

**Division 4: Public Sector Commission, \$27 982 000 —**

Mr D.A.E. Scaife, Chair.

Mr M. McGowan, Minister for Public Sector Management.

Ms S. O'Neill, Public Sector Commissioner.

Mr Y. Poule, Acting Manager, Corporate Services.

Mr D. Volaric, Executive Director, Integrity and Risk.

Mr L. Warner, Executive Director, Workforce Policy and Diversity.

Ms T. Milici, Executive Director, Data Analytics and Technology.

[Witnesses introduced.]

**The CHAIR:** The estimates committees will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with these details. Some divisions are the responsibility of more than one minister. Ministers shall only be examined in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by close of business Friday, 3 June 2022. If a minister suggests that a matter be put on notice, members should use the online questions on notice system.

I give the call to the Leader of the Opposition.

**Ms M.J. DAVIES:** I refer to page 78 of budget paper No 2, volume 1, under “Significant Issues Impacting the Agency”. The fourth item refers to the commencement of the trial of the agency capability review program, with the first three reviews nearing completion and another five planned in 2022–23. Can the Premier let me know which departments have been through the review program and what the further five reviews are that are planned for 2022–23?

**Mr M. McGOWAN:** The ones that have had reviews so far are the Department of Biodiversity, Conservation and Attractions; the Department of Water and Environmental Regulation; and the Department of Mines, Industry Regulation and Safety. We have not yet settled on the next three reviews. For the final two reviews, there are a number of factors to be taken into account as to which agencies will be selected, including demographics, department size, number of responsible ministers, regional and metropolitan presence, and government priorities. That work is yet to be done.

**Ms M.J. DAVIES:** I thank the Premier. I got the Department of Water and Environmental Regulation and Department of Mines, Industry Regulation and Safety; I missed the first one.

**Mr M. McGOWAN:** It was the Department of Biodiversity, Conservation and Attractions.

**Ms M.J. DAVIES:** When will the five reviews that are planned for 2022–23 be finalised?

**Mr M. McGOWAN:** I do not know what they are yet; I will take advice from the Public Sector Commissioner as to which ones.

**Ms M.J. DAVIES:** When those reviews are completed, are those reports provided to the Premier or are they public documents? How are they dealt with?

**Mr M. McGOWAN:** They come to me as the Minister for Public Sector Management via the Public Sector Commissioner, then they go to cabinet for consideration. We then decide what to do subsequent to that.

**Ms M.J. DAVIES:** How many FTE are there, how much does it cost and how long have those first three reviews taken to complete?

[2.20 pm]

**Mr M. McGOWAN:** It amounts to a total of \$2.26 million for the eight reviews over two financial years. A range of different reviewers were brought on board to do it.

**Ms M.J. DAVIES:** The last part of that answer was that a range of reviewers were brought on board. Are they internal or external to government?

**Mr M. McGOWAN:** The names I have so far are Professor Margaret Seares, AO, Ms Susan Hunt and Dr Michael Schaper.

**Ms M.J. DAVIES:** Are they external to government?

**Mr M. McGOWAN:** Yes, but they all have some involvement.

**Ms M.J. DAVIES:** They have had experience in government but they are all external.

**Ms L. METTAM:** I have a further question on those reviews. How will they be communicated once they are complete?

**Mr M. McGOWAN:** That will be a decision for cabinet. I do not want to make a decision on that now. I have not seen them yet. We will wait to see what comes forward.

**Ms L. METTAM:** Further to that and in relation to the reviews, when coming to government in 2017, the Premier talked about giving directors general KPIs on their performance. Is that happening? Is the Premier measuring the performance of the public sector in that respect?

**Mr M. McGOWAN:** I will ask the Public Sector Commissioner to explain what has occurred.

**Ms S. O'Neill:** We have gone about a process of strengthening the performance management arrangements for directors general. We have now built into the process what we would call third-party feedback from stakeholders and staff. That did not exist as part of the performance management process. We have built in performance management discussions with myself. There has been quite a strengthening of the arrangements. Also, a letter of expectation is outlined from the ministers for the directors general, and that is built into their performance agreement. In the performance agreement, there have always been expectations, examples of delivery, on their resource agreement. The outcome of the new agency capability reviews will go into the performance agreement as an expectation to deliver on those. As part of the commitment, the government made strengthening performance arrangements of directors general. That is the approach that we have taken so far.

**Ms L. METTAM:** Given the significant commitment made in recent times to the Health budget and the commitments to address the issues relating to emergency departments, is there likely to be any consideration around KPIs attached to ambulance ramping figures or bed block within our hospital system?

**The CHAIR:** Member, can you highlight which part of the budget papers you are referring to?

**Ms L. METTAM:** I am referring to paragraph 4 on page 78 of budget paper No 2 relating to the agency capability review program. I will perhaps put it a different way. Given the challenges that we are having across our health system, will consideration be given for the Department of Health to be part of the next review process?

**Mr M. McGOWAN:** I will ask the Public Sector Commissioner to comment on the role of the KPIs and how it might work.

**Ms S. O'Neill:** The KPIs need to be struck at a reasonably high level. As members can imagine, there could be hundreds of individual delivery items. A performance agreement for a director general will say they need to meet efficiency and effectiveness indicators, as outlined in the act—for example, the management principles of the act. There will be specific KPIs for Health and Education. Each one will be different. I do not want to suggest that they are operational line by line. I am not suggesting the matter that the member raised is insignificant, but each agreement will be different. It can be amended as time goes on. They will go to points of delivery of key services. That might form part of that KPI but not necessarily be itemised down to that individual level.

**Ms L. METTAM:** How were the five reviews selected? I note they will be carried out on the Department of Biodiversity, Conservation and Attractions, the Department of Mines, Industry Regulation and Safety and the Department of Water and Environmental Regulation, which is three so far.

**Mr M. McGOWAN:** The Public Sector Commission put a recommendation to me in relation to the ones to be reviewed because it is a trial. The three were the Department of Biodiversity, Conservation and Attractions, the Department of Water and Environmental Regulation and the Department of Mines, Industry Regulation and Safety. They were selected based upon a range of factors, including demographics, department size, number of responsible ministers, regional and metropolitan presence, context such as department remit, and government priorities. They are all middle-sized agencies. The Public Sector Commissioner recommended them to me on the basis that they were regulation focused. The idea was that we start with them. The next five might be different. I will take advice on which ones to do.

**Mr R.S. LOVE:** Further to what the member for Vasse raised, the Premier mentioned that the three departments were middle-sized departments. Would there necessarily need to be increased funding for the commission to undertake a review of a department such as Health, which has 33 per cent of the state budget or something like that? Would it be possible to undertake that review or would some liberty be needed on the scope of that?

**Mr M. McGOWAN:** We are planning on spending \$2.6 million on this trial program to see how it goes. The Public Sector Commissioner informs me that the eight reviews will be conducted within that \$2.6 million. I do not know what agencies will be reviewed. Maybe I can ask the Public Sector Commissioner to comment directly on the member's question.

**Ms S. O'Neill:** If I were to recommend a large agency to the Premier—for example, Health, Education, perhaps Justice, obviously, it would be a larger entity, so we may need to make some adjustments, allow a little more time, for example, for the lead reviewer or for the team. We have built that into our modelling because some of the agencies are a little smaller. We believe we will be able to balance the eight trial agencies inside the funding envelope that we have been provided by government.

**Ms M.J. DAVIES:** I refer to page 78 of budget paper No 2, volume 1, under “Significant Issues Impacting the Agency”. I refer to the second paragraph. It refers to work being done to develop or strengthen integrity frameworks and a self-assessment tool that is in development. Could the Premier explain what a self-assessment tool is and how it would be used?

**Mr M. McGOWAN:** I will let the Public Sector Commissioner explain it to the member.

**Ms S. O'Neill:** A couple of years ago we introduced the overall first *Integrity strategy for Western Australian public authorities 2020–2023*, which includes a range of strategies. One is the integrity framework maturity assessment tool. We have not published it yet; we are still developing and finalising that maturity tool. It has been developed to help agencies identify strengths and weaknesses in their current approaches to integrity. At the moment, in its draft stage, we are looking at perhaps four levels of maturity. It is drawn on our longstanding work in the commission, being formed by the CCC and a range of reviews that have occurred, particularly the work that we did in Communities. We are putting all that together to develop this maturity assessment tool so agencies will be able to assess themselves against that. I think there are about 13 factors. There are some descriptors at different levels of maturity. The whole point of that is so that they can assess for themselves where they are at on different aspects and plan for improvement.

I have been very clear with agencies about my expectation that they continuously plan to strengthen their integrity response. That maturity assessment tool will be finalised soon-ish. We are still in consultations. We want to build it from the ground up with the people who are involved. We have an integrity practitioners group. We will, obviously, consult with the Corruption and Crime Commission and others to make sure it is fit for purpose.

**Ms M.J. DAVIES:** When this is published, will the tool and its findings that are used by the departments be published? Will it be made public as something that can be scrutinised, for instance, in the Parliament? How is it anticipated to be utilised other than internally, or is that the purpose?

**Mr M. McGOWAN:** I will let the Public Sector Commissioner answer.

[2.30 pm]

**Ms S. O'Neill:** The tool itself will be widely available; there is no secret in that. We want to do that to ensure that agencies make good use of it for improvement. Each agency will undertake its own self-assessment at the appropriate time in its planning cycle and then use that to feed into its planning cycle. It is not a formal assessment; it is one of the tools that the agency would use. We have previously published a snapshot tool; following our work in Communities and Housing, we developed a financial health checklist for agencies to use; so we often try to build these tools for agencies to use. Agencies self-assess and build the results into their planning regimes, so it is not an assessment whereby they would be asked to publish that information. There is no suggestion of a requirement to publish the results of the self-assessment. Agencies will take them at different times.

**Ms M.J. DAVIES:** Is it something that would be made public?

**Mr M. McGOWAN:** I think the Public Sector Commissioner answered that, but I will let her answer again.

**Ms S. O'Neill:** The tool itself would be made public. There has not been a mandate that each individual agency’s self-assessment be made public. It is something we can give consideration to, but we would not want it to be seen as the only piece of information that would feed into the agency’s integrity planning.

**Ms L. METTAM:** I refer to page 78 of budget paper No 2, volume 1, the service summary. The total cost for oversight and reporting increases by \$500 000 through the out years and is expected to increase by more than \$1 million from the 2021–22 estimated actual. Is any of this funding related to the legislated workload? What is the reason for the increase in funding?

**Mr M. McGOWAN:** Which year, sorry?

**Ms L. METTAM:** I am referring to the budget for 2020–21, the increase in the budget this year and in 2022–23, and the increase in funding going forward. What accounts for that increase?

**Mr M. McGOWAN:** I will let the Public Sector Commissioner explain.

**Ms S. O'Neill:** The increase or the movement of funding so that we see that increase that I think the member is referring to between the estimated actual and the budget 2022–23 is an increase of \$727 000. It is largely due to the apportionment of increase in ICT costs of \$223 000 and some overheads of \$225 000. The member might also

have noted from our spending changes table that we are using our streamlined funding of \$536 000 to undertake the WA public census, so the addition of that funding accounts for the change there between the two years.

**Ms L. METTAM:** At the end of 2020–21, the Auditor General tabled a report titled *Audit results report—Annual 2020–21 financial audits of state government entities*. Under the heading “Current status of Treasury’s reform program”, there was reference to the drafting of the legislative element of the government trading enterprise governance framework. Is the increase that we see here going towards that effort? Does that have anything to do with the increase in the funding here?

**Mr M. McGOWAN:** I will let the Public Sector Commissioner explain.

**Ms S. O’Neill:** In our service summaries, if the member is referring to legislation, any advice we give is in relation to the Public Sector Management Act. I do not think that what the member is referring to is in any way related to our budget.

**Dr K. STRATTON:** I refer to page 79 of budget paper No 2, volume 1, and the issue of attracting and developing graduates. Under “Public Sector Leadership” it states —

This service develops and supports current and future leaders, and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.

Is the Premier able to expand on what the Public Sector Commission is doing to attract and develop graduates across the public sector?

**Mr M. McGOWAN:** I thank the member for Nedlands for the question. The commission runs a specific program for graduates new to the public sector. It aims to give them an understanding of the business of government, current strategic matters and future developments in public policy and management. It is called the launch program. It includes workshops, site visits and networking opportunities with public sector leaders over 10 months. It is an important aspect of attracting young, bright people with university qualifications into the sector and retaining them. The commission is also working with public sector agencies to better coordinate graduate recruitment. A campaign called “A place of opportunity” began in February 2022 to help position the public sector as a career destination of choice for the state’s best qualified university talent. This work has brought together 23 graduate and cadetship programs across the sector into one online directory on [wa.gov.au](http://wa.gov.au). The campaign was developed with public sector agencies and markets the various programs under a single brand and in a coordinated way. This campaign is particularly important in the current tight labour market, in which there is great demand for the best graduates. The sector needs to be competitive and better positioned. I will ask the Public Sector Commissioner if she would like to add anything to this.

**Ms S. O’Neill:** It is the first time that the agencies have really put together their graduate approaches. We know that the private sector gets into universities very early on in the year, and I think historically we have approached graduates later than that. This new campaign, “A place of opportunity”, which was developed with new graduates in the public sector—they helped us to design it—will get into universities much earlier. It has been very well received by the universities themselves and by prospective graduates. We want to get the best graduates into the public sector. We need to get in early and show them not only the benefits for them from a career perspective, but also the value they can give back to the community. We are pretty excited about this program.

**Ms M.J. DAVIES:** We are nearly done on this; this is the last one. I refer to page 80 of budget paper No 2, volume 1, under oversight and reporting. The cost of service has gone up and the explanation in the notes is that it primarily reflects the additional resources to undertake the Western Australian public sector census. Can the Premier explain exactly what the public sector census is, and what the data is then used for?

[2.40 pm]

**Mr M. McGOWAN:** To inform workforce policy, we need the best available information about our 160 000 people. The data needs to be high quality, accessible, adaptable and fit for purpose, and therefore add value to what we do. The independent review of the Western Australian Public Sector Commission recommended a whole-of-sector employee census to enhance intelligence gathering to bolster the capability to inform better workforce strategies and gather data as part of our responsibilities. The review noted that with census-driven data, strategic workforce planning and forward projections and analysis over a broader time will be critical and important tools for the Public Sector Commission and the public sector going forward. The Public Sector Commission responded to the recommendation and committed to exploring a whole-of-sector employee census. Conducting a census allows the commission and the sector to gather new data and information on employees and complements other information, such as agency surveys. In response to the independent review, the commission ceased the employee perception survey, and in 2021 developed and piloted a public sector census to test a fit-for-purpose contemporary approach to collect information directly from employees. The pilot occurred between March and June 2021 and involved 17 agencies, representing 15 per cent of the workforce. The pilot achieved a response rate of 47.5 per cent. That was higher than the 2009–10 Public Sector Commission employee perception survey, the first year the commission was a standalone entity.

Employees voluntarily provided information about their experiences and behaviours in the workplace. Aggregate reporting of results protected individuals' privacy. Rather than read this all out, I will let the Public Sector Commissioner respond in a more interesting way.

**Ms S. O'Neill:** What we know about census and the reason that states approach census is that we find that we can get better information from employees when we ask it in a different way and when it comes perhaps from us rather than their own employer. One thing I want to point to as a success of this is that, particularly around diversity, interestingly, not everyone wants to respond to diversity questions in surveys, but we found that we had an excellent response that showed us that, for example, of the number of people with disabilities, many more were willing to respond to the census rather than to direct agency survey questions—we had an increase of 126 per cent in terms of people wanting to respond. We know it is important to ask questions of employees so that we can learn more about the shape of the sector and, in terms of workforce planning, plan better. We think the first pilot was really successful with the 17 agencies. Now we are going to use our streamlined funding, which is in our spending changes table, to take that across all public sector agencies and learn, I guess, what we can in terms of the whole sector. That is what our streamlined funding will be for. We will implement that in the next year across all agencies. It will be a trial of all agencies. We will see how it goes when it runs to scale and we will evaluate and then recommend one way or another, or options, to the government about whether it wants to continue with that census.

**Ms M.J. DAVIES:** Is that data publicly available? Will it be published?

**Mr M. McGOWAN:** I am advised that it already is, but I will let the Public Sector Commissioner explain.

**Ms S. O'Neill:** We put on the web a series of summary outcomes from the census pilot that go to all the main questions. That is available on the government website. We had whole-of-sector information and then we ran workshops for each of the 17 entities. The beauty of this work and the way in which we have done it is that agencies can then ask further questions of their own data, and provide different insights and different reports. It is a vastly more contemporary way to gather, share, analyse and provide insights into a large piece of information for agencies for their planning.

**Ms L. METTAM:** I refer to assistance and support on page 80, and note the 36 FTEs going forward. How many of these staff are working on machinery-of-government changes?

**Mr M. McGOWAN:** There is no-one specifically working on that. If there is a requirement to assist an agency with anything, people are made available. There is no-one whose role that is.

**Ms L. METTAM:** What is the reporting structure for the 36 FTE?

**Mr M. McGOWAN:** I do not understand the question. What is the member asking me?

**Ms L. METTAM:** I am just asking who these 36 FTE report to. What is the reporting structure?

**Mr M. McGOWAN:** I assume the Public Sector Commission, but I will ask the Public Sector Commissioner to answer.

**Ms S. O'Neill:** The 36 FTE are not one group. Assistance and support in the commission is provided across different portfolios. There might be five of those 36 in the workforce policy area. Some of them might be in diversity, some might be in the leadership area. The construction of those tables—that service where we provide assistance and support—is across the whole agency. In terms of the line structure, they will be embedded in various divisions and, ultimately, those executive directors report to me.

**The appropriation was recommended.**

*Meeting suspended from 2.47 to 3.00 pm*