



Australian Government
**Australian Public Service
Commission**

*Australian Public Service
Commissioner*
annual report

2007-08

Incorporating the Annual Report of the Merit Protection Commissioner



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The background of the slide is a microscopic view of plant cells, showing a network of cell walls and chloroplasts. The image is split into two horizontal sections: the top section is a lighter, more faded green, and the bottom section is a darker, more vibrant green. The text is overlaid on the top section.

Part one
Overview

PUBLIC SERVICE COMMISSIONER'S REVIEW



Lynelle Briggs
Australian Public Service
Commissioner

The mission of the Australian Public Service Commission (the Commission) is to support a high-performing Australian Public Service (APS). This year, my fourth year as Commissioner, has seen us deliver initiatives aimed at helping the APS transition to the new government, while continuing to improve its management, performance and sustainability.

The APS has continued to deliver high quality services in the face of skill shortages, a tight labour market and economic restraint. More is being demanded of our employees, and they need to be highly skilled, and creative and strategic in their approaches to work.

The Australian public rightly expects high levels of accountability and performance from the APS. It is more evident than ever that strong leadership is critical to our success. Leaders who inspire vision and direction, motivate and guide staff, and build healthy organisations, relationships and culture are essential.

Election years present exciting opportunities. The change of government following the federal election in November was the first many employees in the APS had experienced. The ability to adapt to change and respond quickly to new political priorities and policies, while maintaining knowledge and experience, is a critical characteristic of the APS and Australia's system of government. The Commission has a key role to play in this regard.

In a speech to our Senior Executive Service (SES) in April, the Prime Minister outlined the Government's vision for the APS, reinforcing the need to strengthen our strategic and policy skills, and enhance the integrity and accountability of government.

The Commission has implemented a range of measures to assist agencies to address these issues, and to respond to the directions of government. Others are in development for start up in 2008–09 and beyond.

This year our corporate priorities were to:

- stimulate debate about future directions for the public sector
- modernise APS employment
- improve the capability and performance of the APS
- improve the way we do business in the Commission.

OUR ACHIEVEMENTS

As well as helping the APS to respond to the Government's new policy directions, the Commission played a role in helping to prepare the APS to continue to deliver services efficiently and effectively in the lead up to the election.

In the months before the election, the Commission co-hosted—with the Department of the Prime Minister and Cabinet and the then Department of Finance and Administration—a series of caretaker convention seminars for APS employees in Canberra. Similar seminars led by the Commission were also held in most State capital cities. The seminars provided guidance on employees' responsibilities under the conventions and the APS Values and Code of Conduct for the handling of business during the caretaker period, and they also provided an opportunity to identify potential challenges and share views on how best to deal with them.

The Government's focus on restoring the Westminster tradition has involved the Commission taking on an enhanced role in providing guidance and advice across the public sector on the APS Values and the Code of Conduct. The Commission's strategies to achieve this involve:

- a review of our publications, guidelines and other training materials on the APS Values and Code of Conduct
- integrating ethics into all Commission learning and development and encouraging agencies to include ethics segments in their internal courses
- a focus on initiatives to improve ethical decision making.

Immediately after the election the Commission helped agencies to manage the machinery of government changes needed to

give effect to the new APS organisational structure. It then played an integral role in meeting the Government's commitment to introduce more transparent and merit-based selection processes for senior APS positions involving the Commission. The new guide *Merit and transparency: merit-based selection of APS agency heads and statutory office holders* was released to assist agencies to understand the new policy and how it works in practice. By June 2008, the new arrangements were fully operational for statutory office holders and agency heads.

Central to our role in building and sustaining leadership capability and a cohesive APS is our support for the SES.

The new *Leader to leader* series provided a stage for strategic discussions among SES officers aimed at sharing information and stimulating debate about APS-wide challenges and future public sector reforms. Specialist programmes were also offered to assist senior executives develop their knowledge and skills across key areas, including programme management, financial management and regulation. These programmes are of significant assistance as SES officers take on new roles and responsibilities.

As successful as these programmes are, we have not yet been successful in attracting all new SES officers to these courses. It is more important than ever that new leaders, whether they be new to the SES or the APS or both, have the basic building blocks and a consistent understanding from which to operate, and we need to do more to get that message across.

In addition to SES development, the Commission is focusing on meeting the particular needs of the Executive Level group which, as the feeder group to the SES, will provide a basis for renewal of the SES over

time. It is also important to ensure new APS employees have the necessary skills and knowledge to work effectively in the APS environment. The *Executive leadership dimensions* programme and the induction e-learning modules on our website are two initiatives aimed at addressing those needs.

Outside of Canberra, our offices have continued to look at ways to engage and support our regional clients. Of note this year was a new series, *Linking leaders*, aimed at providing an opportunity for regional SES to network and engage in strategic discussions about APS-wide challenges and future public sector reform.

Delivery of our training and development programmes has entered an exciting new phase following our accreditation as a registered training organisation (RTO) in May. We started operations as an RTO on 1 July 2008, initially offering recognition services for the Certificate IV in Government and the Diploma of Government from the *Public Sector Training Package*. In the longer term, we will offer nationally recognised training and expand the range of qualifications to meet the needs of the APS.

Fostering Aboriginal and Torres Strait Islander employment in both mainstream and Indigenous-specific areas in the APS remained a top priority for the Commission. Establishing a mentoring programme for Indigenous Coordination Centre managers and holding a National Indigenous Employees Conference to identify areas for future actions were two initiatives aimed at continuing the growth of Indigenous employees that occurred over 2006–07.

An evaluation of the *APS employment and capability strategy for Aboriginal and Torres Strait Islander employees*, which was implemented in 2005, showed we had made

significant and measurable progress toward meeting the strategy objectives. A continuation of the strategy until 30 June 2009, with a further \$2.6 million announced by the Government in the Budget, will enable those achievements to be further consolidated and built upon.

We now need to bring the same sorts of results we have achieved for Indigenous employment to the employment of people with a disability. This continues to be an area in which the APS struggles, and one where the Commission needs to provide more focused support to agencies.

The recruitment and retention of people with the skills needed for the future remains a challenge. The APS must be much more sophisticated in its recruitment strategies and processes, so it can compete for these skills and ensure recruitment processes are not a hindrance to effective recruitment.

A number of steps were taken to bring recruitment practices across the APS up to date. The *APSjobs* website, which replaced the paper *Public Service Gazette*, provides a modern online image for the APS. It offers a range of interactive alerts and information for job seekers, and currently receives about 3 million hits a month which is a significant increase on the old online Gazette. New publications aimed at streamlining recruitment were launched, supported by interactive workshops held around the country. A streamlined recruitment project being piloted for 17 APS agencies, which is aimed at tackling the shortage of key finance and accounting skills, is underway.

In March, the Minister announced the establishment of the Career Transition and Support Centre. The centre is aimed at minimising the personal impact of the Government's efficiency measures and ensuring the retention of experienced public

servants and those with specialist skills. The centre opened in May and has worked actively with agencies to provide best practice advice on redeployment, including on the application of the redeployment principles, and to provide case management services to centre clients.

We have continued our ongoing partnership with AusAID to deliver programmes which support public sector reform in the Asia–Pacific region. Activities have included:

- facilitating a Pacific Human Resource Managers Conference with the Commonwealth Secretariat. Participants workshopped human resource issues affecting the region and identified areas where information could be shared among Pacific countries to assist in addressing these issues.
- contributing to increasing capacity and strategic capability in middle to senior Pacific Island public sector managers by brokering work placements in Australia.

We continued our focus on evaluating APS performance and stimulating discussion on APS reform through the publication of our tenth consecutive State of the Service Report. The report identified five key challenges for the APS: agency health and culture, new ways of doing business, modernising APS employment, interactions with Government, and leadership.

To assist agencies to improve organisational performance, the Commission launched a series of publications in a new *Contemporary Government Challenges* series. The first four publications focused on improving governance, stimulating debate about tackling seemingly intractable policy problems, exploring how democratic governments can influence citizen's behaviour and identifying ways to assist

agencies monitor and improve their corporate health. The challenge now is to ensure they become useful tools, rather than simply books on the shelf.

Finally, the Commission continued to provide research and secretariat services to the Management Advisory Committee (MAC) which focused its efforts on preparing the eighth MAC report, *Note for file: a report on recordkeeping in the Australian Public Service* (2007) and oversighting a project on citizen-centred service delivery.

GOVERNANCE AND CULTURE

Managing our budget continues to require care and diligence, and we finished the financial year on target. The implementation in the May Budget of an extra 2% efficiency dividend places additional pressure on the Commission. As a substantial component of the Commission's budget is income from development programmes and employment services, on a cost recovery or fee-for-service basis, any reduction in agencies using those services in order to meet their own budgetary restraints will be a further impost on our budget.

Information technology support continues to be costly for the Commission. Costs will rise further in 2008–09 as we plan for replacement services following the expiry of our services contract due to end in June 2009. The Commission purchases its services through a joint contract with five other agencies known as Group 8. The Group's key information and communications technology (ICT) services provider, Commander Communications Pty Ltd, has been placed in joint voluntary administration and receivers have been appointed by the company's lenders with a view to selling the company as quickly as possible. Business continuity plans

have been reviewed in the event of services ceasing to be supplied. Our sourcing strategies continue to look for ways to be cost effective at a time of technological advances and increasing client and employee expectations.

This year the Sydney office moved into new accommodation in November and the Perth office has moved into temporary accommodation pending a permanent move before the end of 2008. Both of these moves resulted from the expiry of existing leases, and the accommodation market, especially in Perth, has seen a significant increase in accommodation costs generally. As these are, on the whole, non-discretionary fixed rates, this is another aspect of budgeting which has required careful management.

We began work reviewing our governance arrangements this year, starting with a review of the charters and relationships for each of our committees. Significant effort has been put into our Audit Committee over the last 12 to 18 months to ensure it has the tools and the processes to enable it to operate as effectively as possible, and some of the learnings and outcomes are flowing onto other committees.

We took steps to streamline the number and focus of our committees, and established reporting mechanisms through existing committees for a number of new arrangements. For example, the Audit Committee will receive reports on a regular basis with respect to the measures put in place to meet the new whole-of-government intellectual property principles, as well as the risk management aspects of our physical security. This integration will improve our ability to see the whole picture and thereby our accountability and efficiency.

We strengthened our Information Technology Advisory Committee by appointing an external member, and initiated arrangements for one of our internal members to sit as an external member on the committee of another agency. This will again improve accountability, and the skills of committee members.

Work will begin next year on a replacement for the Commission's collective agreement. In the meantime, following the government decision not to offer any new Australian Workplace Agreements (AWAs), all new employees at Executive level and below are now employed under the terms of the current collective agreement, and may have their terms and conditions (as appropriate) supplemented by a determination made under section 24(1) of the *Public Service Act 1999*. New SES staff to the Commission have all of their terms and conditions set through section 24(1) determinations.

As our last staff survey was conducted in March and April 2007, we did not conduct a staff survey this financial year. We will do so towards the end of 2008. However, we are over-sampled each year as part of the State of the Service employee survey, and obtain agency-specific results from that process. They confirmed the positive results we achieved in our 2007 survey.

The Executive and senior management team continues to monitor unscheduled absences and workforce planning, in order to identify hot-spots which might require attention. Increased workloads and pressures can impact on absences and staff turnover if not handled appropriately. More widely this is a matter I will be looking at further in the coming State of the Service Report.

OUTLOOK

Incorporating the new Government's vision for the future of the Australian Public Service, the Commission's *Corporate plan 2008–09* identifies the following priorities:

- driving public sector reform
- advancing the ethics and integrity agenda
- supporting efficiency and effectiveness
- fostering innovation and engagement
- continuously improving the 'way we do business'.

The Commission will focus its research and evaluation programme on challenges facing the APS and public sector reform. We will continue to actively promote the APS Values and Code of Conduct and enhance the integrity regime. To that end, and reflecting the importance placed on that objective, the Deputy Commissioner sits on a number of agency integrity and values committees, and the Merit Protection Commissioner actively engages with agencies on their approaches to reviews and investigations.

Arrangements to improve APS-wide productivity, which may support improvements in organisational capability and performance, including governance and agency health will be explored, as will new ways of public service delivery and operation. We will also strengthen our own governance arrangements and take action to improve ICT systems capacity for 2009–10.

Finally, the reform of whistleblowing and freedom of information approaches will remain a focus.

In closing I would like to thank our staff for their contribution to the work of the Commission. For a small agency we have a substantial work programme which must meet the needs of Government, Parliament,

APS agencies and their employees. We can be proud that our outcomes contribute to the placement of the APS as a leading international body in public administration.



Lynelle Briggs

October 2008

COMMISSION OVERVIEW

The Australian Public Service 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.

The Commission's mission is to support a high performing Australian Public Service (APS). The statutory responsibilities that support that 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 APS Code of Conduct
- promoting the APS Values and 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 independent 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, namely:

- 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 sale of leadership, learning and development, and other employment related services. Much of the Commission's revenue is earned in an open market where agencies choose the source of the services they need. In 2007–08 the Commission received \$20.804 million in appropriation funding, with the balance of its income (\$19.427 million) coming from non-appropriated sources.

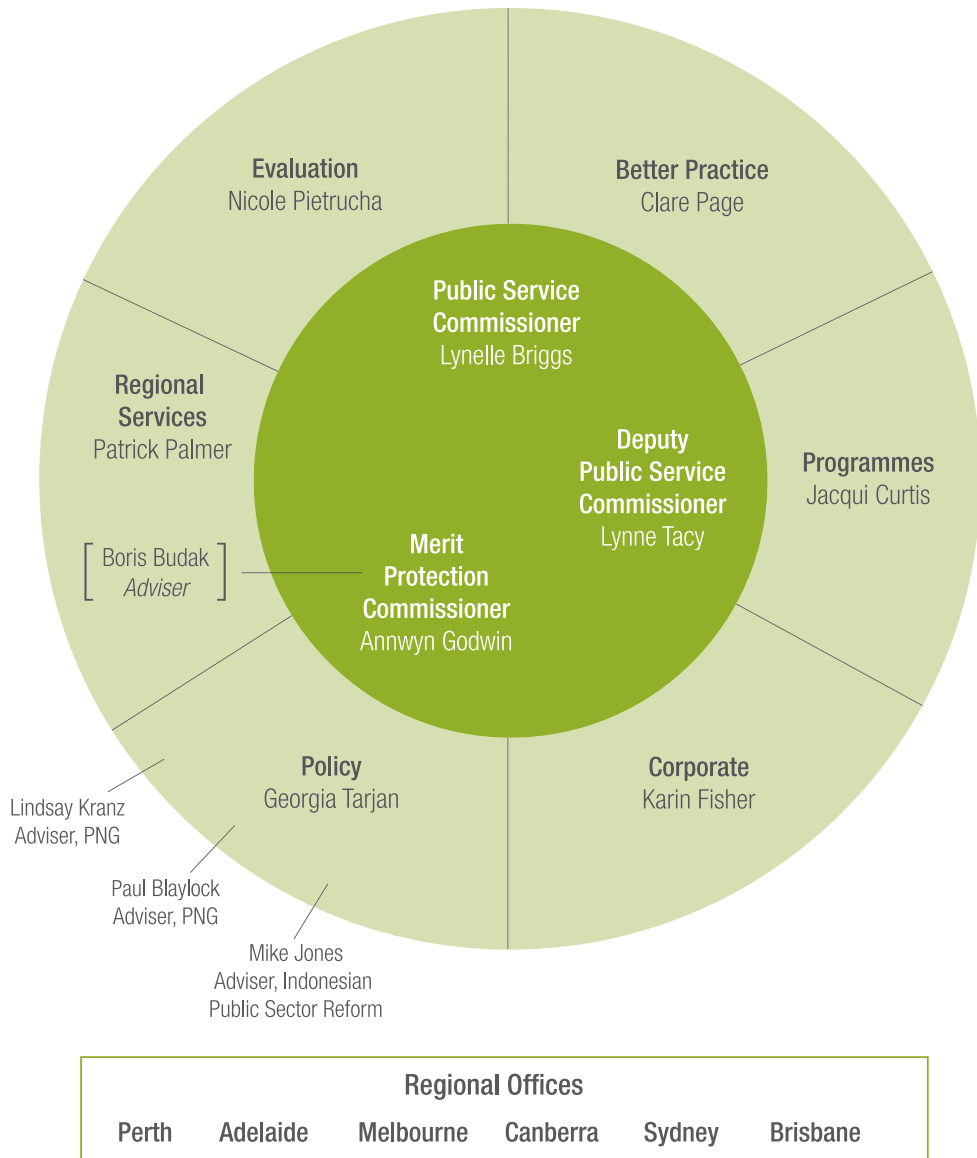
The Public Service Commissioner provides staff to assist the Merit Protection Commissioner perform her prescribed functions.

COMMISSION STRUCTURE

A three-person Executive, consisting of the Public Service Commissioner, the Deputy Public Service Commissioner (who reports to the Public Service Commissioner) and the Merit Protection Commissioner, lead the Commission (Figure 1). Six groups, each led by a Group Manager, support the functions of the Commission and report to the

Executive. The Deputy Public Service Commissioner has responsibility for day-to-day oversight of Better Practice, Programmes, Evaluation and Policy Groups, and the Merit Protection Commissioner has responsibility for Regional Services and Corporate Groups which are in addition to her statutory responsibilities.

Figure 1: Commission organisational chart, at 30 June 2008



The *Better Practice Group* seeks to improve APS performance by showcasing innovative and effective best practice staffing and organisational capability policies.

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 help the Commission achieve its mission of supporting a high-performing APS. It also manages delivery of the *APSjobs* website.

The *Policy Group* provides advice to government and agencies on the policy and legislative aspects of public administration, people management and APS employment arrangements, 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 outside Canberra 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 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 website at www.apsc.gov.au.

COMMISSION LOCATIONS

The Commission's national office is in Canberra and its regional offices are 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:

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