

PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO THE IMPLICATIONS OF THE NEW STRUCTURE AND FUNCTIONS OF THE DEPARTMENT OF THE PREMIER AND CABINET AND THE PUBLIC SECTOR COMMISSION

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
MONDAY, 23 MARCH 2009**

SESSION ONE

Members

Mr J.C. Kobelke (Chairman)
Mr J.M. Francis (Deputy Chairman)
Mr A.J. Carpenter
Mr A. Krsticevic
Mr C.J. Tallentire

Hearing commenced at 9.34 am**SAGGERS, MS JAN****Director, Nexus Strategic Solutions, examined:****The CHAIRMAN:** Thank you very much for coming to give evidence today.**Ms Sagers:** You are welcome.**The CHAIRMAN:** I have a few formalities that I need to go through in introduction and then we will be able to move to some questions and discussion.

On behalf of the Public Accounts Committee, I thank you for your interest and your appearance before us today. The purpose of this hearing is to assist the committee in gathering evidence for its inquiry into the implications of the new structure and functions of the Department of the Premier and Cabinet and the Public Sector Commission. You have been provided with a copy of the committee's specific terms of reference.

At this stage, I introduce myself as John Kobelke, and the other committee members—Joe Francis is the Deputy Chair, Alan Carpenter, Chris Tallentire and Tony Krsticevic.

The Public Accounts Committee is a committee of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will make a transcript of the proceedings for the public record. If you refer to any document or documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed to the questions we have for you today, I need to ask you a series of questions. Have you completed the "Details of Witness" form?

Ms Sagers: I have.**The CHAIRMAN:** Thank you. Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?**Ms Sagers:** Yes.**The CHAIRMAN:** Thank you. Did you receive and read the information for witnesses briefing sheet provided with the "Details of Witness" form today?**Ms Sagers:** Yes.**The CHAIRMAN:** Thank you. Do you have any questions in relation to being a witness at today's hearing?**Ms Sagers:** No.

The CHAIRMAN: Thank you for your submission to the inquiry. Together with the information you provide today, your submission will form part of the evidence to this inquiry and may be made public. Are there any amendments that you would like to make to the submission you have already provided to us?

Ms Sagers: No.

The CHAIRMAN: Thank you. We have a series of questions to ask you, but before we do that, do you wish to make any additional information available or provide any form of brief opening statement?

Ms Sagers: No.

The CHAIRMAN: Thank you for that.

I have some lead questions and then the other members will follow through to elicit information from you. I have grouped the questions into two: one regarding an efficient and better public sector, then we will go on to some questions on the chief executive officer selection process. I will lead off on the policy and principle issues of a better public service. Do you view the public service commission as better placed than the Department of the Premier and Cabinet was before it to achieve the cited aims of leading, building the capacity, and driving the reform of the public sector? If you do see the new model as better than the old, would you like to give some explanation of that?

Ms Sagers: Yes, I do see it as being better placed to provide leadership to the sector. My reason for that is predominantly because I think it is helpful for the commission to be independent of the Department of the Premier and Cabinet because the agenda of DPC is, frankly, quite political. In my view, the public sector management role within the former Department of the Premier and Cabinet was given a lower priority. Therefore, I think the fact that it has its own agency led by the Public Sector Commissioner gives it greater credibility and will enable it to provide greater leadership and greater drive, depending, of course, on the personalities involved in the agency and the extent to which it can garner political support.

The CHAIRMAN: If I could just come back to one part of what you have just said—that is, the concept of independence. So, you have structured independence and it is a different department, but do you see whether it actually has any greater depth to that independence in terms of decision-making—not actually been controlled again directly by a minister?

Ms Sagers: I think time will tell. I think it is too early to answer that question.

The CHAIRMAN: In your paper, which again I thank you for, you cited that the Queensland Board of Commissioners of the Public Service Commission is an appropriate model for adoption in this state. Would you like to elaborate on specifically how and why that model could be applied in Western Australia?

Ms Sagers: Given that the public sector exists for the purpose of providing services to the public of Western Australia, in my view, there should be public representation; some of whom are involved in the leadership of the sector. I have come to the conclusion that the public sector is not well positioned to solve its problems on its own. I think it has had a fair amount of time to do that and there are lots of quite complex demanding challenges facing this sector at the moment, and I suspect it would be helpful to have input into the governance and leadership of the sector from a variety of different perspectives as opposed to simply from within the public sector itself. Therefore, I think having a board of management that provides policy advice to the Public Sector Commission and to agencies in general from, for example, industry, business, NGOs, tertiary institutions et cetera would be of great assistance. It would inject some fresh ideas into the sector where I think they have been sorely missing, because I think for quite some time we have been operating the public sector on a model based essentially on compliance and containment, and this new public sector commission is about building capacity and building capability. I think you do need to get some different people and different ideas injected into it. Also, I think having a board of public sector management would go some way to encouraging mutual understanding between the respective sectors and building some working relationships that I think probably are not currently there. Therefore, that is it in a nutshell. There are lots of more detailed reasons for supporting it, but they would be the primary ones.

[9.40 am]

The CHAIRMAN: Thank you for that. Can I get some understanding of the basis of your judgement? Clearly you work in Western Australia in a consulting capacity. Have you done that in other states or is the basis of what you are saying that of your interaction with similar professionals and from academic papers?

Ms Saggars: My background is that I have worked in seven different government agencies. Four of those were line agencies that delivered services direct to the public. Three of them were central agencies. DPC was one of them, the Public Sector Commission was another, and the Department of Executive Personnel, which no longer exists of course. I worked in policy roles, so I spent a bit of time doing work with other states while I was in those various agencies. In the past 14 years I have been consulting back to government on policy issues and strategic HR issues and also delivering public policy courses to public servants. While I do not do that interstate at all, I do spend a bit of time researching what other states do—not a huge amount, but a little. I have some insight into operations interstate.

The CHAIRMAN: You cite that the Public Sector Commission should be empowered under legislation rather than through delegation. What are your reasons? Can you be more specific as to what aspects you believe should be guaranteed by legislation?

Ms Saggars: The particular one that I am interested in is the employment of CEOs. I would like to see the Public Sector Commissioner be the employer of CEOs rather than the Minister for Public Sector Management. My reason for that is that I think it supports public servants in their role as being frank and fearless advisers to government. It is very difficult for public servants to fulfil that role if their employer ultimately is the minister, because if they lose the confidence of the minister—that might be due to something as inane as personality conflict—essentially they have to go; there is very little left for them to do. I believe very strongly in the need for a buffer between CEOs and ministers that helps to protect them so that they can provide that very frank and fearless advice.

The CHAIRMAN: That sounds very much like turning it back to the system we had before the introduction of the Public Sector Management Act. Is that what you are saying or only in part?

Ms Saggars: In respect of the employment of CEOs, that is what I am saying.

The CHAIRMAN: You expressed a view that there was perceived politicisation of the public sector following the proclamation of the Public Sector Management Act in 1994. Would you provide commentary on what you believe to be the specifics of either politicisation or perceived politicisation?

Ms Saggars: I think it was fairly self-evident from the fact that the employment arrangements changed so that the employer became the Minister for Public Sector Management. That in itself was quite an obvious change. I do think it led to public servants, particularly at the middle to senior levels, beginning to second guess, if not third guess, ministers, which I think was very unhelpful. I do not think ministers themselves actually wanted it. I think the better ministers were very keen to get fresh ideas coming up from the public service and often expressed frustration because they were not getting it. I think it was largely because public servants were nervous and anxious about fulfilling that frank and fearless advisory role.

The CHAIRMAN: Those are the key questions I have on efficiency in the public sector. Do other members have any questions?

Mr A.J. CARPENTER: I am fascinated by this whole thing. I sort of both agree with you and do not. You probably also both agree with yourself and do not. It is not clear cut, is it?

Ms Saggars: No.

Mr A.J. CARPENTER: This is just exploration, but what would you do under that model that you talk about when the head of the department is clearly not interested in seeing the propagation of the

government's agenda? I am not talking about a political agenda. We are the ones who get elected. We have our policy and we are going to do A, B and C. We get into a ministerial role and say, "Okay, this is our set of priorities that we want to see implemented", and we are confronted with a CEO who is absolutely not determined to see it implemented. What do we do in that case?

Ms Sagers: Under whatever model you have, CEOs need to be charged with the implementation and support of the policy of the government of the day. If they are not abiding by that, the Public Sector Commissioner as the employer under this proposed model should have the authority to remove that person, under certain circumstances, of course, and with natural justice in mind. Fundamentally, a CEO must always support the policy of the elected government of the day provided it is an ethical decision.

Mr A. KRSTICEVIC: If the Public Sector Commissioner agreed with the CEO that the minister of the day could not manage the affairs of government and could be constrained by public servants not wanting to implement policy because of their particular personal views or their particular agendas or anything else that might occur, you then could not actually deliver anything to the community. That is a worst case scenario.

Ms Sagers: That is true in theory but in practice it becomes evident to the community, the media and the broader public sector that the Public Sector Commissioner and the CEO are not supporting the policy of the day. Generally, it is pretty clear that that is the case.

Mr A. KRSTICEVIC: I suppose you might have the department putting one spin on it and the minister putting another spin on it, both stories are in the media, and who knows what is true. The public, depending on what is out there, may not be able to form a view of what is right and what is wrong because a lot of times there is misinformation about a lot of these things that happen. Ultimately, it comes down to whether you have any control over that and whether a minister should have any control over that.

The CHAIRMAN: Do you want to make any comment on that?

Ms Sagers: No. I just think that no model is perfect. It is an extreme situation, I suspect, where this model will not be helpful to government.

Mr A.J. CARPENTER: I do not know about extreme situations. It is the classic old boys' club. That is what happens. That is the downside of the model. They say already that governments come and go—"We'll be all right; we'll just sit here"—and they get looked after by the Public Sector Commissioner. That is not to say that that is necessarily what would happen, but that is a potential downside, and I think that is what used to happen in WA. You get a politicisation of the public service by osmosis that way—by default. There is no perfect model. A lot of it depends on who you have in key positions and how easily you can influence or move people in those positions when they are obviously not doing what the government wants them to do. I am not talking about this in a purely political way. For example, should there be a board of commissioners; and, if so, who will appoint them?

[9.50 am]

Ms Sagers: Ultimately it would be the government.

Mr A.J. CARPENTER: Exactly. You honestly do not think that the government is going to appoint people who are hostile to its agenda—of course you get a politicisation in that way.

Ms Sagers: But you get a range of perspectives.

Mr A.J. CARPENTER: You may well do; but that is not going to mitigate the politicisation process. In fact, I think, if anything, it is likely to encourage it.

Ms Sagers: Are we talking about —

Mr A.J. CARPENTER: Let us be realistic. You see it now. When you sit down to create the first public service board, or whatever it is, you are not going to put anyone on that board who you think will not do the government's bidding; of course you are not going to do that. So what happens; government one gets its board and government two inherits that board and has to figure out ways to get members off it—that is the way life is. I do not necessarily think that the appointment of a board will do anything to alleviate the sort of circumstance you are trying to deal with.

Ms Sagers: I am sorry to interrupt. The board would not be the employer of the CEOs—the commissioner would. It is policy —

Mr A.J. CARPENTER: Yes; but wouldn't he be getting advice from the board?

Ms Sagers: No; he would not get advice in terms of the employment of CEOs, but rather in terms of broader public sector policy on, for example, issues such as how we attract and retain quality public servants; how we remunerate public servants; how we build better relationships between the public sector, industry and the community; how we deliver better and more effective efficient services to the community of Western Australia. They are the sort of policy issues that I would see the board having a role in but I would not see the board having a role in the selection of CEOs.

Mr A.J. CARPENTER: No; fair enough, I take the point. I retract the commentary around the appointment of the CEOs.

Mr A. KRSTICEVIC: Would you see the CEO having to follow the views of the board or is it just a case of here is some advice, make your own mind up?

Ms Sagers: The board's policy advice ultimately would be promulgated through the Public Sector Commissioner in whatever format he or she prescribes—generally approved procedures et cetera. Once something becomes policy for the sector, yes, I would expect CEOs to abide by it.

Mr A. KRSTICEVIC: Initially the board would just be able to offer advice which may or may not be taken up —

Ms Sagers: Yes.

Mr A. KRSTICEVIC: —and therefore it does not have any real power apart from that of a think tank, which gives a little bit like, I suppose —

Ms Sagers: There are different models around that but I think the role would be advisory.

Mr A. KRSTICEVIC: Okay; I suppose it will not add any more other than another layer of advice to the public sector.

Ms Sagers: It provides different perspectives.

Mr A. KRSTICEVIC: Of which we get a lot of now because people, from time to time, give their perspective on what is happening—be it through the media, academia or through political processes —

Ms Sagers: They do, but not in a controlled or a coordinated fashion in which people sit around a table having a conversation. They come at it from a very specific and often quite narrow focus on individual topics that arise—often in the midst of a crisis or some sort of scandal—rather than coming at it in a more proactive, sensible, measured way.

Mr A.J. CARPENTER: So, it is a structure to call in the advice and so on.

Ms Sagers: Yes.

Mr A.J. CARPENTER: Is there any evidence that this board model from Queensland, which I think is worth exploring—it is from Queensland —

Ms Sagers: Yes. It is probably a bit early to tell. I think the model has been around for not even a year—I think that but I could be wrong.

Mr A.J. CARPENTER: Yes.

The CHAIRMAN: Would I be right in believing that it is actually not established by statute in Queensland? Do you know the situation?

Ms Sagers: I do not know; I am sorry.

The CHAIRMAN: I am advised it is established by statute.

Mr A.J. CARPENTER: Jan, I think it is worth saying that this is a really good submission. The font is too small for me; that is all! Apart from that it is brilliant.

Ms Sagers: Sorry, I will do better next time; it is almost too small for me now, too!

Mr A.J. CARPENTER: You have obviously done a lot of work and put a lot of thought into it, which is good. We are in a situation in which these sorts of recommendations are possibly going to be looked at seriously—which is good. So, good on you! It is good to see people thinking about ways to improve the structure and performance of the public service and the public sector. Looking at it, I think this separation has the potential to be a good thing; however, it depends a lot on who you get there.

Ms Sagers: I know.

Mr A.J. CARPENTER: It always does. You can have what you think is the most perfect system and you get people who cannot or who do not live up to the potential—that is the test, if you like. What did you actually mean when you said, right at the start, that you propose a separation of functions because the function of Premier and Cabinet is quite political? I have been in the position and I have found that Mal Wauchope, for example, is the least political person in the party-political apolitical structure. There might be a sort of politics of the bureaucracy —

Mr J.M. FRANCIS: Office politics.

Mr A.J. CARPENTER: —yes, you know what I mean—as opposed to partisan politics. I think when people hear or read that the public sector has been politicised, they immediately think of Labor or Liberal, usually Labor, politicising the public service. In my observation, that is nonsense. So, what exactly did you mean by that?

Ms Sagers: I was referring to the outcomes from the department. In my observation, the outcomes were largely from the policy area, policies surrounded by regional development et cetera, and little tended to come out of the public sector management division of the agency. I am looking at it from the perspective of an outsider and seeing the outputs from the agency being largely around policy and seeing very little in terms of proactive policy around the management of the public sector. For example, a real issue for the public sector in the coming years will be the ageing workforce. The public sector is not at all well positioned to respond to this crisis. And it will be a crisis. Once the economic downturn goes away, as it will do in 18 months, two years or whatever, the next crisis for the public sector will be its ageing workforce. On average, a public servant is seven years older than a private sector employee. The vast bulk of our senior executives are 52-plus. We are going to have a loss of corporate wisdom and numbers in terms of, to put it frankly, bums on seats. I have not seen a lot coming out of the public sector management division to suggest that it is on top of and driving this or that it is building capability across the sector to handle and to respond to this crisis.

Mr A.J. CARPENTER: Yes, okay, that is fair enough.

We were aware of that background scenario you refer to. It started to really get some traction in the last three or four years and included an ageing workforce, the difficulty in finding people who were prepared to take up the positions and a lot of people of talent being taken out of the system because of opportunities in the private sector. You are saying the head of Premier and Cabinet had both the policy implementation—which is, you might argue, the government's number one priority—and the

other part, namely the development of the capacity of the public sector to deal with. The latter was not totally neglected but was less of a priority.

Ms Sagers: Yes, indeed.

Mr A.J. CARPENTER: Yes; and this separation might help elevate that second priority.

Ms Sagers: Yes, and a lot of other stuff happened in the meantime with CCC issues and so forth. Those issues were distracting and would have taken up the time of very senior officers.

Mr A.J. CARPENTER: Yes, they did.

Ms Sagers: Consequently, the public sector management role and function was diminished.

Mr A.J. CARPENTER: Right.

Mr C.J. TALLENTIRE: One concern that I have is that what you are suggesting could lead to the policy being DPCs sole function and then—the question has to be asked—the duplication of the policy function of the different agencies. Do you think we risk seeing a situation in which DPC has a view on a particular issue and DPI has another view?

Ms Sagers: I think it is inevitable that policy will come up from agencies and that there will be strategic whole of government policy coordination at DPC level—and so it should. I think there is a need for both. Sometimes there will be some tension around that, but I think we will just have to live with it.

The CHAIRMAN: If we might move on to CEO selection issues, thank you.

Ms Sagers, you have indicated that you have been involved in six CEO selection processes. Have you identified any instances of political interference in the specific processes of CEO appointments?

Ms Sagers: I have not seen inappropriate political interference; but there is certainly political interference if you define it in terms of ministers expressing a desire for a particular type of leader. If that is political interference, I have seen that. But I think that is —

[10.00 am]

Mr A.J. CARPENTER: You would not call that interference, though. The concept of interference is that you jump in and stop what may have been going to happen from happening.

Ms Sagers: If that is how we are defining it, no, I certainly have not seen any of that.

The CHAIRMAN: So is there any opportunity for political interference in the CEO appointment process under the current arrangements?

Ms Sagers: Yes, I think there would be some capacity for it, but there is under any process. There are points in the process when ministers or their representatives are invited to comment on the sort of leader they would like to see and they can, if they wish, be quite directive and very specific about that, but I have not seen that happen. I can imagine that it is a possibility, so there is the potential for it; I just have not seen it.

The CHAIRMAN: If I can turn to selection panels for the appointment of CEOs, do you have a view on how CEO selection panels should be formed?

Ms Sagers: All I can say is that I think there needs to be a balance of interests. I do think that each panel should have someone representing the stakeholders. I also think there should be someone who has performed in a similar sort of role before, so that they have an understanding of the position. I think that there should be somebody sitting on the panel who is almost independent, in the form of the Public Sector Commissioner or the Commissioner for Public Sector Standards; someone who does not have a vested interest. The research around selection procedures indicates that the more perspectives you have, generally speaking, the better the outcome, or the more reliable and valid the outcome. I think there are lots of people who have a legitimate interest in the selection of CEOs

who will ultimately be providing services to the community. All I would say is that there needs to be a balance of interests.

The CHAIRMAN: In terms of the validity of the process and the public perception of that validity, would you like to make any comment about whether or not members of the selection panel should be seen to be apolitical? Is that an issue?

Ms Sagers: I think it would help if they were regarded as apolitical, and were seen to be so. I have not been involved in any process in recent times; it has been about a year since I was involved. Prior to that, many of the processes that I was involved with would have been, I think from any objective point of view, considered to have been objective processes. I certainly do think it would be helpful if members of the selection panel, on balance, were seen to be apolitical.

The CHAIRMAN: One of the issues that I am sure you are well aware of is the time it takes for the process to appoint a CEO, for a whole range of reasons; it often drags out way too long, with a whole lot of negative consequences for agencies and for the individuals who have applied. The recent appointment of the Director General of the Department of the Premier and Cabinet was completed within 36 days, which is well under half of the average time. I would like to elicit some information from you in terms of how we can make sure that we speed it up and have an efficient process—as this one was—without losing out in terms of the quality or the depth of talent in the pool of applicants. Do you believe that five-week period is adequate to appoint the best quality candidate for a CEO position, and also to ensure the integrity of the process?

Ms Sagers: It is a very short time frame if you want to conduct an executive search. Executive searches typically take two to four weeks to do well. That would be a short process, in my experience. However, if, ultimately, the decision around the appointment is going to be made at a political level, then you could argue that conducting an executive search—an extensive, fulsome selection process—is a waste of time and resources. If what the government wants to do is to create open, transparent selection processes, and if, ultimately, the decision is going to be the decision of the minister and cabinet, then I think it is a waste of resources to go through a long-winded selection process and executive search process that is not authentic. Perhaps this is one example of the situation where the outcome was clear; I do not know, I was not involved in it. However, under the current arrangements, the selection is ultimately made by the Minister for Public Sector Management. If the minister has a very clear view about who that person is going to be, then in some ways there is an argument for allowing him to get on and make that decision.

The CHAIRMAN: You mentioned executive searches a couple of times; can you give the committee some explanation about what you see as being the advantages or disadvantages of the executive search process, when you would apply it, and what it involves?

Ms Sagers: I will take the disadvantages first. Time is a disadvantage, because it does involve a fair amount of phoning around, talking to people, chasing up leads that sometimes amount to nothing, having fairly extensive conversations with preferred candidates that, again, do not amount to anything in the end because it is a pretty big decision, particularly if people are from over east, to move west. Of course, there is also the investment of financial resources in an executive search. They are generally not cheap. The advantage is that you canvass more ideas about suitable candidates. That should be a big advantage, but in my experience, given that WA is not considered a desirable career destination for the bulk of Australians, the executive search process generally did not throw up too many real candidates.

The CHAIRMAN: What would your judgement be of executive searches? Would 10 per cent of them add real value to the process, or 90 per cent?

Ms Sagers: I cannot think of too many recent processes that have resulted in the appointment of a candidate through an executive search process. If we were located in the east, I think that our chances of recruiting people would be significantly higher. Generally, well-qualified senior

executives from the east do not want to come to the west. I think that executive searches were worth a try, but I do not have much faith in them producing a real outcome for WA.

The CHAIRMAN: In a situation such as the particular instance of the Director General of the Department of the Premier and Cabinet, there were only three applicants for such a senior position. If you were involved in such an appointment process, would you look at some other means of trying to get more people interested in such a position? If so, what would be available to try to garner such interest as to have a larger number of applicants to consider?

Ms Sagers: I think that if there were only three, I would be looking for other ways of supplementing the field. A quick executive search might be the way to go rather than fulsome one. I would want to know what it was about the position that was so unattractive, so I might look at contacting a few people whom I would ordinarily expect to apply for such a position and find out what their rationale was for not submitting an application, and then perhaps develop an executive search response from that feedback.

[10.10 am]

Mr A.J. CARPENTER: Jan, I might have misinterpreted what you said or how it lines up with what you have written in your submission about the value of executive searches and your experience of that. You indicate in your paper that you have been involved with the appointment of chief executive officers to six agencies. Was that via an executive search?

Ms Sagers: In five of those cases we did an executive search.

Mr A.J. CARPENTER: Did you not say that you have never been involved in a process where the outcome has been resolved as the result of an executive search?

Ms Sagers: Where the appointed person was an executive search candidate who would not otherwise have applied.

Mr A.J. CARPENTER: I see.

Ms Sagers: Generally what happens is that the person who ultimately got up for the job was not an executive search candidate; they just applied normally through the application process in response to the advertisement.

Mr A.J. CARPENTER: Something else that you said that I thought was interesting was that if the outcome was already known, then the executive search was a waste of time. I guess that I agree with you. Let us face it; it is a statement of reality, is it not?

Ms Sagers: I guess so!

Mr A.J. CARPENTER: If you turn that around from not the executive search point of view but the government's point of view, and you have already made up your mind, you would not worry about an executive search. Is that a fair enough assessment?

Ms Sagers: A direct appointment can be made. I favour a model that if it is absolutely clear who ultimately will be appointed, you get on and do it; you make a direct appointment and save everybody a whole lot of time and resources. Be open about the fact that that is what you have done.

Mr A.J. CARPENTER: There is nothing prohibiting in doing that.

Ms Sagers: That is right. There is an expectation under the act.

Mr A.J. CARPENTER: Let us cut to the chase here. One of the perceptions, valid or otherwise, of this process that we are looking at is that it was all cut and dried to begin with, and some signals had been sent that indicate that that might have been the case. It would have been pointless having an executive search.

Ms Sagers: If that is true, and obviously I am not in a position to judge that, then I agree that it is a waste of time and money.

The CHAIRMAN: I ask this in the general sense: we know in this case that the media ran a story that Mr Conran was a lead applicant before the position was advertised. Irrespective of this or any other position, if there was a general discussion in the media about who might be the successful candidate, what would be your judgement of the impact that would have on potential applications?

Ms Sagers: I am sure it would result in fewer people putting up their hand.

Mr A.J. CARPENTER: It would not necessarily deter everybody, obviously not, because as we said last week there are other reasons why people apply. Some apply given that they know they would not get it, but they want to put up their hand and good on them. It does not mean no-one would apply; it will limit.

Ms Sagers: It would deter some people.

Mr J.M. FRANCIS: Can I ask you for some guesstimates. When you were involved in previous recruitment operations for similar positions, how many applications did you receive for the CEO position. Once you vetted all the applications how many did you end up narrowing the field down to?

Ms Sagers: Somewhere between eight and 22 would have been the number of applicants for the positions I was involved with.

Mr J.M. FRANCIS: Would some of them be ruled out because they did not meet the qualifications or prerequisites.

Ms Sagers: Yes. We would generally interview between three and five.

Mr J.M. FRANCIS: The final list that you put up would say, "These people meet the guidelines and are suitable candidates."

Ms Sagers: No, because of the three to five you interview, you would then deem some not appointable. Generally, the number would get down to between one and three. It is the preference of panels, generally, to put up a choice, but if it is clear that only one person gets across the line, then only one would go forward. It is preferable to put forward two or three.

Mr J.M. FRANCIS: In conducting an executive search in a situation like that, have you increased the number of the final short list of candidates?

Ms Sagers: Not in my experience of the six that I was involved with.

Mr J.M. FRANCIS: Do you believe that there is merit in executive search, even though that is your experience?

Ms Sagers: It might throw up somebody in some other process.

Mr A. KRSTICEVIC: Somewhere in the future.

Ms Sagers: Yes, but it is very difficult to attract people to Western Australia.

Mr J.M. FRANCIS: If I told you in the example that we are looking at that there were three applications and one was ruled out straightaway because that person did not meet the prerequisites and it came down to two, would that surprise you? Would that not be the norm for the last six appointments that you have been involved in?

Ms Sagers: If the original number of applicants was only three, that would surprise me.

Mr A.J. CARPENTER: That is the case.

Ms Sagers: The original number of applicants in my experience is somewhere between eight and 22.

Mr J.M. FRANCIS: This CEO appointment was different from the rest because it was for the head of the Department of the Premier and Cabinet. Would you consider that to be a position that would reduce the field of applicants simply because of the position?

Ms Sagers: Quite possibly, particularly if there had been media interest and the statements that you have alluded to. What you might want to do when you get that small field is find out why and test it and then develop an appropriate strategy to respond. If it is just that it is perceived that the workload is too high or people are genuinely not interested in the position, you might go ahead. If it is because they feel that the decision has been predetermined, you might want to attack it in a different way.

Mr A. KRSTICEVIC: Do you think the economic circumstances back then, which were relatively good, would have had a direct impact on the number of people looking for that sort of job? We know it is hard to get people anywhere in the public service. Obviously that is changing to a large extent. Previously you could advertise a position, and it did not matter which position it was, and a couple of people would put up their hand and when the position was offered to one of them, after it had gone through a long process, that person might have found three jobs by then.

Ms Sagers: That is possible. The pool you are drawing from for a position of this nature is largely the public sector. I would expect numbers to be a bit higher.

Mr A. KRSTICEVIC: From within the public sector?

Ms Sagers: Yes.

Mr A.J. CARPENTER: If everybody thought it was a position with no preferred candidate, we would be flooded with applications. It does not mean to say that the government did it; there was speculation and it obviously had an impact. Nobody in Melbourne or Sydney would waste their time if they think it is stitched up.

Mr C.J. TALLENTIRE: In your submission you referred to the selection criteria that are used and how bland our standards for CEO selection criteria are, is there an advantage that it does mean that CEOs from other positions feel that they are just as likely to win the position as anybody else, because of the uniformity of the criteria that is used?

Ms Sagers: That is a theory and there is some argument for that. I would not dispense completely with having some generic selection criteria that apply across all leadership positions. I am suggesting, though, that sometimes it is very clear that some agencies need a particular skills set or experience base or knowledge base and that you could not operate effectively within that environment without it. For example, if somebody is applying for the position of CEO of the Public Transport Authority and they had never had any exposure to transport, planning, et cetera, it would be mission impossible to effectively lead that sort of agency.

Mr C.J. TALLENTIRE: Whereas the head of DPC involves a more generic set of CEO functions that probably any CEO would have a fair understanding of. It does make it all the more remarkable that not one of the CEOs from government agencies wanted to apply for this position.

[10.20 am]

Mr A.J. CARPENTER: I think it is a good suggestion to ditch the most generic requirements. It goes back to the rise of managerialism as a concept.

Ms Sagers: It does indeed.

Mr A.J. CARPENTER: A manager could manage NASA, the WA education department or the local tip; it is the management skills as opposed to the more specific skills. A great example of that was Greg Black, who was the head of Homeswest.

Ms Sagers: Yes, and he went to education.

Mr A.J. CARPENTER: He was appointed as head of the education department, and the basis of that was that he was a manager who could get in there and manage. However, managers have to know what they are managing. I think the wheel has turned a bit on that concept, and you are suggesting it should turn a bit more.

Ms Sagers: I think so.

The CHAIRMAN: Ms Sagers, can I ask you to comment further on that? The way that you raised this matter in your paper I thought was very clear. You raised the point that the fact that these job-specific criteria were not in the selection criteria meant that there was not necessarily a clear logic to the decision making. However, the contrary point of view would be that people are open to present that job-specific information to the selection panel, and the selection panel would probably take it on board. The two elements were: one, it is not specific in the selection criteria, and therefore you do not know what weight the selection panel will place on it; and, two, the applicant is simply advised of it and they are not, therefore, really given a clear lead that they should be presenting material specific to the job.

Ms Sagers: That is right.

The CHAIRMAN: I would like you to correct me if I have not correctly paraphrased some of the elements that you put. Would you then comment on whether you could suggest a method of incorporating matters that are job specific into the criteria without making them so tight that only someone who had a very narrow experience in the area relating to that position could get the job, and still retain the ability to swap people from other agencies?

Ms Sagers: I think it could be incorporated into the existing generic selection criteria, almost as an add-on. The criteria are very broad—for example, one is the achievement of objectives—so we could indicate, perhaps, that a particular objective for this job over the coming five years is whatever it is, and that you are looking for somebody who has the capacity to deliver on that particular type of objective, rather than just objectives in general. I think that would be easy enough to do, and we do that, in actual fact, because we have to; it makes no sense not to do that.

The CHAIRMAN: Is that for government positions, or are you talking about non-government positions?

Ms Sagers: For government positions. Panellists do take that sort of issue into consideration for government positions—that is, a person's capacity to deliver on some sort of major objective of government—but it is not specifically requested. Therefore, we sometimes get from certain applicants a lot of information that is quite helpful to us in making that sort of judgement call, while other applicants are pretty much silent on it, because they were not formally requested for that, and we have to make some leaps of faith about them or do some follow up on our own that might indicate whether they are capable of delivering in that particular context.

Mr A. KRSTICEVIC: When was the last time you actually went through that process?

Ms Sagers: It was about a year ago.

Mr A. KRSTICEVIC: What was the position?

Ms Sagers: It was for the CEO of the South West Regional College of TAFE.

Mr A. KRSTICEVIC: How many applicants applied for that?

Ms Sagers: I cannot recall, I am sorry. No, I do not know.

Mr A.J. CARPENTER: It ended up being a reappointment. Was it not Wendy Burns?

Ms Sagers: Yes.

Mr A.J. CARPENTER: There were other applicants?

Ms Sagers: My guess would be about eight.

Mr A. KRSTICEVIC: So the existing person was acting in the job?

Mr A.J. CARPENTER: She was not acting. It was the end of her contract; it was renewable. She was an applicant for her own position. There were other applicants, but she won the position again.

Mr A. KRSTICEVIC: And prior to that?

Ms Sagers: Before that, it was the State Supply Commission

Mr A. KRSTICEVIC: How long ago was that?

Ms Sagers: March 2007; and there were about 22 applicants for that position.

Mr A. KRSTICEVIC: Was someone acting in that role?

Ms Sagers: There had been a series of acting arrangements for that. An appointment was then made, and within a week of taking up the appointment the appointee won another position, so we went back to the original field because it had been so soon since the appointment had been made. From memory, an expressions of interest was put out to senior executives around the public sector inviting them to lodge an application in order to supplement the original field. So we ended up, I think, with 22 applicants for that position.

Mr A. KRSTICEVIC: Did someone from within that supplementary field win that position or was it someone from the original field?

Ms Sagers: Rod Alderton is currently the CEO of the State Supply Commission, and I think he would have been an original applicant.

Mr A.J. CARPENTER: Excellent appointment. Well done.

Ms Sagers: Thank you.

The CHAIRMAN: I am sure you did not appoint him. You ran the process.

Ms Sagers: I just advise on process and provide support to the panel. I am not a decision maker in the process. I am a consultant to the panel.

Mr A.J. CARPENTER: I was congratulating you on your role in the ultimate decision.

The CHAIRMAN: Thank you very much, Ms Sagers, for the evidence you have given to the committee today. I will finish off with the formal part of the process. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period it will be deemed to be correct. New material cannot be added by these corrections and the sense of the evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. I thank you very much for your written submission and for your time in giving evidence today.

Ms Sagers: Thank you.

Hearing concluded at 10.27 am
