. Below highlights the winners of the 2016 Awards.

Improving Aboriginal outcomes – Overall winner

Through the **Mowanjum project**, the Department of Water and the Mowanjum Aboriginal Corporation provide young Aboriginal people from Derby, Mowanjum and surrounding communities with training and employment opportunities. Mowanjum is becoming a nationally-recognised model for leadership and governance in the development of similar Aboriginal businesses and investment opportunities, with leaders sharing their knowledge to develop a template for other Aboriginal communities looking to create similar opportunities.

Developing the economy

Landgate's **New Land Registry**, developed in collaboration with business management consultancy Ajilon, is revolutionising the way land transactions are conducted nationally and internationally. The New Land Registry is an innovative cloud-based computing platform that automates more than 50% of land transactions, driving down document processing times and costs.

Improving government and reducing red tape

The Department of Local Government and Communities has led an integrated program of initiatives to strengthen the capacity of local governments to appropriately manage their physical and financial resources, be more accountable for their decision making and be more responsive to community needs. As part of the **Strengthening local government accountability project**, the MyCouncil website was created, providing a place to view and compare local government performance information.

STORIES FROM THE SECTORS continued...
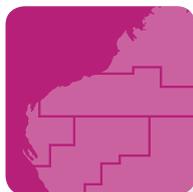
Revitalising the regions

Through an innovative partnership between the Department of Commerce, the Department of Regional Development and Telstra, the **Regional Mobile Communications project** has enhanced reliable mobile and broadband coverage across regional Western Australia, improving public safety, business productivity and social inclusion.

Managing the environment

The City of Bayswater, in partnership with the Department of Parks and Wildlife, has successfully reconstructed the **Eric Singleton Bird Sanctuary Wetland** to achieve a 30% reduction in nutrients entering the Swan River – improving the water quality, securing a sustainable water source for the wetland and restoring its ecological value.

Western Shield is one of the largest, most successful wildlife recovery programs being undertaken in Australia. The program, delivered over the past 20 years by the Department of Parks and Wildlife in partnership with industry and community, has recovered and reconstructed native animal populations. Through broadscale baiting, reducing the threat of introduced predators and the reintroduction of native animals to areas where they once existed, significant progress has been made towards conserving Western Australia's unique native wildlife.

STORIES FROM THE SECTORS   continued...

Strengthening families and communities

Pain Activity and Coping Education (PACE) is an interdisciplinary program delivering a comprehensive structured care package to young people living with disabling chronic pain. This collaborative initiative between Princess Margaret Hospital, the Department of Education and Murdoch University has achieved world-class clinical outcomes and significant cost savings, while empowering families and communities to help children recover from chronic pain.

Western Australia in Asia

To foster **Strategic engagement with China's resource sector**, the Department of Mines and Petroleum has provided its Chinese partners with insight into Western Australia's policy, regulatory and pre-competitive geoscience and resources information systems, allowing them to make better investment decisions. This had been achieved through arrangements made in two significant Memoranda of Understanding that have benefited Western Australia's and China's economies through a deeper understanding and closer working relationships.

How are we transforming services?

Collaboration

Collaboration is essential for delivering services more productively and effectively to meet government priorities and customers' needs. By bringing together talent, thinking, experience and skills from across agencies, jurisdictions and sectors, agencies can deliver solutions more quickly, in a more targeted and relevant manner, and with less duplication of effort.

Almost all public sector agencies have formally collaborated within their own agency, with other agencies, across jurisdictions, industry stakeholders and the community. The focus of collaboration was most commonly around service delivery, program design and policy setting.

Tourism WA established a cross government, multi-agency tourism development committee, with representation from the Departments of Transport; Parks and Wildlife; Planning; Racing, Gaming and Liquor; Lands; and Landcorp. The committee assists tourism stakeholders to develop proposals in collaborative ways—providing them with the opportunity to discuss their proposal with relevant parties, clarify regulatory approval processes and requirements, and foster opportunities to undertake activities that complement existing and proposed tourism development.

Working with the research sector

According to the *National Innovation and Science Agenda* [8], Australia's rate of collaboration between research and industry sectors is the lowest in the Organisation for Economic Cooperation and Development. Collaboration, partnerships and co-investment across governments, industry, universities and the research sector will provide the interdisciplinary skills and infrastructure required to address the State's significant challenges, as well as create exciting new opportunities.

Western Australia has already seen significant examples of the sector partnering with research institutes, including:

- Department of Health's Data Linkage Unit
- The Australian Resources Research Centre
- Minerals Research Institute of Western Australia
- The Square Kilometre Array – the world's largest radio-astronomy project.

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[8] Australian Government, 2015, *National Innovation and Science Agenda*

STORIES FROM THE SECTORS

This year, there were many examples highlighting the importance of collaboration between public authorities and the community.

Collaborating with local government

The KidSport program assists lower income families from a range of backgrounds by subsidising involvement in sporting clubs. This initiative was developed by the Department of Sport and Recreation in collaboration with local government authorities and 35 community organisations.

Collaborating with the private sector

The Binjareb project, a collaboration between the Department of Corrective Services, Fairbridge and BiS Industries, provides Aboriginal people currently engaged in the criminal justice system with training and employment in the mining industry.

Collaborating across the public sector

The Ombudsman's report - *Investigation into issues associated with violence restraining orders and their relationship with family and domestic violence fatalities* - made 54 recommendations across four government agencies to prevent and reduce family and domestic fatalities.

Collaborating with the community

Following extensive consultation and collaboration across government and the community, *Safer Families, Safer Communities – Kimberley Family Violence Regional Plan 2015-2020* outlines a whole-of-community response to family violence, with a focus on Aboriginal families.

Collaborating with industry

In response to the Cockburn Sound fish kill in late 2015, the Department of Fisheries forged stronger collaboration with the Departments of Environment Regulation and Parks and Wildlife, Cockburn Sound Management Council, and industry stakeholders to produce better management outcomes for the Cockburn Sound.

Innovation

Innovation is essential for driving public sector performance, achieving better outcomes for the community and building economic growth. Western Australia is progressively positioning itself as a leader in innovation, with the State Government Innovation Package launched in May 2016, opening up extensive opportunities for the sector to work in different and more innovative ways.

In driving the innovation agenda, it is important we continue to collaborate, challenge the status quo and connect with research and industry bodies to inject new ways of thinking into public sector agencies. As we reinvent our agencies and reassess our organisational culture, we have made significant gains in innovation. We are more efficient, responsive and customer focused than ever before and this is evident throughout the stories detailed in this report.

It is crucial agencies continue developing a workplace culture that fosters innovation, productivity and creative thinking. Leadership that inspires discussion, actively seeks input and encourages employees to question and debate new options and arrive at a better solution through diverse views is important[9].

Commitment to innovation is also key to attracting and retaining high-performing public sector employees who want to apply new approaches to their work, to deliver the best possible outcomes. It is important we continue to attract the best talent to our agencies and ensure they are engaged and productive.

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[9] CEDA, 2016, *CEDA's Top 10 Speeches: Disruption and innovation 2011–2016*

Technology

The community is increasingly moving online to connect with people, perform transactions, and access information and services. Technology is changing the way our customers interact with government, as well as the way we undertake our work.

This year, the Office of the Government Chief Information Officer (OGCIO) developed *Digital WA: State ICT Strategy* [10] to help transform the way public services are designed, supported and delivered for a community living and working in the digital world. An overview of the OGCIO's transformation story is available on page 49.

According to Intermedium's *Digital Government Readiness Indicator,*[11] while WA has been a digital transformation latecomer, by adopting and building on strategies that have been successful in other jurisdictions, we have progressed in this area.

The following examples outline where public sector agencies have successfully implemented or utilised technology to provide better services to their customers, reduce operating costs and drive efficiencies:

- The Insurance Commission WA introduced character recognition technology to automate claims document indexing. The savings from this technology are estimated at $1.5 million between 2015 and 2018.

- The Department of Water introduced a customer portal as part of the Water Online program, allowing clients to apply for water licences, enter water meter readings and track the status of their applications online.

- The School Curriculum and Standards Authority developed an innovative software solution to assist in documenting their compliance processes, allowing schools to upload the required documentation into a web-based application. The audit process only takes five days to conduct, reducing the audit and feedback process from a four-year cycle to a much shorter timeframe.

- The WA Country Health Service (WACHS) trialled Patient Opinion Australia in three regions during the year – Kimberley, Midwest and the Great Southern[12]. The independently moderated website allows anyone with a story about a hospital or general practitioner visit—good or bad—to provide feedback online. The system enhances WACHS' existing consumer feedback and complaints system, stimulating change within regional health services.

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[10]Office of the Government Chief Information Officer, 2016, *Digital WA: State ICT Strategy*

[11]Intermedium, 2016, *Digital Readiness Indicator*

[12]WA Country Health Service, 2016, *WA Country Health Service Annual Report 2015-16*

IN THEIR OWN WORDS

Transforming information technology

By Mr Giles Nunis, Government Chief Information Officer

Explain your understanding of the word 'transforming'?

The exciting thing about transformation in government is that it can have a profound positive impact on the delivery of services to the community. At the OGCIO, we are trying to transform the way government uses technology that is more efficient with higher capability that drives innovation in service delivery - we want to change it in a big way.

Tell us about your project.

When we started in July 2015, Western Australia was consistently ranked last in Australia for ICT maturity, and we were paying between $1 billion and $2 billion a year on ICT. There was no clarity, little consistency, a lot of wastage and duplication. We acted immediately to develop a new ICT road map for the Western Australian Government (published in May 2016) and also went to the market to secure a commercially better outcome for our ICT spend. We have subsequently jumped from last on the Intermedium Digital Government ICT Readiness scale to middle of the pack compared to other Australian jurisdictions in just over a year - a 72.7% rate of change. That's a huge result, and we're only getting started.

What are the top three skills/attributes you feel you needed to successfully lead a transformation project?

Be a leader and don't be afraid; don't get bogged down in the detail; have a vision, and link everything you do back to it.

What role did communication and collaboration play in the project?

Communication is huge in both innovation and ICT - you need to understand the problems for everyone involved, and make sure that everyone is on board in solving them. Translating between technical and business terminology is especially vital - they don't exist in isolation.

How did good governance and integrity factor into the project?

Good governance and integrity are the starting point for everything else, it's as simple as that. The Directors' General ICT Council is an effective and decisive governance group where its members are eager to deal with escalated issues.

Where have these initiatives improved service outcomes?

The services our sectors deliver, and the outcomes they produce for the community, have been shaped by various initiatives implemented by public authorities over the year. With any effort to transform or improve the equity, efficiency and effectiveness of service delivery, public authorities would expect to see a measurable impact, both within the community and to business processes and practices.

Equity of service delivery

Stable authorities that deliver services where they are most needed, help to improve the equity of service delivery and ensure public resources are appropriately directed. An example of this is Royalties for Regions[13], which from 2015/16 will invest a further $4 billion over four years to improve service delivery and bolster outcomes for regional communities.

In January 2016, the Australian Government Productivity Commission published its annual Report on Government Services 2016[14] (ROGS 2016), providing information on the effectiveness, efficiency and equity of government services in Australia. While the results reported in ROGS 2016 clearly indicate more work needs to be done in a number of service outcome areas, Western Australia rated highly on specific equity indicators for homelessness services and services provided to people with disability.

Efficient and effective services

To ensure efficient and effective service delivery, public authorities should reflect on functions and activities delivered and ensure they are relevant, cost effective and continue to deliver benefit to the community. The public sector spent just over $15 billion on services this year, with some expansion in the areas of health and human services, education and training, and infrastructure and development.

Reducing red tape, so businesses and individuals spend less time and money on necessary compliance requirements, is a high priority for the Government. Reducing red tape is one of the main elements of the Government's Plan to Reinvigorate Regulatory Reform. The 2016 Red Tape Reduction Report Card[15], highlighted quantified savings in a number of service areas.

To ensure services are delivered equitably, efficiently and effectively, public authorities should always consider the composition and capability of their workforce as a key component of delivering successful outcomes to the community.

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[13]Department of Regional Development 2016, *What is Royalties for Regions?*
[14]Australian Productivity Commission 2016, *Report on Government Services*
[15]Western Australian Department of Finance 2016, *2016 Red tape reduction report card*

Governance

Governance

Strong governance at an organisational and system level is an important feature of accountable and ethical public authorities. Parliament, the government of the day and the Western Australian community all need confidence that public officers are making decisions consistent with the governance and decision making frameworks in place, and have the skills to function within them.

> 'Governance encompasses not only the system by which organisations are controlled, but the mechanisms by which organisations and those who comprise them are held to account'[16]

At the organisational level, governance is the framework of legislation and related instruments, systems, policies and processes that provide the roadmap for public authorities to be transparent, accountable and ethical.

At a system level, the reporting, management and prevention of misconduct in public authorities changed when the *Corruption, Crime and Misconduct Act 2003* (CCM Act) came into effect. Over the coming year, system level changes are being introduced regarding the way lobbyists interact with public sector agencies. The role of the Auditor General in performance and annual audits of local governments, and the role of the Salaries and Allowances Tribunal in setting the remuneration bands for government trading enterprise CEOs are also being explored. These changes are intended to further improve the integrity, accountability and transparency of public authorities, and reaffirm the public's trust in them.

The Commission captures data from various sources to create a broad picture of the conduct of public officers and we are committed to continuing to report data collected from authorities, in a meaningful way. During the year, the Commission has sought to assure that public authorities understand how to report matters and comply with their legislative requirements. The results of this work—as well as other integrity evaluations and examinations—are featured in this chapter.

[16]Governance Institute of Australia, 2016, *More thoughts on governance*

What does our ethical environment look like?

Accountability

Public officers operate in, and must have the skills to navigate, a complex framework of legislation. Some of this will be job-specific but there are a range of accountability requirements that apply to us all.

Importantly, public authorities should:

- be familiar with relevant accountability requirements and frameworks and use these requirements as the basis for systems, policies and processes
- ensure accurate and contemporary information about accountability requirements is communicated to all employees.

Conduct

In the main, public officers act with integrity and professionalism in performing public duties. Occasionally though, public officers make poor decisions and behave inappropriately. Public authorities should, and do, have mechanisms in place to deal with conduct-related matters, however the level of maturity in systems varies.

Many conduct-related matters in public authorities will relate to a breach of an ethical code or an authority-specific policy, and can often be dealt with under a disciplinary framework at the local level. Other matters may be managed by the authority as a public interest disclosure, or a formal grievance, among others. In some cases a conduct-related matter will trigger a requirement to notify an oversight agency.

The way conduct-related matters are reported and captured across public authorities is complex. Adding to this complexity are; varied legislative frameworks and administrative processes and systems; which reporting and/or management process an authority uses to manage conduct-related matters; and how conduct-related matters are recorded.

IN THEIR OWN WORDS

Transforming the integrity landscape

By Hon. John McKechnie, QC, Corruption and Crime Commissioner and Mal Wauchope, Public Sector Commissioner

Explain your understanding of the word 'transforming'?

MW   'Transformation is about a fundamental change in the way business is undertaken. In the public sector it is adapting to our dynamic operating environment.'

JM   'For the Corruption and Crime Commission (CCC), legislative amendments to our CCM Act in July 2015 enabled us to move into a new and important phase as an organisation. In practice, 'transforming' involved a comprehensive review of business policies, processes, and organisational structures to ensure the CCC is better placed to expose serious misconduct in the WA public sector.'

Tell us about your project.

MW   'The change was an acknowledgement that after 12 years, the existing framework had not been as efficient and effective as anticipated. As a CEO who operated under that regime, I could see there was an opportunity to redesign the model to update its functionality.

The change to the legislation and my role required a further reform that commenced with the establishment of my office in December 2010.'

JM   'I was part of the judiciary at that time. I believed Parliament and the WA community needed confidence that matters of integrity and misconduct were being handled effectively, transparently and in the public interest.'

MW   'It was vital we established an effective working relationship with the CCC and a strong understanding of all our stakeholders, including those outside the public sector; namely local government, the public universities and the government trading enterprises. It was important we understood them and they understood us, and what was involved in the new framework.'

JM   'Developing an approach to transition and successfully implementing the plan was critical. I commenced as Commissioner halfway through this project, and it was evident that a lot of planning had been done and milestones had already been achieved.'

MW   'At our very first meeting we talked about a practical and pragmatic approach and the importance of simple and consistent messaging for the sectors. Over the last 18 months, we have worked together with public authorities to ensure wrongdoing in the sector is managed appropriately, integrity risks are highlighted and minimised, and information is fed back to authorities to assist them to manage these risks.'

What are the top skills/attributes you feel you needed to successfully lead a transformation project?

JM   'Transformation projects must include a clear vision of what your 'future state' looks like, so you can tailor a plan to achieve your end goal. In this project, collaboration between our two agencies was essential. We established a Memorandum of Understanding and a clear set of operating principles that guides our common understanding of minor and serious misconduct.'

MW   'Clear and consistent communication is key to any good change management process. As John points out, that is important between us, but also in our communication with public authorities. Together, we created a number of user-friendly resources to guide authorities through the decision making process and, where possible, have engaged with the sector collaboratively to ensure the messages around misconduct are getting out.'

JM   'Our aim is to ensure that reporting misconduct is as practical as possible for public authorities, public officers and the WA community. Our agencies use a range of information, data and intelligence to minimise integrity risks and corrupt behaviour in the sector.'

What are the key things you learned from the project?

JM   'The CCC's ability to redirect our attention to shifting priorities, remain professional, and share our learnings along the way was a key highlight for me. This year's annual report reflects our journey.'

MW   'Surround yourself with a strong team. I also think having a robust culture of questioning is critical. It's important to feel comfortable to ask 'why' because if you're asking, it's guaranteed someone else will be too. Most transformation projects challenge our thinking and, by virtue of that, we ask questions. Don't be afraid to speak up. It's all part of the process.'

Minor misconduct

On 1 July 2015, the Commission assumed responsibility for the oversight of minor misconduct by public officers and misconduct prevention and education. This enabled the CCC to focus on the oversight of serious misconduct by public officers, and all police misconduct. Previously all misconduct was reported to the CCC.

What has been the impact of this change?

Notification requirements for public authorities have been more closely aligned with the legislative definitions around what misconduct is. Public authorities must now make an informed judgement on whether the conduct-related matter before them is **serious**, **minor** or **not** misconduct for purposes of the CCM Act, and notify either the CCC or the Commission as required. Many low-level behavioural and human resource matters can now be most appropriately dealt with at the local level, with notification occurring annually through the Commission's survey program.

How has the Commission supported these changes?

The Commission has worked collaboratively with the CCC on communicating clearly and consistently with public authorities about the changes to the Western Australian integrity landscape. New information products, resources and training sessions were also developed and released, and a comprehensive stakeholder and community engagement program was progressed.

**How does the Commission manage a minor misconduct matter?**

The Commission is required to assess all notifications it receives from public authorities and reports it receives from individuals. Matters may also be referred to the Commission from the CCC. The Commission aims to assess matters as quickly as possible. Public authorities can assist by providing detailed notifications that reference all available evidence.

An assessment officer carries out the initial assessment of matters and takes it through a daily triage process. Triage involves senior members of the Commission team undertaking an official assessment of the matter, and making a decision on further action. The Commissioner personally reads most matters received.

The Commission has a number of options available to progress or finalise a matter. This ranges from taking no further action, referring the matter back to the public authority for it to manage, or investigating the matter itself (the Commission conducted one minor misconduct investigation during the year). In many cases the Commission refers the matter back to the public authority and requests advice of the final outcome.

MINOR MISCONDUCT
AT A GLANCE

SOURCE

477 minor misconduct matters received by the Commission

81% notified by principal officers

19% reported by individuals

TYPE

824 allegations

468 Personal behaviour

101 Use of public resources

76 Fraudulent or corrupt behaviour

59 Use of information and record keeping

53 Conflicts of interest

2 Inappropriate provision of gifts or hospitality

65 Did not relate to the conduct of a public officer as defined within the CCM Act

OUTCOME

195 allegations were substantiated which led to:

35% training, counselling or improvement

33% termination

31% another sanction

1% no sanction

Further data on minor misconduct processes are in Appendix C.

EVALUATIONS ACROSS THE SECTORS

Arrangements to manage misconduct and notify minor misconduct

Why is this important?

The CCM Act requires public authorities to manage and notify misconduct. Misconduct that satisfies the definitions in the CCM Act must be appropriately notified to the CCC (serious misconduct) or to the Commission (minor misconduct). Notification processes in public authorities will be effective where:

- expected standards of conduct are clear
- avenues for reporting misconduct are available, known and trusted
- integrity performance and misconduct risks are acted on by the executive
- there is a consistent and proper assessment and tracking of matters dealt with by the public authority.

Why was the work undertaken?

After a year of operation under the revised notification and reporting arrangements, the Commissioner considered it appropriate to evaluate aspects of the culture, leadership, systems and processes used within public authorities to manage misconduct. An evaluation was undertaken by the Commission to build an understanding about the nature and maturity of controls. The evaluation includes suggested improvements to increase the capacity of public authorities to prevent and respond to misconduct.

What aspects of managing misconduct were considered?

The Commission's evaluation had three key focus areas.

1. Leadership and culture
   - CEO and senior leadership oversight of integrity and conduct
   - accountability and responsibility for reporting misconduct
   - training and awareness raising for employees
   - experience and training of officers undertaking relevant misconduct functions.

2. Systems and processes

   • policy and procedures relating to misconduct management

   • risk management of misconduct

   • managing misconduct information.

3. Assessments of misconduct

   • consistency of assessment processes

   • appropriateness of minor misconduct notifications.

Which public authorities participated?

| Public sector bodies	Local governments	Other public authorities
• Department of Corrective Services • Department of Fisheries • Main Roads WA	• City of Bunbury • City of Greater Geraldton • City of Perth • City of Stirling	• Curtin University • Racing and Wagering WA • Synergy • University of Western Australia • Western Power

What were the key observations?

• Generally minor misconduct notifications, where required, were undertaken appropriately. However, examples were noted of some conduct matters which were considered to meet the elements of minor misconduct, that were not notified to the Commission.

• Improvements are necessary in regard to public authorities having clear policies and procedures, and consistent and transparent processes to manage misconduct and ensure appropriate notifications of minor misconduct are made to the Commission.

• Information and policies for recognising, reporting and dealing with misconduct could be made more accessible to staff.

• Curtin University and the City of Stirling were overall the highest rating authorities, with Curtin University having the most consistently high ratings across all the criteria considered.

• Authorities with higher per employee notification rates were more likely to have well developed policies, procedures and misconduct assessment processes and controls.

Figure 8.   **Distribution of ratings by focus area**
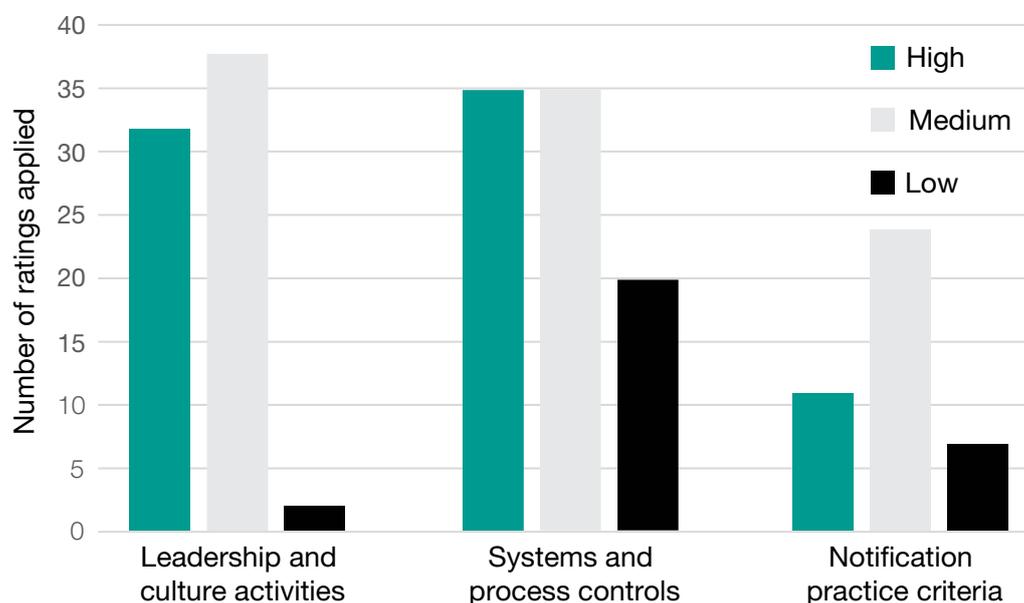
What improvements are suggested?

Public authorities should improve the management of misconduct and notification of minor misconduct.

1. Reinforce the prevention, identification and reporting of misconduct as a key aspect of integrity leadership by:
   - regularly communicating the standards of conduct, and the expectation that concerns about misconduct are appropriately raised
   - making information about the definition of misconduct and how to report it available through internal and external platforms.

2. Ensure internal policies and procedures state what misconduct is, how misconduct matters are dealt with, and who is responsible by:
   - having a policy and procedures on managing misconduct
   - reviewing misconduct data and assessing the organisational culture.

3. Ensure decisions on misconduct matters are transparent and capable of review by:
   - documenting decisions made at the authority level as they relate to s.4(d) minor misconduct, and whether notification about that matter is required
   - maintaining relevant registers.

The full report is on the Commission's website.

How do we prevent unethical behaviour?

The Commission and leaders play a vital role in promoting integrity in the sector and therefore preventing unethical behaviour. Public authorities reported implementing a range of strategies to prevent misconduct, including the following:

- having strong messages about conduct, and misconduct, in authority-specific codes of conduct and ethical training
- having strong oversight of misconduct issues through ethical standards branches, human resource units, audit committees and at the corporate executive level
- maintaining regular communication, both face-to-face and electronically, with employees from CEOs and management about misconduct risks and ethical behaviour
- having strong systems, policies and frameworks around ethical behaviour, particularly in relation to procurement, credit card use, conflicts of interest and the offer and acceptance of gifts, benefits and hospitality.

The Commission continues to offer a range of integrity promotion training sessions, information resources and advisory services to assist with building ethical public authorities. The Commission's extensive stakeholder and community engagement program, commenced 18 months ago in metropolitan and regional Western Australia, supports the delivery of these messages.

Public authorities should consider using data and trends highlighted in internal reports to strengthen governance and inform prevention and education activities. All incidents of unethical behaviour should be used as a rich source of information around how culture, governance and capability can be built and strengthened.

A number of public authorities indicated that outcomes of misconduct management processes are considered in the development and review of misconduct prevention and education strategies. Initiatives included:

- developing targeted ethical training and education sessions
- commencing targeted internal audit reviews to assure issues are not systemic
- using information to inform business improvement actions in relevant work areas
- reporting data and trends through to the corporate executive through human resources reporting.

The work of integrity and central government agencies and peak industry bodies can also support this effort. Outcomes and recommendations from reviews, investigations and audits—such as the evaluations and examinations throughout this report—in many cases serve as 'early warning signs' for public authorities to take action on strengthening governance processes.

STORIES FROM THE SECTORS

Building the capability of public officers who occupy positions of trust enhances the sectors' ability to act, and be seen to act, ethically and with integrity.

Building chief human resource officer (CHRO) capability

To increase the professionalism of the human resources function, the Australian and New Zealand public service commissioners collaborated to develop a joint success profile. As stewards of organisational culture, building the capability of this group is essential in addressing workforce issues and promoting ethical behaviour.

Building information and communication technology (ICT) practitioner capability

In collaboration with the Government Chief Information Officer, the Commission developed the ICT capability framework. The framework maps capability requirements for ICT practitioners, including emphasising the appropriate and ethical management of contracts and infrastructure that are large-scale, high-value and high-risk.

Building chief finance officer (CFO) capability

In their frontline role to prevent financial misconduct and fraud, developing a common understanding of expectations, accountabilities and experiences essential to CFO performance is crucial. In partnership with the Department of Treasury, the Commission has developed a CFO success profile and associated measurement guidelines.

Building chief executive officer (CEO) capability

The Commission has commenced work on a CEO success profile and associated measurement guidelines with a key focus on how CEOs can change the shape of an organisation by leading ethically and by example.

Building the capability of investigators

A major part of the Commission's misconduct prevention and education role has been the development of investigators capability. It provided the *Certificate IV in Government (Investigation)* to 114 public officers, and an additional 21 officers with responsibility for oversight of investigations are completing their *Diploma in Government (Investigation)*.

Ethical codes

As public officers, we demonstrate accountability to our role and authority by complying with ethical codes. The code of ethics covers all public sector employees as described in the PSM Act. The code of ethics outlines the principles of personal integrity, relationships with others and accountability.

In the main, all public authorities develop and promote an authority-specific code of conduct to more clearly define appropriate behaviour. In 2015/16, all public sector agencies indicated they had a code of conduct that aligned with the code of ethics.

Of public sector employees surveyed, 93% indicated they are familiar with the code of ethics and 96% said they were familiar with their agency code of conduct. In 2011, 60% of employees were familiar with the public sector code of ethics and 73% were familiar with agency codes of conduct.

'Over a five year period, employee awareness of ethical codes increased markedly'

For all other public authorities, the requirement to develop and implement ethical codes will most likely be in legislation. In local governments for example, there is a requirement under the *Local Government Act 1995* to prepare and adopt a code of conduct for elected members, committee members and employees. During the year, the Commission published *Developing a code of conduct: Guide for local government* to assist them to develop or review codes using a good practice approach. In the past year, just over nine in ten of all other public authorities reported having a code of conduct, which is an improvement from previous years.

Alleged breaches of ethical codes

When an alleged breach of ethical codes is reported, a formal discipline process may be commenced. In 2015/16 there were 2059 discipline processes commenced in public authorities, with 1131 determined to be a breach of discipline.

Figure 9.   Flowchart of alleged breaches of ethical codes

| 2059 alleged breaches of ethical codes | → | 1131 determined to be a breach | → | 11% resulted in termination |
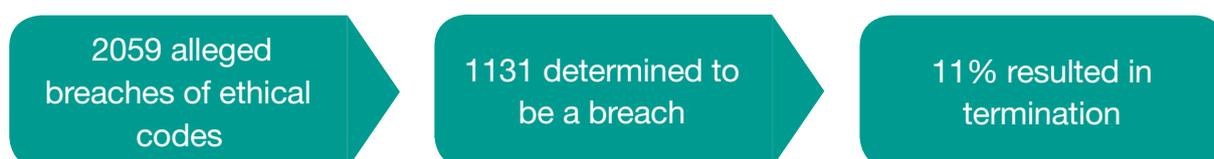
Some alleged breaches of ethical codes and subsequent discipline processes, reported by public authorities, may have also been notified to the Commission or the CCC in their role to provide oversight of misconduct. This should be considered when reading this section.

Figure 10. Alleged breaches of ethical codes reported by public authorities

■ **Breach found**   ■ **No breach found**

	Breach found	No breach found
Unauthorised disclosure of information	24	23
Falsification of information or records	69	26
Failure to manage conflicts of interest	30	29
Inappropriate acceptance of gifts or benefits	6	3
Fraudulent or corrupt behaviour	47	30
Improper use of internet or email	38	11
Inappropriate access of confidential information	32	22
Workplace theft	27	13
Improper use of public resources	84	15
Misuse of drugs or alcohol	87	23
Bullying	67	29
Personal behaviour (other than bullying or misuse of drugs or alcohol)	382	210
Others (including unknown)	238	474
	1131	928

**2059** **Alleged breaches of ethical codes reported by public authorities**

Outcomes of discipline processes

Of the 1131 determined to be a breach of discipline, public authorities recorded 1491 outcomes. Each case may have more than one outcome recorded.

Public authorities recorded 'not applicable – no breach' 22 times. These were removed from the data set as they were not considered to be findings under a discipline process. Public authorities recorded 'information not available' 19 times. These were removed from the data set as they could not effectively be categorised. Of the 1450 remaining discipline outcomes, these have been grouped into four categories as shown below.

Figure 11. Outcomes of completed discipline processes

11% termination

10% no sanction

29% other sanctions

50% improvement action
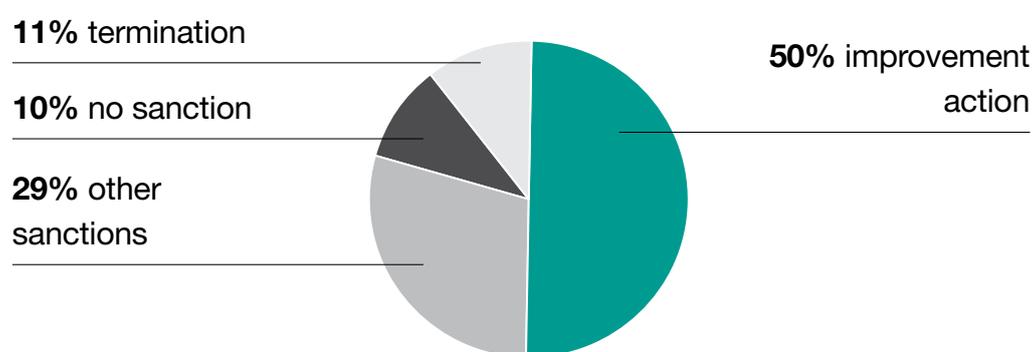
For more detailed information on outcomes of completed discipline processes see Appendix C.

Ideally, discipline processes will be resolved at the local level in a timely, effective and confidential manner. Of the 54% of public sector agencies that reported they had completed disciplinary processes, 42% of these reported completing the process within six months.

EVALUATIONS ACROSS THE SECTORS

Personal use of publicly-funded facilities by public officers

Data and information from the first year of operation of the new minor misconduct reporting arrangements led the Commission to examine the way public authorities manage the integrity risks around personal use of public facilities by public officers. A particular area of interest was publicly-funded workshops and recreational venues – as personal use would generally be perceived by the community to constitute a private benefit to a public officer.

What is the risk?

The management of publicly-funded facilities carries a range of risks. Not least, is the integrity risk associated with public officers and, by extension, their families or friends having personal access to such resources. Uncontrolled access may create a potential for inappropriate use of a public facility for a private commercial gain, such as running a sports coaching business on the side or using a workshop to repair and sell vehicles.

Examples of misuse of public facilities by public officers in the past include:

• providing free membership of the local recreation centre to a family member

• driving a sanitation truck to a public officer's residence to load rubbish

• using a workshop and welding resources to construct a pot belly stove

• using workshop resources to produce commercial signage.

The key risk is that personal access to public facilities may lead to a perceived, potential or actual conflict of interest. The problem occurs where the public officer's personal interest and their public duty to ensure a facility is available for its intended purpose, comes into conflict.

Which public authorities participated?

Public sector bodies	Local governments	Other public authorities
• Department of Parks and Wildlife • Perth Theatre Trust • Public Transport Authority • South Metropolitan TAFE	• City of Armadale • Town of Cambridge • Shire of Bridgetown-Greenbushes • Shire of Gingin	• Edith Cowan University • Murdoch University • Southern Ports Authority • WA Institute of Sport

Twelve public authorities were chosen to participate in the evaluation, not due to any suspected control weakness or suspicion of misconduct, but in order to have a diverse sample.

What practices and controls were considered?

Practices and controls used to manage personal use of facilities were evaluated to provide advice to public authorities and to build sector-wide capability. The evaluation focused on four preconditions for making ethical decisions: the right culture, strong capability, good governance and a robust decision making framework.

The evaluation applied a maturity scale to assess controls and practices used by public authorities. These were considered in relation to the broad organisational context and, more specifically, to a single public facility managed by each public authority.

|	
Embedded	Practices and controls form a comprehensive and joined-up approach to integrity risk management. All roles carry key responsibilities and there is ongoing monitoring of the effectiveness of controls by the executive/governing body that informs any systems improvement.
Managed	Practices and controls to manage integrity risk are largely reactive and compliance-oriented. Particular roles carry key responsibilities and there is some tracking of controls related to systems improvement.
Informal	There is some awareness and recognition of the need to manage integrity risk but observed practices and controls are best described as ad-hoc. Key responsibilities are limited to single or scattered roles within the organisational structure and there is minimal monitoring of the effectiveness of any controls. Systems improvement activities are random or uncoordinated.

What were the key observations?

- Strong leadership commitment to promoting a high integrity culture was evident in all public authorities, although this was not always emphasised in human resources and line management policies and practices. Authorities often did not seek staff feedback on integrity matters.

- There was a good level of general awareness of the integrity risks associated with uncontrolled access to publicly-funded facilities but this risk was often not specifically considered within broader risk management frameworks.

- Codes of conduct typically referenced the requirement to be scrupulous in the use of resources in general terms but appropriate use of workshop and recreational facilities was not often expressed as clearly in policies as use was for other resources, such as corporate vehicles, computers and mobile phones.

- While the coverage of related risks varied across employee induction and training programs, training and awareness sessions had often not been consistently or periodically delivered to the workforce. Public authorities that had developed programs based on the Commission's 'Accountable and ethical decision making training' framework were able to demonstrate higher levels of maturity in this focus area.

- While there were many examples of good access and security controls applied at a local level, there was less monitoring or auditing of staff use of access permissions for facilities.

- A range of localised protocols and controls were observed during site visits that demonstrated simple and effective controls. However, these were not always formally documented or described.

The distribution of systems maturity levels across the 12 participating authorities is illustrated on the next page.

Figure 12.   System maturity levels by focus area across sample authorities

Legend: ■ Embedded   ■ Managed   ■ Informal

Factors	Evaluation focus areas
Culture	Commitment and leadership
	Business alignment with core values
	Engagement of employees
Decision making framework	Consideration of the operating environment
	Behavioural guidance
Capability	Span of accountability
	Workforce knowledge and skills
Governance	Systems monitoring and controls
	Continual improvement

Assessed maturity levels
(% of sample authorities)

What suggestions were made?

Key suggestions arising from the evaluation that may help strengthen public authority controls include:

- regularly engaging with staff, for example, through internal surveys, to better assess and respond to the ethical climate

- better aligning human resources policies and practices with ethical values

- formalising any local-level policies for appropriate use of public facilities, such as recreational centres and maintenance workshops, and their associated resources

- regularly offering ethical training to staff across all types of employment

- embedding the consideration of misconduct risk within risk management frameworks

- extending corporate monitoring and audit systems to all public facilities under a public authority's control.

The full report is on the Commission's website.

Public interest disclosures

The *Public Interest Disclosure Act 2003* (PID Act) allows any person to make a disclosure about wrongdoing in public authorities without fear of reprisal. The legislation aims to ensure openness and accountability in government by encouraging people to speak up about wrongdoing and protecting them when they do. The Commissioner's role is to monitor compliance with the PID Act and assist public authorities and public officers to comply with the legislation and PID Officer's code of conduct and integrity.

In 2015/16, a total of 45 disclosures were received by public authorities, with 20 disclosures assessed as appropriate for the purposes of the PID Act. This is compared to 53 disclosures received, with 14 assessed as appropriate in the previous year. This continues to represent a small proportion of all matters considered by public authorities.

Of the 20 appropriate disclosures received, 34 matters were raised across the types of public interest information contained in the PID Act, as shown below.

Figure 13. Public interest information contained in disclosures

Type	
Improper conduct	11
Offence under State law	7
Substantial irregular or unauthorised use of public resources	6
Substantial mismanagement of public resources	5
Act or omission that involves a substantial and specific risk of injury to public health; prejudice to public safety; harm to environment	3
Matters covered by the Ombudsman	2
Total	**34**

Compliance with the PID Act

Public authorities reported no allegations of non-compliance with their obligations under the PID Act, and only one allegation of non-compliance with the PID Officers code of conduct and integrity.

Organisational strategies to support disclosures

Legislative requirements and appropriate internal governance around public interest disclosures require a public authority to have internal PID procedures in place. Sixty per cent of public authorities reported publishing internal procedures, slightly less than the 63% reported last year. This year, 89% of authorities reported designating a specific officer, generally referred to as a PID officer, to receive disclosures. This compared with 91% last year.

During the year, the Commission reviewed and refreshed its suite of public interest disclosure materials and resources to encourage disclosers to speak out about wrongdoing and assist authorities to appropriately manage disclosures. Authorities are encouraged to consider using the materials and resources provided to review their governance around disclosures.

In addition to the legislative and governance requirements around public interest disclosures, authorities should promote the benefits of reporting using the PID Act, including certain legal protections available to disclosers.

Authorities reported using a range of measures to ensure compliance with, and promotion of, the PID Act, including:

- 59% published the names of the authority's PID officers
- 32% ensured their PID officer/s attended the Commission's PID information session
- 43% published the Commission's PID advice and referral line number.

Disclosure across the jurisdictions

All Australian jurisdictions now have public interest disclosure—or 'whistleblowing'—legislation at various stages of maturity. Western Australia's PID Act is now in its second iteration.

The Commission is leading the public sector's contribution to the world's leading research into whistleblowing, being driven by researchers from Griffith University's Centre for Governance and Public Policy, Queensland. *Whistling while they work 2: Improving managerial responses to whistleblowing in private and public sector organisations* is the first research project to systematically compare the levels, responses and outcomes of whistleblowing in multiple organisations across Australia and New Zealand. The project builds on the Australian Research Council's original project, *Whistling while they work 1: Enhancing the theory and practice of internal witness management in public sector organisations,* by examining the adequacy of organisational responses to whistleblowing.

Public sector standards in human resource management

Under the PSM Act, *Public sector standards in human resource management* are established to ensure fair and accountable human resource management within public sector agencies. The standards relate to six human resource transactions—employment, grievance resolution, performance management, redeployment, termination and discipline.

Public sector employees, or prospective employees, who perceive a human resource process has not been carried out appropriately by the agency—and this has in some way adversely affected them—can lodge a breach of standard claim. Agencies must first try to resolve a claimant's concerns internally. If an appropriate resolution cannot be reached, the Commissioner will review the claim and determine whether a standard was breached.

Figure 14. Flowchart of alleged breaches of standards

186 alleged breaches of standards	47% referred to Commission	4% of breaches upheld

In 2015/16, 53% of claims were dealt with and resolved at agency level. Of the 47% (88) that were referred to the Commissioner, only 4% of these were considered to be a breach. Two employment standard breaches, three grievance resolution breaches and two redeployment breaches were upheld. Overall, as in previous years, this continues to represent a small number of allegations of standards being breached.

Grievance resolution

Some less serious matters—usually with an aspect of interpersonal conflict—can be managed within public authorities as a grievance. Grievance resolution is another human resource process guided by an authority-specific policy and procedure, where the parties discuss a solution. Authorities may have an informal grievance process, which is escalated to a formal grievance if a solution cannot be reached. Some grievances may include conduct-related matters.

In 2015/16 there were 213 grievances recorded in public sector agencies, compared with 231 the previous year. All other public authorities recorded 480 grievances. Public authorities' reported grievances typically involved allegations of low-level interpersonal conflict, bullying or other inappropriate behaviour.

Reporting across the public sector

There are many pathways public officers and members of the public may use to report conduct-related matters when they arise. As shown in the figure below, some pathways are used to report conduct-related matters more frequently than others.

Figure 15. Number of reports per 1000 employees

| 0.3 | 1.4 | 3.5 | 5.1 | 5.6 | 15.2 |
| PIDs | Breach of standards | Minor misconduct | Grievances | Serious misconduct | Breaches of ethical codes |
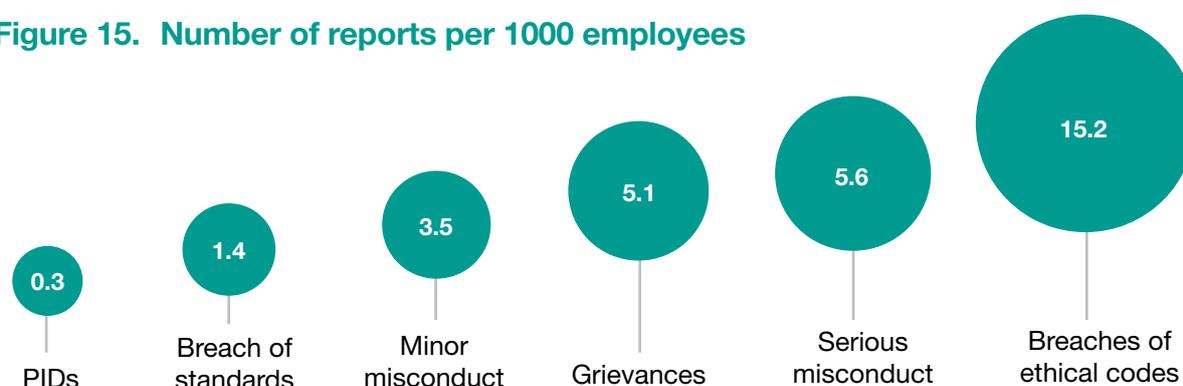
An ethical public sector has a strong culture of reporting poor conduct

Confidence in reporting

Despite most public authorities reporting having the required governance in place, there appears to be varying levels of confidence in public officers reporting wrongdoing.

While 86% of public sector employees surveyed indicated they knew how to report unethical behavior—of those that said they had witnessed unethical behaviour— only 27% said they reported every instance they saw. Further, only 46% of public sector employees surveyed were aware of the PID Act or how to make a disclosure. Of these, less than half said they would use the PID Act to make a disclosure.

Leaders need to do more to encourage a culture and environment where employees feel comfortable to question systems and processes, and to report unethical conduct. Good governance, strong leadership and ethical cultures are all necessary conditions to encourage ethical behaviour.

How do we encourage ethical behaviour?

Maintaining a workplace culture with strong ethics and integrity underpins a solid governance framework, and is fundamental to good organisational performance.[17] There are three areas of consideration for ethical behaviour and good decision making to occur within an organisation— culture, governance and capability.

Culture

The culture of a public authority defines 'the way things are done around here'. It is an essential ingredient in encouraging ethical behaviour. A strong culture is one with shared values focused on meeting community expectations and standards.

Senior leaders must set the tone for upholding the highest standards of ethical behaviour and modelling the authorities' values. Commitment to ethical behaviour should be stated publicly, as this reassures the government of the day, the community and employees, that ethical issues are taken seriously and will be dealt with appropriately. The culture should also be one where it is acceptable to challenge the 'status quo', and where people are supported to report wrongdoing without fear of victimisation.

'85% of employees agree their managers act honestly and with integrity'

Strong culture can contribute to an increased confidence in the ethical behaviour of management. Of the public sector employees surveyed, 85% perceived their immediate supervisor demonstrated honesty and integrity in the workplace, with more than two-thirds believing senior managers led by example in regards to ethical behaviour. According to 84% of survey respondents, agencies actively encouraged ethical behaviour of all employees.

[17] Independent Broad-based Anti-corruption Commission, Victoria, 2014, *A review of integrity frameworks in Victorian public sector agencies*

Governance

Governance in a public sector context has several dimensions. It encapsulates the accountability relationship that exists between ministers and executive management for the delivery of programs and services, as well as accountability of CEOs and boards for transparent and effective management and administration. The examination on page 77 highlights the importance of effective governance mechanisms in this regard.

Public authorities must have strong controls and established systems, policies and processes to guide employees in meeting expected standards of behaviour, and to raise concerns and have them addressed appropriately.

> 'Internal monitoring systems and processes are important in the early detection of misconduct and corruption.'

During the year, public authorities reported using a variety of governance approaches to monitor employee behaviour, including dedicated performance management meetings, analysis of complaints or workplace issues, and reviews and audits. Internal monitoring systems and processes are important in the early detection of misconduct and corruption. A seemingly insignificant conduct-related matter, when reviewed in combination with other data and trends, may also be an indicator of more serious or potentially systemic problems.

Importantly, public authorities should seek to apply internal governance procedures consistently over time. Public sector agencies reported using a range of strategies to ensure consistency in the management of misconduct matters across organisations. These included reviewing misconduct management policies during the year, such as guidelines for managing and assessing misconduct. In many cases, agencies also reported having centralised and dedicated resources, to manage misconduct matters.

A number of other governance and monitoring processes within public sector agencies can assist in identifying integrity risk areas. Notably, 99% of agencies reported they routinely assessed procurement and compliance controls. Ninety-six per cent strongly agreed or agreed that they routinely conducted risk assessments of their activities to manage risks. Ninety-two per cent agreed that information collected as part of governance reporting is shared and considered by the corporate executive.

Capability

Capability not only refers to a public officer's competency level, but also to their being well equipped to act ethically. Once in place, governance frameworks and integrity messages must be reinforced and refreshed regularly.

Strong employee induction processes set the foundation for ethical behaviour. Leaders must ensure ethical standards are outlined clearly early in the employment journey. Eighty-four per cent of all other public authorities indicated they had induction processes to ensure public officers were aware of their ethical obligations.

'Over the past five years, public authorities reported 74 409 employees, and 891 Corporate Executive members completed the training.'

'Accountable and ethical decision making' is the ethics training program used by public sector agencies and, increasingly, public authorities. Over the past five years, public authorities reported 74 409 employees, and 891 Corporate Executive members completed the training. Importantly, this training should be revisited and updated regularly.

Performance management conversations are another opportunity to reinforce integrity messages and build capability. Of public sector employees who had been employed for more than 12 months, 76% reported having at least one formal performance management process. Of these, only half reported discussing their agency's code of conduct or values as part of this process. Eighty-seven per cent of public sector agencies and 69% of all other public authorities indicated they used performance management meetings as a tool to monitor employee behaviour. Public authorities should make better use of formal performance management processes to discuss conduct and integrity matters and monitor employee behaviour.

EXAMINATIONS ACROSS THE SECTORS

Relationships between public sector agencies and ministerial offices

The quality of the working relationship between a minister's office and a public sector agency impacts the effective translation of government policy into service delivery, and the proper management of agencies. Minister's offices and agencies work collaboratively to deal with complex policy and service delivery challenges in a dynamic environment. They manage these challenges under high levels of community scrutiny and in an environment of rapid decision making. In this light, working relationships between ministerial officers and public sector employees can experience occasional tensions. This is not unexpected, but needs to be managed appropriately.

Why was the work undertaken?

In July 2016, in response to a request for an inquiry into a specific matter by the Leader of the Opposition, the Commission considered the factors essential to establishing and maintaining effective relationships between ministerial offices and agencies. An examination was undertaken into the arrangements in place within the Department of the Premier and Cabinet (DPC) to promote effective working relationships. While most agency-to-ministerial office relationships operate at arm's length from the DPC, it employs ministerial officers, under delegated authority, and supports administrative functions across ministerial offices.

What factors were considered?

The examination considered ethical decision making frameworks, relevant administrative processes, arrangements for promoting a high integrity culture, and how employee knowledge and capability is developed.

What were the key findings?

The examination concluded that:

- The leadership culture within the DPC demands high ethical standards.
- Ethical decision making frameworks are clear and comprehensive.
- Induction and development processes assist in building knowledge and capability, but could be expanded.

- Governance practices are adequate but could be enhanced, particularly in relation to feedback and performance monitoring arrangements. This applies to establishing and applying communications agreements between agencies and ministerial offices, and to the support services provided by DPC to ministerial offices.

What improvements are recommended?

Although arrangements were considered adequate, enhancements are recommended. This is consistent with the approach adopted in some other jurisdictions. These include providing additional information to ministerial officers about government processes, accountability structures and the roles of key positions.

While principally directed at the DPC the following recommendations are relevant to all public sector agencies and ministerial offices.

Reinforce a high integrity culture

- Undertake 'Accountable and ethical decision making' refresher training that considers the individual ministerial office context and relevant integrity risks.

Re-inform capability development

- Develop 'Success profiles' for key positions in ministerial offices.
- Deliver more information sessions for employees that work at the interface of ministerial offices and agencies to address working relationship dynamics.
- Augment existing development initiatives for staff in ministerial offices on topics such as Westminster principles, government processes and accountability arrangements.

Reinvigorate decision making frameworks and governance practices

- Improve communications agreements developed under s.74 of the PSM Act to include key principles, specific performance objectives and periodic monitoring arrangements.
- Assist ministerial offices and portfolio agencies to achieve clarity about government priorities and performance objectives.
- Extend performance monitoring arrangements to cover practical aspects of the working relationship between ministerial office and agencies.

The full report is on the Commission's website.

Appendices

Appendices

Appendix A: Evaluation framework

The approach used by the Public Sector Commission (the Commission) to evaluate the state of the sectors is informed by legislative requirements including the following:

Public Sector Management Act 1994 (PSM Act)

Under ss. 21 and 22D of the PSM Act, the Public Sector Commissioner (the Commissioner) is required to monitor and report on the state of public sector administration and management each year, and compliance with standards and ethical codes. The Commissioner's jurisdiction under the PSM Act applies to all Western Australia public sector bodies, which includes:

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

This does not include other government bodies such as:

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

Public Interest Disclosure Act 2003 (PID Act)

Under s. 22 of the PID Act, the Commissioner is also required to report on compliance with the PID Act and the *Public interest disclosure officer's code of conduct and integrity*. The Commissioner's jurisdiction under the PID Act is broader and includes public universities, local governments and other PSM Act Schedule 1 entities.

Corruption, Crime and Misconduct Act 2003 (CCM Act)

As of 1 July 2015, the *Corruption and Crime Commission Act 2003* was amended and is now known as the CCM Act. This has resulted in the transfer of the oversight of minor misconduct by public officers and the misconduct prevention and education functions to the Commissioner.

Under s.45ZD of the CCM Act, the Commissioner monitors and reports to Parliament on behavioural trends seen in minor misconduct notifications and reports from public authorities, and provides analysis of information gathered through these functions to help public authorities prevent, identify and deal effectively with misconduct.

The Commissioner's jurisdiction under the minor misconduct provisions is very broad but specifically excludes WA Police, elected members in State or local government or a clerk of a house of Parliament.

Appendix B: Scope of data collection

The Commission monitors the state of the sectors through a variety of data collection methods as outlined below. While the Commission makes every effort to encourage data quality through regular assurance checks, it relies on public authorities to ensure data is provided in a timely and accurate way. Table 1 summarises the data collected for different types of authorities.

Public sector entity survey (PSES)

The annual PSES requests information from public sector entities about their administration and management practices. The survey also requests information about designated public interest disclosure officers, internal procedures and any disclosures received. Agency-level responses are published in the *State of the sectors statistical bulletin 2016*.

Integrity and conduct survey (ICS)

The annual ICS requests information from all other public authorities about designated public interest disclosure officers, internal procedures and any disclosures received, as well as activities undertaken by authorities to respond effectively to and prevent unethical behaviour. The ICS is sent annually to the principal officers of public authorities.

Employee perception survey (EPS)

The annual EPS evaluates public sector employee views about their workplace, including ethical behaviour, equity and diversity, and job satisfaction. The *State of the sectors statistical bulletin 2016* lists sector-wide EPS data. De-identified data is made available at www.data.gov.au.

Human resource minimum obligatory information requirement (HRMOIR)

The quarterly HRMOIR collection reports data on workforce characteristics across public sector entities. The *State of the sectors statistical bulletin 2016* lists key statistics, both sector-wide and at the entity level.

Equal employment opportunity survey (EEO survey)

The annual EEO survey assists the Director of Equal Opportunity in Public Employment to monitor workforce data on public authorities, including local governments, public universities and GTEs.

Formal oversight activities

Formal oversight activities described in legislation include minor misconduct allegation assessments (CCM Act s.45C), reviews of operations of public sector bodies (PSM Act s.24B), powers of investigations (PSM Act s.24) and special inquiries (PSM Act s.24H and CCM Act s.45Q). Other oversight activities not described in legislation rely on the Commissioner's general powers (PSM Act s.22G). They include examinations, evaluations and assurance exercises. Information and data for these activities are collected through a variety of methods.

Table 1:   Summary of data collected by authority type

Collection tool	Collected from						
	Department	SES org	Non-SES org	Schedule 1 entities			Non-govt orgs
				Local govt	Public uni	GTE	
HRMOIR	✓	✓	✓				
EEO survey				✓	✓	✓	
EPS	✓	✓					
PSES	✓	✓	✓				
ICS			✓	✓	✓	✓	✓
Formal oversight activities	Varies according to terms of reference						

Appendix C: Supplementary data tables

Minor misconduct

Table 2: **Number of actions taken by the Commission in relation to minor misconduct matters**

Type of action	
Referred to authority – outcome requested	183
Referred to authority – report requested for review	76
Referred to Corruption and Crime Commission (CCC) or other agency	67*
Referred to authority – no response required	11
No action taken	140
Total	**477**

* 66 matters referred to the CCC and one matter referred to the Department of Local Government and Communities. Generally, matters are referred to the CCC under s.45M(d), where:

- the matter, or at least one allegation within the matter, appears to be serious misconduct
- it appears to otherwise fall within the CCC's jurisdiction
- it involves issues known to be of interest to the CCC.

Table 3:   **Number of minor misconduct matters notified to the Commission by sector**

Sector	Notifications (s.45H)	Reports (s.45E)	Total
Western Australian public sector	272	53	325
Local governments	36	24	60
GTEs	59	4	63
Public universities	16	5	21
Out of jurisdiction	1	7	8
Total	**384**	**93**	**477**

Table 4:   **Number of substantiated minor misconduct allegations by type of outcome**

Outcome	Public sector	Local governments	GTEs	Public universities	Total
Training, counselling or other improvement action mandated	39	10	18	1	68
Employment terminated	26	5	30	3	64
Not terminated, but other sanction applied	51	5	4	0	60
No sanction applied	2	0	1	0	3
Total	**118**	**20**	**53**	**4**	**195**

Note: The Commission made recommendations in relation to one minor misconduct matter during the year. The response of the relevant public authority met the Commissioner's requirements.

Discipline

Table 5:   Number of completed discipline processes by type of outcome

Outcomes	PSES	ICS	Total
Not applicable – no breach	0	22	22
Information not available	0	19	19
Formal written warning issued	114	248	362
Improvement notice issued	52	26	78
Termination of employment	54	103	157
Further employment contract not offered	0	5	5
Employee transferred	14	4	18
Reduction in classification	6	3	9
Reassignment of duties	4	3	7
Reduction in salary	11	3	14
Fined	41	0	41
Reprimanded	206	50	256
Counselled	38	71	109
Training and development	35	53	88
Performance management	9	83	92
No sanction imposed due to resignation or abandonment of employment of investigated employee	52	49	101
No sanction imposed for other reasons	35	10	45
Others	7	61	68
Totals	**678**	**813**	**1491**

Appendix D: Description of service clusters

In the Services chapter reference is made to 'service clusters'. These are a concept used to group similar public sector agencies together, based on the descriptions below.

Culture and Community

Agencies in the Culture and Community cluster contribute to the social fabric of Western Australians through the promotion of arts, culture and sports as an integral part of community focused life. The agencies foster community engagement and cultural development for the social well-being of Western Australians.

Education and Training

The Education and Training cluster of agencies ensures the provision of quality education for students of all ages through the effective delivery of education at Government and non-government schools, and higher education institutions. These agencies also provide support services and work with industry and the broader community to continually improve the skills and employment opportunities of all Western Australians.

Finance

Agencies within the Finance cluster manage the State Government's budget, the economy and matters relating to state finances.

Health and Human Services

Agencies within the Health and Human Services cluster are responsible for the development and delivery of health and community care services. This includes providing access to social, health and other support services for the benefit of Western Australians. Many of these agencies emphasise preventative and education programs that help facilitate improvements in health behaviours and environments.

Industry and Environment

The Industry and Environment cluster of agencies works directly with industry players to focus on the economic, scientific and ecologically sustainable development of Western Australia's economy. Their tasks range from protecting the natural and built environments to ensuring safe workplaces and developing innovative industries.

Infrastructure and Development

The purpose of agencies in the Infrastructure and Development cluster is to manage State capital works across Western Australia through the provision of infrastructure to facilitate economic development and ensure equitable access of services.

Justice and Public Safety

Agencies within the Justice and Public Safety cluster work to create a safer and more secure Western Australia. These agencies provide effective police and emergency services, and manage the administration of justice and legal affairs in the State.

Oversight and Administration

Oversight and Administration agencies are responsible for providing leadership, maintaining good governance and upholding regulatory standards.

Appendix E: Definition of terms

Term	Definition
Aboriginal Australians	People of Aboriginal and/or Torres Strait Islander descent who identify as such, and are accepted as such, by the community in which they live.
Act	A law made by Parliament, and known as an Act of Parliament.
Allegation	A claim that an individual has engaged in a specific instance of conduct which is suspected to amount to minor misconduct. A matter may contain more than one allegation.
Aspiring leaders	Public sector employees employed in positions under the *Public Service and Government Officers General Agreement 2014* at Levels 5 to 8.
Breach of standard	A determination by the Commissioner that one or more of the requirements of a public sector standard have or have not been complied with.
Codes of conduct	A formal written policy documenting the behaviour expected of all employees of a public authority. Under the PSM Act each public sector body is expected to develop a code of conduct consistent with the public sector Code of Ethics.
Code of Ethics	The Western Australian public sector Code of Ethics outlines the minimum standards of conduct and integrity for public sector bodies and employees outlined in the PSM Act.
Department	An organisation established under s.35 of the PSM Act.
Ethical codes	Ethical codes are made up of the Code of Ethics together with authority-specific codes of conduct.
Full-time equivalent (FTE)	One FTE is one person paid for a full-time position. FTE totals include all current employees except board members (unless they are on a public sector authority payroll), trainees engaged through any traineeship program, award or agreement, and casuals who were not paid in the final pay period for the financial year. FTE calculations do not include any time that is not ordinary time paid, such as overtime and flex-time.

Term	Definition
Headcount	Number of employees directly employed by a public sector agency at a point in time, regardless of employment type.
Improvement action	Any action taken to improve an employee's conduct (e.g. warning, training, counselling) other than a formal sanction (e.g. demotion, fine).
Leaders	A term used to refer to leadership roles in general and not only limited to Management Tiers 1, 2 and 3.
Managers	A general term used to refer to mid-level supervisors.
Matter	An issue being dealt with by the Commission (created by a report or notification) which relates to, or is suspected to relate to minor misconduct. This incudes matters which may have been referred from the CCC.
Non-SES organisation	A term defined by section 3 of the PSM Act.
Other public authorities	For the purposes of this report, the term refers to those organisations and bodies that responded to the Integrity and conduct survey, excluding public sector agencies.
People 24 and under	A term applied to the diversity group commonly referred to as 'youth'.
People 45 and over	A term applied to the diversity group commonly referred to as 'mature-aged'.
People from culturally and linguistically diverse backgrounds	A term applied to people born in countries other than those below, which have been categorised by the Australian Bureau of Statistics (ABS) as mainly English speaking countries as follows: Australia, Canada, England, Ireland, New Zealand, Northern Ireland, Scotland, South Africa, United States of America, Wales.
People with disability	A term applied to people with ongoing disability who have an employment restriction that requires any of the following: modified hours of work or time schedules; adaptions 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.

Term	Definition
Principal officer	Takes the meaning outlined in s.3 of the CCM Act and includes the chief executive officer or chief employee or person specified in the regulations as the principal officer of that notifying authority.
Public authorities	For the purposes of this report, the term refers to those organisations and bodies that provided responses to the Public sector entity survey and the Integrity and conduct survey. That generally includes all State government agencies, local governments, public universities, GTE's and many government boards and committees. The term public authority has specific legislative meaning in the PID Act, EO Act and CCM Act.
Public officer	For the purposes of this report, the term refers to all people in public employment.
Public sector	Refers collectively to departments, SES organisations, non-SES organisations and ministerial officers.
Public sector agencies	For the purposes of this report, the term refers to those organisations and bodies that provided responses to the Public sector entity survey.
Public sector employees	For the purposes of this report, the term refers to those employees that provided responses to the Employee perception survey.
Public sector workforce	The collective term used when describing characteristics of employees of public sector entities. Data on the public sector workforce is collected through HRMOIR.
Schedule 1 entity	Entities which are not organisations under the PSM Act, including local governments, public universities and GTEs.
Senior executives, SES	Generally comprises positions classified at *Public Service and Government Officers General Agreement 2014* equivalent Level 9 and above, with specific management or policy responsibilities.
SES organisation	An organisation listed in Schedule 2 of the PSM Act.

Term	Definition
Tier 1	Directs and is responsible for the public authority, as well as its overall development. Typical titles include Director General, Chief Executive Officer, General Manager, Executive Director and Commissioner.
Tier 2	Tier 2 reports to Tier 1 and assists Tier 1 by implementing organisational plans. Is directly responsible for leading and directing the work of other managers of functional departments. May be responsible for managing professional and specialist employees.
Tier 3	Tier 3 reports to Tier 2 and formulates policies and plans for areas of control. Manages a budget and employees.
Women in management	For the public sector, women in management refers to the representation of women in the top three management tiers, and includes the SES. For all other public authorities, women in management refers to Tier 1.

Appendix F: Abbreviations

Abbreviations	
AER	Agency expenditure review
ANZSOG	Australian and New Zealand School of Government
CCC	Corruption and Crime Commission
CCM Act	*Corruption, Crime and Misconduct Act 2003*
CEO	Chief executive officer
CFO	Chief finance officer
CHRO	Chief human resource officer
Commission	Public Sector Commission
Commissioner	Public Sector Commissioner
DEOPE	Director of Equal Opportunity in Public Employment
EO Act	*Equal Opportunity Act 1984*
EPS	Employee perception survey
FTE	Full-time equivalent
GCIO	Government Chief Information Officer
GTEs	Government trading enterprises
HRMOIR	Human resource minimum obligatory information requirement
ICS	Integrity and conduct survey
ICT	Information and communications technology
PID Act	*Public Interest Disclosure Act 2003*
PSES	Public sector entity survey
PSM Act	*Public Sector Management Act 1994*
SES	Senior Executive Service
s./ss.	Section(s) of an Act
WA	Western Australia or Western Australian

Appendix G: Compliance statements

In accordance with s.31(2) of the PSM Act, organisations which are not listed in Schedule 1 of the *Financial Management Act 2006* are required to provide a statement to the Commissioner each year on the extent to which they have complied with the public sector standards in human resource management, Code of Ethics and any relevant code of conduct. These compliance statements are reported below, in accordance with s.31(4) of the PSM Act.

Compliance statements provided under s.31(2) of the PSM Act, 2015/16

Architects Board of Western Australia

No compliance issues concerning public sector standards, the Code of Ethics or the board's Code of Conduct arose during the period from 1 July 2015 to 30 June 2016.

Commissioner for Children and Young People

The Commissioner for Children and Young People includes in an annual report submitted to the Attorney General the extent to which public sector standards, the Code of Ethics and any relevant code of conduct have been complied with.

Commissioner for Equal Opportunity

In accordance with section 31(2) of the *Public Sector Management Act 1994*, the Commission has fully complied with regard to the public sector standards, Commissioner's instructions, the WA Code of Ethics and the Commission's Code of Conduct.

Conservation and Parks Commission

In accordance with section 31(2) of the *Public Sector Management Act 1994*, the Conservation and Parks Commission (Commission) is not a statutory authority within the meaning of the *Financial Management Act 2006* but is a body established by section 18 of the *Conservation and Land Management Act 1984*.

The chief employee is thus required to submit to the Public Sector Commissioner, on an annual basis, a report on the extent to which compliance with public sector standards, codes of ethics and any other relevant code of conduct, has been achieved.

The following statement of compliance relates to the period July 2015 to June 2016.

The Department of Parks and Wildlife, through an operational agreement signed in 2006, provides the framework for human resource management for the Commission. In the administration of the Commission, the Director has complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Commission's Code of Conduct.

Information on both the Code of Ethics and the Code of Conduct is provided to employees and commissioners on commencement with the Commission.

No complaints have been lodged under the Code of Ethics during the reporting period and there have been no instances of misconduct.

Office of the Information Commissioner

The OIC has a Code of Conduct that was last updated in December 2014. The code has been distributed to all staff and is available on the intranet. New staff members are provided a copy as part of their induction. Among other things, the code outlines the requirement to: refer to the WA Public Sector Code of Ethics to guide their decision making; not divulge any information received under the FOI Act for any purpose except in accordance with the FOI Act; adhere to the principles of natural justice when dealing with matters before the Information Commissioner; report conflicts of interest; treat stakeholders without discrimination; and report any gift or hospitality offers.

The Public Sector Standards are followed by the OIC. During 2015/16, no staff were redeployed, terminated or disciplined, and no grievances lodged. One permanent appointment was made (following a 12 month contract).

Legal Practice Board

All relevant standards of the Act are present with explanations in the current employee manual and acted on with the Management and recruitment processes at the board.

Parliamentary Commissioner for Administrative Investigations

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.

Veterinary Surgeons' Board

The board has complied with the public sector standards and ethical codes.

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For all Public Sector Commission publications, please refer to the Commission's website at www.publicsector.wa.gov.au.

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Appendix K: Acknowledgements

The Commission acknowledges the following public authorities for contributing case studies and stories to this year's report:

- Corruption and Crime Commission
- Department of Child Protection and Family Support
- Department of Education
- Department of Finance
- Department of Health
- Department of Training and Workforce Development
- Winners of the 2016 Premier's Awards for Excellence in Public Sector Management
- Office of the Government Chief Information Officer