



Australian Government
Australian Public Service
Commission

Australia Public
Service Commissioner
Annual Report
2006–07



incorporating the Annual Report
of the Merit Protection Commissioner



© Commonwealth of Australia 2007

ISSN 1032 0350

ISBN 978-0-9803978-1-9

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

Acknowledgements

Lead Coordinator: Ms Cheryl Godwell

Group Coordinators: Ms Hannah Gillespie, Mr Michael Heard, Ms Adele Moncur, Ms Janet Zupins, Mr Patrick Palmer, Mr Derek Drinkwater and Ms Lorna Kunz

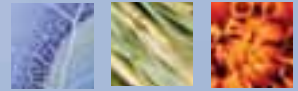
Design and typesetting: Ms Rachael Shields

Website design: Mr Andrew Glenn

Part one
Overview







PUBLIC SERVICE COMMISSIONER'S REVIEW



Lynelle Briggs
Australian Public Service
Commissioner

In my third year as the Australian Public Service Commissioner I am pleased to report on the progress the Commission has made towards the outcomes the Australian Government has set in developing and supporting a confident, high quality, values-based and sustainable Australian Public Service.

The Commission's *Corporate plan 2006–07* drew attention to some of the challenges facing Australia as identified in the Prime Minister's tenth anniversary speech in early 2006: national security and global engagement; economic modernisation and reform in Australia; ensuring government service meet the needs of a changing society and an ageing population; ensuring that our national resources are placed on a sustainable basis for future generations; and maintaining our great national unity, social cohesion and egalitarian spirit.

It is the Commission's role to help the Australian Public Service (APS) deal with new policy and workforce challenges and to support APS agencies to deliver the priorities set for them by the Australian Government. The APS has a proud reputation as one of the leading public service sectors in the world and the Commission has an important job in helping to maintain that reputation.

The Commission's top priorities for 2006–07 were:

- implementing the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees*
- building the capability of the APS through implementing a new suite of leadership programmes for the Senior Executive Service (SES) and Executive Level (EL) staff and establishing new programmes for APS 1–6 staff
- finalising new Public Service Act legislation and supporting its implementation to ensure a contemporary employment framework for the APS
- generating active dialogue on, and a supportive environment for, the next stages of public sector reform and performance improvement
- promoting a leadership culture and a professional senior executive cadre in the APS.

The Commission continues to work closely with APS agencies to ensure that our work is timely, comprehensive and responsive to their needs. In some cases this has involved: establishing advisory and reference groups to guide progress; holding focus groups to determine needs; taking an active role in cross-jurisdictional committees; and entering into dialogue with agencies—particularly other central agencies—to tease out problems and develop solutions to whole-of-government issues. We have aimed to strengthen our relationships with other central agencies during the 2006–07 year and will continue to focus on working cooperatively across Government in 2007–08.

We have sought to be responsive to the key challenges for the APS identified in the *State of the Service report 2005–06* and have re-focused our work to help agencies meet these challenges and other emerging needs.

During the year we have taken a stronger interest in issues such as governance, regulatory reform and citizen engagement in order to support agencies build their performance and to develop the professionalism of the public service.

We have also made substantial progress with a body of work designed to help the APS become an employer of choice and to deal with its challenges around attraction, recruitment and retention of skilled staff. This work will continue in 2007–08.

OUR ACHIEVEMENTS

The employment of Aboriginal and Torres Strait Islander people in the APS provides an important contribution to achieving government policy development, programme and service delivery. It also contributes towards achievement of social and economic equity for Indigenous Australians.

During 2006–07 the Commission continued to foster Aboriginal and Torres Strait Islander employment in both mainstream and Indigenous-specific areas in the APS through strategies to attract, recruit, develop and retain Indigenous employees.

This year marked the 40th anniversary of the 1967 referendum, a significant occasion largely remembered as a vote to end discrimination against Aboriginal and Torres Strait Islander Australians. To celebrate this landmark event the Commission partnered with the National Archives of Australia, the National Museum of Australia and the Department of Families,

Community Services and Indigenous Affairs to stage *Drawing together*—an art exhibition and art competition exploring reconciliation and promoting the employment of Aboriginal and Torres Strait Islander people in the APS.

The Commission increased significantly its leadership programme effort in 2006–07 in support of the Management Advisory Committee's *One APS—One SES* statement. The capability of the leadership group has an impact on all aspects of the APS, including our ability to achieve business goals, to work in a whole-of-government context, and to engage with and deliver services to the Australian community.

During the year the Commission delivered highly successful residential leadership programmes for SES employees at each level, including programmes for those recently promoted to the SES and for Band 1s with more than three years' experience. The residential programmes are complemented by a series of targeted capability building and networking events for SES employees to come together to discuss matters of APS-wide significance.

In May 2007 the Commission completed a new national leadership, learning and development strategy for the APS. The strategy sets out an integrated approach to building capability and supporting excellence in the APS.

As required under section 44(2) of the *Public Service Act 1999*, the Commission evaluated APS performance through the annual State of the Service report to Parliament. The approach to the preparation of the report focused on the identification of contemporary issues facing the APS while continuing to evaluate the extent to which agencies incorporate and uphold the APS Values (as required by section 41(1)(a) of the *Public Service Act 1999*).

The *State of the Service report 2005–06* was structured around three key themes: employee engagement; organisational effectiveness; and the effectiveness of the APS in working with the community.

The report's value as a vehicle for improving public administration within Australia was acknowledged this year by the United Nations (UN). The Commission was awarded the UN Public Service Award in the category of 'Improving transparency, accountability and responsiveness in the Public Service'. The UN commended the Commission on the publication and emphasised that this 'outstanding achievement demonstrated excellence in serving the public interest' and 'should be an inspiration and encouragement for others working for the public service'.

The APS is facing a range of immediate and pressing challenges. In managing these it is important that the APS makes time to contemplate future reform directions. In 2006–07, the Commission's research and evaluation programme was particularly focused on supporting the Commission priority of generating active dialogue on, and a supportive environment for the next stages of public sector reform and performance improvement. Good progress has been made with papers and guidance material ready for delivery in the second half of 2007.

A component of this work is a guide on building better governance, prepared with advice from the Department of Finance and Administration. The guide includes a series of case studies highlighting the different approaches being taken by APS agencies. Emerging themes from the case studies are the characteristics essential to good governance: strong leadership, culture and communication; appropriate governance

committee structures; clear accountability mechanisms; working effectively across organisational boundaries; comprehensive risk management, compliance and assurance systems; strategic planning; performance monitoring and evaluation; and flexible and evolving principles-based systems.

The Commission continued to support agencies moving into the APS following Uhrig assessments. Undergoing a machinery of government change can be challenging as agencies are required to consider an enormous number of issues and deal with wide-ranging matters, which can be complex and time-consuming. In January 2007, the Commission released a good practice guide, *Implementing machinery of government changes*, developed jointly by the Department of Finance and Administration and the Department of Employment and Workplace Relations, in consultation with the Department of the Prime Minister and Cabinet and the National Archives of Australia. The guide provides practical guidance to deal with these challenges.

This year the Commission also finalised development of a package of reforms to improve the operation of the Act in conjunction with APS agencies.

The Commission continues to contribute towards whole-of-government public sector reform initiatives in the Asia-Pacific region. Strengthening our contribution this year was the deployment of two non-ongoing SES officers to Port Moresby to provide capacity building assistance to Papua New Guinea's Department of Personnel Management. The Commission also works directly with three central Indonesian civil service agencies on a range of public sector reform and capacity building initiatives, through the deployment of an APS employee to Jakarta.

In October 2006 the Australian Government hosted the biennial conference of the Commonwealth Association for Public Administration and Management (CAPAM) and the inaugural Commonwealth Ministers' Forum on Public Sector Development in Sydney. The Commission made a strong contribution to the organisation of the conference and the forum in partnership with the Commonwealth Secretariat. Some of the key messages to emerge from the conference were:

- act local and draw from a global menu
- have a line of sight with outcomes
- work in partnerships and cross-government collaboration to deliver better services to citizens.

The aim of the Ministers' forum was to advance public sector reform and development across the Commonwealth and maximise ministerial interaction to share ideas on critical issues facing governments. The forum demonstrated that Commonwealth countries can come together to develop concrete measures that support and modernise democratic governance, leadership capability and improvements in access to government services.

The workforce challenges that are confronting the APS are well documented. Many of the challenges centre around the demographics of an ageing workforce, combined with the changing nature of APS work and the tightening labour market. During the year the Commission started a package of work aimed at:

- increasing the profile of the APS in the labour market
- encouraging people to apply for jobs and build a career in the APS
- attracting particular skill sets or groups to pursue APS careers

- improving APS management of the recruitment process, in order to remain competitive in the labour market
- retaining staff in the APS to build future workforce capability.

This work will continue into 2007–08.

The Commission continued its support of the Management Advisory Committee (MAC). During the year the Commission hosted and participated in a number of MAC projects, launching two reports providing guidance on the *Employment of people with disability in the APS* and *Reducing the red tape in the APS*.

I am proud of the Commission's achievements in 2006–07 and our increasing capacity to respond not only to our identified priorities but also to the needs of the APS as they have emerged through the year.

GOVERNANCE AND CULTURE

Through sustained effort in our revenue raising areas, and careful management through the year, the Commission achieved a surplus of \$2.3 million. This means that the Commission can replenish its cash reserves, depleted as a result of having to fund the move of our national office to new premises far sooner than anticipated at the start of the year. However, this is dependant upon the outcome of an examination of our investment needs through 2007–08.

The Commission continues to face critical IT challenges. IT support costs continue to rise and further investment is needed to keep up to date with improvements in technology so that we can deliver timely, high quality services to agencies. Our contract for desktop and other support services with the Volante Group comes to an end in June 2009 and cannot be renewed. Work will start this year on considering

sourcing arrangements post-2009 and the tendering costs are likely to be significant.

The Commission moved its Canberra office to new premises in February 2007 providing a more attractive, environmentally sustainable, energy efficient and professional workplace for staff. The move was delivered with minimal disruption to the Commission's services. For the first time in many years the APS has a dedicated venue for the delivery of training programmes and events. Participants, trainers and Commission staff now benefit from the facility's tailored design features, state-of-the-art technology and co-location within the Commission's new national office headquarters. Positive feedback has been provided by all relevant parties about the facility and its permanent capacity to promote the diverse range of Commission services, publications, products and best practice guides for the APS.

Early in 2006–07 the Commission refreshed its Australian Workplace Agreement (AWA) templates and took the opportunity to make offers to all Executive Level 1 (EL1) employees as a group. Take up has been high with 53 per cent of Commission EL1s covered by an AWA. All new EL1s are routinely offered AWAs on engagement, promotion or movement from another agency.

The Commission conducted a staff survey in March and April 2007. Overall the results were very good with a response rate of 83 per cent. Between 80–90 per cent of Commission staff reported that they are: happy with their job; feel the Commission is a satisfying place to work; and agree that the Commission is an organisation of which they are proud. This survey is the most positive I have been involved in and I am pleased that Commission staff feel so positive about their work and the agency.

The Commission fosters an inclusive, values-based culture through a variety of approaches. Of note this year is the development and release of the Commission's *Reconciliation action plan 2007–2010*. The plan provides specific, tangible actions that will be implemented as a way of contributing to the practical process of reconciliation and helping to improve social and economic outcomes for Aboriginal and Torres Strait Islander people. Further information about the Commission's *Reconciliation action plan 2007–2010* can be found on our website.

In March 2007 the Commission's agency mission statement was revised and simplified. Our new mission statement is *to support a high-performing Australian Public Service*.

OUTLOOK

The Commission's *Corporate plan 2007–08* identifies four key priorities for the coming year:

- stimulating debate about future directions for the public sector
- modernising APS employment
- improving the capability and performance of the APS
- improving the way we do business in the Commission.

The Commission will focus its research programme on the critical challenges facing the APS and encourage innovative approaches to public sector administration. We will continue to review the public sector employment framework with an emphasis on streamlining recruitment processes and we will promote and share best practice in recruitment and retention strategies.

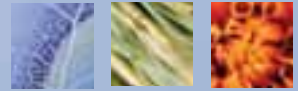
We will support improvements in organisational capability, including governance, strategic capability and performance and continue to ensure that high quality development programmes are available to APS employees, particularly leadership programmes. The Commission will continue to review its own performance and look for ways to improve delivery of our services.

Finally, 2007–08 is an election year. We will support agencies and their staff through this period, including with the provision of seminars conducted in partnership with the Departments of the Prime Minister and Cabinet and Finance and Administration on the caretaker conventions and appropriate conduct.

A handwritten signature in black ink, reading "Lynelle Briggs". The signature is written in a cursive style with a large initial 'L' and 'B'.

Lynelle Briggs

October 2007



COMMISSION OVERVIEW

The Australian Public Service Commission (the Commission) is a central agency within the Department of the Prime Minister and Cabinet portfolio. The Commission supports two statutory office holders, the Public Service Commissioner—who is also agency head—and the Merit Protection Commissioner.

Our mission is *to promote a high performing Australian Public Service (APS)*. The statutory responsibilities that support our mission are outlined in the *Public Service Act 1999* (the Act) and include:

- evaluating the extent to which agencies incorporate and uphold the APS Values
- evaluating the adequacy of systems and procedures in agencies for ensuring compliance with the Code of Conduct
- promoting the APS Values and the Code of Conduct
- developing, promoting, reviewing and evaluating APS employment policies and practices
- facilitating continuous improvement in people management throughout the APS
- coordinating and supporting APS-wide training and career development
- contributing to and fostering, leadership in the APS
- providing advice and assistance on public service matters to agencies on request
- providing external review of actions by the Merit Protection Commissioner.

The Commission works to achieve the outcomes specified by the Government to support *a confident, high quality, values based and sustainable Australian Public Service* through three output groups:

- output 1: APS policy and employment services
- output 2: Development programmes
- output 3: Better practice and evaluation.

The Commission's activities are funded through a combination of budget appropriation and revenue generated through the sale of leadership, learning and development services with much of this revenue earned in an open market where agencies have choices about where they source the depth and breadth of services required. In 2006–07 the Commission received \$20.6 million in appropriation funding, with the balance of its income (\$19.2 million) coming from non-appropriated sources.

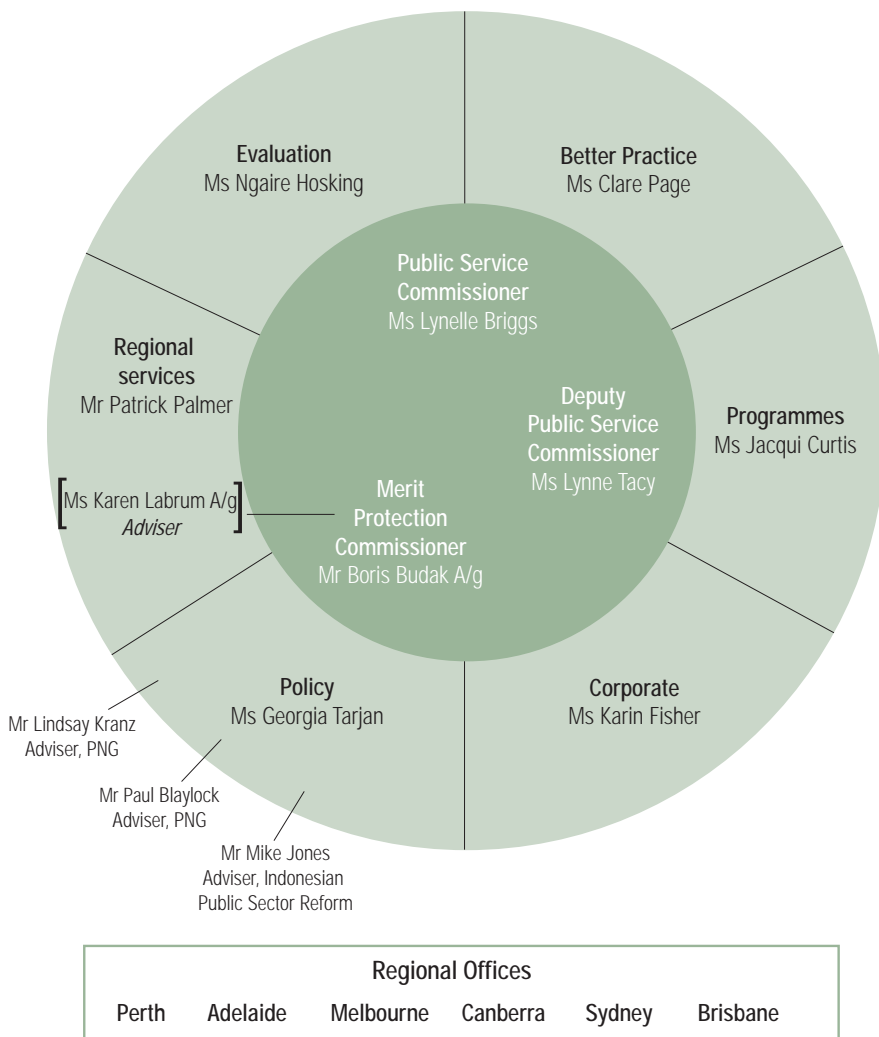
As outlined in the Act the Public Service Commissioner provides the necessary staff to assist the Merit Protection Commissioner perform his prescribed functions. The arrangements for providing staff to the Merit Protection Commissioner have been established through a memorandum of understanding.

COMMISSION STRUCTURE

The Commission is led by a three-person Executive consisting of the Public Service Commissioner, the Deputy Public Service Commissioner and the Merit Protection Commissioner

The functions of the Commission and the Commission’s Executive are supported by six groups, each led by a Group Manager. The Commission’s organisational chart, with the names of senior staff as at 30 June 2007, is at Figure 1.

FIGURE 1:
Commission organisational chart, 30 June 2007



The Better Practice Group contributes to improved APS performance through consideration of the challenges facing the APS both within Australia and the wider international public service sectors. The group builds the sustainability and capability of the APS by showcasing innovative and effective best practice and strategic people management with top priorities in 2006-07 including: progressing Aboriginal and Torres Strait Islander employment in the APS; promoting techniques for fostering employment of people with disability; and development of a range of practical and relevant tools for SES managers to assist broader business and workforce planning responsibilities.

The Programmes Group builds the capability of the APS by providing a wide range of leadership, learning and development activities for all levels of APS staff including senior executives.

The Corporate Group provides strategic management, information, communications, financial, library, legal and parliamentary support services to assist the Commission in achieving its mission of supporting a high-performing APS. It also manages production of the Public Service Gazette (now *APSjobs*).

The Policy Group provides advice to Government and agencies on the policy and legislative aspects of public administration, people management and employment frameworks consistent with the APS Values and Code of Conduct. It is also responsible for international matters.

The Regional Services Group represents the Commission throughout Australia, helping agencies with people management, including learning and development, promoting better practice, staff selection and review of employment-related actions.

The Evaluation Group evaluates and provides information on APS performance through the annual State of the Service Report to Parliament and through more specific evaluation and research projects. It maintains the APS employment database, monitors trends and publishes key workforce statistics.

COMMISSION REPORTS AND PUBLICATIONS

The Commission issues a wide range of APS leadership, learning and development information in a variety of formats each year. Commission publications and circulars, as well as selected speeches given by the Public Service Commissioner and the Merit Protection Commissioner, are available on the Commission's web site at: www.apsc.gov.au

COMMISSION LOCATIONS

The Commission's national office is in Canberra and it has regional offices in Sydney, Melbourne, Brisbane, Adelaide and Perth. APS agencies in the Northern Territory and Tasmania are served from the Adelaide and Melbourne offices respectively.

OFFICE LOCATIONS AND CONTACT

DETAILS ARE:

Australian Capital Territory
Levels 5 and 6
16 Furzer Street
PHILLIP ACT 2606
T: 02 6202 3500
F: 02 6202 3535

New South Wales
Level 16
447 Kent Street
SYDNEY NSW 2000
T: 02 9286 2400
F: 02 9264 8379

Victoria/Tasmania
Level 6
303 Collins Street
MELBOURNE VIC 3000
T: 03 8610 1522
F: 03 8610 1594

Queensland
Level 11
300 Ann Street
BRISBANE QLD 4000
T: 07 3004 0777
F: 07 3004 0700

Western Australia
Level 1 St Georges Square
225 St Georges Terrace
PERTH WA 6000
T: 08 9226 1977
F: 08 9226 5977

South Australia/Northern Territory
Level 4
Blackburn House
199 Grenfell Street
ADELAIDE SA 5000
T: 08 8224 0955
F: 08 8223 5866