

Mr John Kobelke; Mr Colin Barnett; Chairman; Mr Paul Papalia; Mr Murray Cowper; Mr Eric Ripper; Dr Mike Nahan

Division 4: Public Sector Commission, \$27 121 000 —

Ms A.R. Mitchell, Chairman.

Mr C.J. Barnett, Premier.

Ms F. Roche, Acting Public Sector Commissioner.

Mr D. Volaric, Deputy Commissioner, Agency Support.

Dr K. Schofield, Deputy Commissioner, Capability and Development.

Mr M. Davey, Chief Finance Officer.

Mr Z.R.F Kirkup, Adviser, Office of the Premier.

[Witnesses introduced.]

The CHAIRMAN: I call the member for Balcatta.

Mr J.C. KOBELKE: My question is on page 98 of budget paper No 2 and is about the statement of cash flows related to employee benefits. I would like a detailed explanation, if possible, for why between the 2010–11 budget and the 2011–12 budget there has been a 61 per cent increase in employee benefits, although the number of full-time equivalents actually fell. I realise there were some part-year effects of the rearrangement of the Public Sector Standards Commission and the Public Sector Commission, but I thought they would be proportional. Even if we look at those figures, I have looked at last year's budget for the Office of the Public Sector Commissioner, and that figure is only \$3.7 million. Even if we take a proportion of that, there has been a very large increase in employee benefits. Can we have some explanation of what has caused that?

Mr C.J. BARNETT: Yes, the explanation is that it is primarily due to special payments because of the merging of the Office of the Public Sector Standards Commissioner staff, which took place in October 2010. Also, there was money for severances to staff, and an internal reallocation of funds. If the member would like a fuller explanation, I could ask the Acting Public Sector Commissioner to explain those figures to the member.

Ms F. Roche: As the Premier has explained, those figures are largely due to the merging, which actually occurred in December 2010. That was when the Office of the Public Sector Standards Commissioner and the Public Sector Commission joined together. As I understand it, those payments were largely around some severance payments, when a number of staff took payments and there were some internal reallocations. I can ask the chief finance officer, Mal Davey, to provide some detail, if that is okay with the Premier.

Mr J.C. KOBELKE: I would like to actually get down to how many severance payments and the quantum of them.

Mr C.J. BARNETT: I will ask Mr Davey to add some further comment.

Mr M. Davey: The movement there is primarily due to severance payments made to senior executive staff and other staff.

Mr J.C. KOBELKE: Through the Premier: can we have an actual amount for those severance payments?

Mr C.J. BARNETT: I do not know if Mr Davey has that information.

Mr M. Davey: Yes, \$2.4 million. We also have some payments to the special counsel; payments for redeployees that go through the office. These were offset to a certain extent by the merger, which was \$2.163 million. We did a reallocation in the 2010–11 estimated actual of \$700 000, and we had the severances there. We also returned about \$1 million to Treasury. We were under-operating, and we did not need to draw down that money so we returned that. That would affect the payroll as well.

Mr C.J. BARNETT: A fine example!

Mr J.C. KOBELKE: Premier, I take it from this, then, that the establishment of the new structure with the Public Sector Commissioner was not cost neutral, as was originally intended; that was the evidence of Mr Conran to the Public Accounts Committee.

Mr C.J. BARNETT: I guess the member might draw that conclusion. I would think that even over the medium term there would be cost savings by having one body instead of two, and I think there is a reform there. But I guess there has been a transition cost, and that has shown up in redundancies.

Mr J.C. KOBELKE: Can we be told how many people were actually recipients of the \$2.4 million in severance payments?

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Mr C.J. BARNETT: I do not have that information; I do not know if Mr Davey does. If the member wishes, I will provide that as supplementary information.

Mr J.C. KOBELKE: Would the Premier be willing to provide the names of the people who received severance payments?

Mr C.J. BARNETT: I do not like releasing names of public servants; I honestly do not.

Mr J.C. KOBELKE: It would be appreciated if the Premier would provide the number of people.

Mr C.J. BARNETT: We will give the number and their classification, if the member likes.

The CHAIRMAN: Does the Premier agree to provide that supplementary information?

Mr C.J. BARNETT: We will provide the names and classifications of those people who took redundancies, yes. Did I say names?

The CHAIRMAN: Yes, you did say names. You do not want to provide names, do you?

Mr C.J. BARNETT: I did not mean names; I meant the number and their classification, not their names.

[Supplementary Information No A9.]

Mr P. PAPALIA: I refer to page 89 of budget paper No 2, and the column headed “Desired Outcomes” in the first table under “Outcomes, Services and Key Performance Information”, which states —

The principles of merit, equity, probity and integrity underpin official conduct and human resource management of public authorities in Western Australia

What does the commissioner’s office know of longstanding, ongoing complaints of workplace bullying, harassment and nepotism in the office of the Prisoners Review Board, and what is being done about that?

Mr C.J. BARNETT: Sorry; the Prisoners Review Board?

Mr P. PAPALIA: Public servants who work there have made complaints about the office of the Prisoners Review Board; what is the commission doing about them?

Mr C.J. BARNETT: I have no knowledge of a complaint.

Mr P. PAPALIA: What about the advisers?

Mr C.J. BARNETT: The member cannot ask questions of the advisers; he can only ask questions of me. The member needs to remember that. It is not up to members of Parliament to quiz public servants in estimates committee hearings.

Mr P. PAPALIA: Through the Premier.

Mr C.J. BARNETT: I know nothing of that; however, if a complaint has been received, I would ask the Acting Public Sector Commissioner to confirm that or otherwise, and to perhaps comment to the house at what stage the process of dealing with that complaint is at.

[4.30 pm]

Ms F. Roche: I thank the member for the question. Yes, some employees and former employees of the Prisoners Review Board wrote to the Public Sector Commissioner last year and raised a number of issues around staffing concerns. We then followed that up with the Department of the Attorney General and met with the director general and worked through some of those issues. We also worked very hard to meet with the staff who had raised these matters, and we brought the parties together—that is, the department and those employees. The Director General of the Department of the Attorney General outlined to us a number of strategies that had already been implemented to address some of the concerns and the grievances that had been raised by those employees, and we were satisfied that some very good work had been done. But we came up with some additional strategies that we thought would better improve the situation, and we recommended to both the employees and the director general that those strategies be implemented. The director general has agreed to do that, and, as I understand it, a number of strategies are being progressed to make the working relationship at the office better.

Mr P. PAPALIA: Is it true that one of the recommendations that were made was to locate the chair and her registrar separately from the Prisoners Review Board staff?

Mr C.J. BARNETT: I ask the Acting Public Sector Commissioner to respond.

Ms F. Roche: Issues were raised around the lack of clarity about reporting relationships. I believe that the staff report through the general manager at the Prisoners Review Board. Because there was some lack of clarity

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around reporting lines and what the registrar's role was, we thought one of the strategies that would clarify that for staff was a clearer separation. It was really around providing clarity to those staff about whom they should go to for direction on their work and what the requirements were of the board.

Mr P. PAPALIA: Does the suggestion that they be located separately from the staff not suggest that the claims of bullying and workplace harassment may be valid?

Mr C.J. BARNETT: I ask the acting commissioner to respond.

Ms F. Roche: No; I would not draw that conclusion, and I have not drawn that conclusion. I think there needed to be greater clarity around the reporting relationships, and that it be very clear that the registrar was supporting the board chair and the board, and the general manager was managing the business and the operations of the board staff. That strategy was really just around providing that clarity.

Mr P. PAPALIA: Are you aware of claims of nepotism within that office?

Mr C.J. BARNETT: I refer that to the acting commissioner.

Ms F. Roche: I am aware that the daughter of the Registrar of the Prisoners Review Board also works for the Prisoners Review Board. Issues were raised around how that was being managed. One of the recommendations to the Department of the Attorney General, which I believe had already put some strategies in place, was for clearer arrangements for managing that issue.

Mr P. PAPALIA: I think this will be the last question that I ask of the Acting Public Sector Commissioner. I note that 60 per cent of the staff in this office have requested a transfer or have been moved in the two years since the current chair was appointed. Can an observation be provided on whether that is an unusual number for a public service office environment, and, if it is an unusual number, what a normal number would be? If it is not an unusual number, can I get an indication of whether 60 per cent is average for our public service? I suspect that it is not. Can some sort of comparative data be provided showing the number of staff seeking placements under the current chair and the previous chair and whether this is unusual by comparison?

Mr C.J. BARNETT: I will ask the acting commissioner to comment, but not necessarily on whether we will provide data on what I gather is an issue that is under ongoing investigation.

Ms F. Roche: Whenever there is a change in chair or CEO, there are issues around standards, new expectations of work and so forth.

Mr P. PAPALIA: This happened two years ago though.

Ms F. Roche: That can take some time to filter through. I also note that it is a fairly small number of staff in this particular staffing arrangement. The numbers are quite small —

Mr P. PAPALIA: It is 22.

Ms F. Roche: Yes.

Mr P. PAPALIA: And 13 have left.

The CHAIRMAN: The member for Warnbro cannot question the Acting Public Sector Commissioner; the question must be directed to the Premier. I ask the member not to continually question, but to let the answer be given. I will move on to the member for Murray–Wellington.

Mr P. PAPALIA: She had not completed her answer.

The CHAIRMAN: I think the member was not listening.

Mr P. PAPALIA: I apologise for interjecting.

The CHAIRMAN: I think the answer was given.

Mr P. PAPALIA: No, it was not; you did not let her, Madam Chair.

Mr C.J. BARNETT: Perhaps when the member gets his next turn, he can ask a further question.

Mr M.J. COWPER: I refer to service 3, “Professional Development and Training”, on page 92 of the *Budget Statements*. As the Premier will be aware, I am very keen on issues pertaining to the state's commitment to increasing Indigenous representation in the public sector to the tune of about 3.2 per cent as part of the National Partnership Agreement on Indigenous Economic Participation. Can the Premier touch upon some of the initiatives taken by the government?

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Mr C.J. BARNETT: I thank the member for the question. This is one aspect of the budget that has slipped below the radar, although it should not have. There is an allocation of \$8.5 million over four years for the specific purpose of increasing Indigenous participation in the public service. In looking at this issue, which was brought to my attention by the Public Sector Commissioner, I was disappointed that Aboriginal people were under-represented in the public sector. If anything, we would hope and expect Aboriginal people to be over-represented in the public sector.

Mr E.S. RIPPER: It is a poor comparison with mining companies, for example.

Mr C.J. BARNETT: Yes, it is. Therefore, the proposal was put to me by the Public Sector Commissioner that we should fund specific programs to attract, train and employ Aboriginal people. I do not know whether the Acting Public Sector Commissioner would like to add any comment about how that will be implemented, but I think it is an important policy. I take it from the Leader of the Opposition's comments that he is supportive of this. I was just going to ask the Acting Public Sector Commissioner to comment on the implementation of how the commission is going to go about trying to increase the participation of Indigenous people.

[4.40 pm]

Ms F. Roche: Thank you, Premier. Thank you, member. We are very happy to be doing some really important work in this space. We have developed an Aboriginal employment strategy, as the Premier has outlined, and it is actually part of the state government's blueprint under the Indigenous economic participation national partnership agreement. We are aiming to increase Indigenous employment in the public sector to 3.2 per cent by 2015. That is intended to reflect the estimated Indigenous working age population at that time. We have come up with a range of strategies around developing capacity and attracting Indigenous people. We have already been in the regions, talking to various people. I can ask Dr Schofield to provide further detail on the specific strategies. We have developed a good package of measures and we are confident that we will be able to achieve that target and achieve some good outcomes.

Mr J.C. KOBELKE: Would it be possible for the Premier to provide, for 2007–08, 2008–09, 2009–10 and 2010–11—obviously the figures for 2010–11 will not be the final figures—the number of Indigenous people employed in the public sector, and as a percentage of total employment?

Mr C.J. BARNETT: Perhaps Dr Schofield can provide that information.

Dr K. Schofield: I have figures for 30 June 2011; the percentage was 2.4 per cent at that time. We are waiting on the figures coming in for the end of this financial year, but I can certainly get the other information later on. But for the last financial year, it was 2.4 per cent.

Mr J.C. KOBELKE: Will the Premier provide that as supplementary information?

Mr C.J. BARNETT: I take it the member wants percentages and actual numbers?

Mr J.C. KOBELKE: The actual number of Indigenous people employed, and that as a percentage of total public sector employment.

Mr C.J. BARNETT: The number of Aboriginal people employed in the public sector, and the percentage that represents of the total employment for which years?

Mr J.C. KOBELKE: For 2007–08, 2008–09, 2009–10 and 2010–11. The figures for 2010–11 will not be complete, but the most recent figures.

Mr C.J. BARNETT: We will provide a historic record.

[*Supplementary Information No A10.*]

Mr M.J. COWPER: The target figure is 3.2 per cent, but I note that the actual figure for Indigenous people in Western Australia as a percentage of the population is 3.47 per cent. Is there any reason for targeting 3.2 per cent, as opposed to parity?

Mr C.J. BARNETT: I will ask Dr Schofield to comment; my guess is that it represents the difference between working-age population and total population.

Dr K. Schofield: The Premier is correct. The target nationally is 2.6 per cent, and Western Australia has set the target at 3.2 per cent, which reflects the estimated Indigenous working-age population at that time. As I said, the figures we had as at last year were 2.4 per cent.

Mr E.S. RIPPER: I refer to the table on page 88 and the line item, "Royalties for Regions — Public Sector Regional Leadership", for which there is an amount of \$709 000. I would expect country people to be pretty surprised to find that the royalties for regions program was paying for professional development programs in the

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public service. What was the process by which the Public Sector Commissioner obtained this royalties for regions funding? Exactly how does a government agency access royalties for regions funding?

Mr C.J. BARNETT: I will make a general comment about royalties for regions. There may be proposals across any portfolio or policy or service area; most of them will come through the Department of Local Government or the Department of Regional Development and Lands; others will come from different ministers and different departments that will suggest something that could be funded through royalties for regions. I do not know which of the two mechanisms applied in this case, but I think it is appropriate to use royalties for regions funds to provide additional professional development in regional areas. That is a program that might otherwise not have happened, and it is obviously best managed and delivered through the Public Sector Commission. Perhaps the acting commissioner can explain which mechanism was used in this case.

Ms F. Roche: I am not sure about the actual mechanism used; Dr Schofield might be aware of it. I have some notes on what the funding will be used for, but Dr Schofield can answer that.

Dr K. Schofield: All agencies received a letter in November last year, asking for submissions for royalties for regions funding. We made a submission, along with other agencies, for funding to support regional training and development. We have notionally been allocated \$2.4 million over the next three years; that is subject to confirmation of the funding through cabinet.

Mr E.S. RIPPER: To whom were the submissions made? Were they in concert with the budget process, or was there a separate process where submissions were sought from agencies and submitted to the Department of Regional Development and Lands?

Mr C.J. BARNETT: Submissions would go to the minister responsible—Brendon Grylls—and he would assess them through departmental processes. I gather from a comment made by Dr Schofield that this funding is yet to go through cabinet, because all expenditure under royalties for regions are cabinet decisions. Some items in the budget will be yet to go through cabinet, and this may well be one of them, but it will go through cabinet before the money is actually allocated to the Public Sector Commission.

Dr M.D. NAHAN: I refer to page 92 and the heading “Professional Development and Training”. This follows on from a question I asked earlier, but it is better asked of the Public Sector Commission. What types of programs is the public sector implementing and putting in place to acquire skills? There is a shortage of skilled people in the workplace. The mining sector and other sectors are now going to universities and recruiting people very early; they are putting in place all sorts of programs to get people into their sectors. What types of programs is the public sector implementing for attracting and retaining young entrants?

Mr C.J. BARNETT: I think it would be best to ask the acting commissioner to outline the programs.

Ms F. Roche: Again, that is Dr Schofield’s area, and he would be happy to outline what we are doing in terms of graduates.

Dr K. Schofield: We are offering a range of programs. We have leadership development programs that we offer to chief executive officers and senior executive service members; that is quite a big component of our leadership development offerings. We also provide a number of training options for different occupations. We have recently done some work with human resource practitioners and policy practitioners. We are providing those for free to the sector and utilising skills within the Public Sector Commission and within the sector as a whole to deliver a lot of programs that we used to contract out. We have actually internalised a lot of that and are using a lot of our own skills. We also have programs to develop graduates; we have a graduate program that we run each year. We also run traineeship programs for school-based trainees and business trainees. We are looking at accrediting most of those in the future towards a public sector training package.

Mr P. PAPALIA: If the Premier does not know the answer right now, could he perhaps give a response to the question about the comparison of the last two years of the previous chair of the Prisoners Review Board—the percentage staff turnover in that period compared with the 60 per cent under the current chair? In an earlier answer, the acting commissioner said that the chair of the board is not related to management of the office. How, then, does the Premier explain the 60 per cent changeover of staff since the arrival of the current chair in April 2009?

Mr C.J. BARNETT: I do not think it is up to the Acting Public Sector Commissioner to speculate on why staff turnover might have occurred; the member may speculate. If the member wants some information on turnover from year to year, we are prepared to provide that, but we are not in the business —

Mr P. PAPALIA: No, it is actually —

Mr C.J. BARNETT: No, we will stop the question if the member does not listen; we will not answer it, simple as that, if the member is going to be so discourteous as to interrupt every time I try to answer a question. I was

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saying that it is not up to the commissioner, or indeed me, to speculate why staff turnover may have gone up. The member obviously has a viewpoint; he may speculate. If the member for Warnbro is seeking information on year-to-year turnover data, I am sure that can be provided to him.

[4.50 pm]

Mr P. PAPALIA: In response to the Premier's comment, one of the key performance indicators is the commissioner's ability to enhance principles of merit, equity, probity and integrity in the public service. An investigation is being undertaken, and has been for some time now, into the office I am referring to. They are familiar with the particular case that I am referring to —

Mr C.J. BARNETT: They may be. This is not a debate or an opinion-seeking exercise. If the member wants factual information, I am sure the commissioner will provide it.

Mr P. PAPALIA: What terms of reference were provided to the independent investigation, which the Department of the Attorney General initiated, and which the Premier indicated were satisfactory and precludes the need for any other investigation? What terms of reference were provided to Mr Flack?

Ms F. Roche: There would have been terms of reference. I will go back to the original question about the 60 per cent turnover. That information would be available to the Department of the Attorney General. That would not have been kept by this office. The turnover of staff is something that employing authorities are responsible for.

Mr P. PAPALIA: That is the first part. She was going back to answer my question.

The CHAIRMAN: Are you asking a further question?

Mr P. PAPALIA: No. I asked a question and the acting commissioner said she would answer the earlier question first.

Mr C.J. BARNETT: I will ask the commissioner whether she has any information on the terms of reference.

Mr P. PAPALIA: Regarding the investigation's terms of reference.

Mr C.J. BARNETT: It is not for the member to question the acting commissioner.

Ms F. Roche: The Public Sector Commission would have been provided with the terms of reference of Mr Flack's investigation, but Mr Flack is engaged by the Department of the Attorney General, so his report is really a matter for the Department of the Attorney General in terms of a decision about releasing the terms of reference and so forth.

Mr P. PAPALIA: The problem with that response is that the Public Sector Commission is the only possible source of an alternative oversight for the people involved in this dispute, outside of the department—a department they feel has failed them. I am wondering why we cannot get the terms of reference that were provided to that independent inquiry.

Mr C.J. BARNETT: They are the province of the Attorney General. I suggest the member ask that question or have someone ask that question of the Attorney General.

Mr M.J. COWPER: I refer to the heading "Professional Development and Training" on page 92 of the *Budget Statements*. I understand that the Public Sector Commissioner is now a member of the Australia and New Zealand School of Government consortium. I am interested to know what the benefits of that might be.

Mr C.J. BARNETT: It is important that public servants, particularly those who are on a pathway to a senior leadership position, have training. It is important that that training not be restricted to Western Australia. Sometimes it causes controversy, but I have always encouraged public servants to undertake professional development and, where possible, to travel and work overseas, attend conferences and present papers. One of the inherent dangers of Western Australia is our isolation; we can become a little blinkered. This is Dr Schofield's area. I have had no direct involvement myself with ANZSOG, but I know it is highly regarded. I will ask Dr Schofield to comment on the programs, who will go, who will attend courses and what they will be about.

Dr K. Schofield: As part of the ANZSOG program, we commit to award 10 scholarships biannually to the executive master in public administration. That scholarship includes tuition fees, air fares and accommodation. In addition to that, we commit to three scholarships per year for the executive fellows program, which is aimed at CEOs and senior executives. In addition to that, some benefits we are starting to reap from that are that a good cohort and alumni of ANZSOG graduates are coming back to WA. We are actually tapping into their expertise. Those people are now delivering some of our programs and sharing the knowledge and experience they have gained through ANZSOG with the wider WA community. It has given us some extra benefits now as a result of a group of alumni people going through the programs. We have committed to that over the next two or three

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years. We are about to launch the scholarships for the executive masters in the next few weeks. That is targeted at experienced and talented people within the sector.

Mr J.C. KOBELKE: I am concerned we have three divisions to go in only about an hour. It is a matter whether by consensus with my colleagues we can have the question put or whether I move a procedural motion that the question be put.

The CHAIRMAN: The Leader of the Opposition has requested a question on this division as well. Do you wish to proceed with that question?

Mr E.S. RIPPER: No. I will move on.

The appropriation was recommended.