

Services Priority Review

Submission by the CPSU/CSA





CPSU/CSA Submission to the Service Priority Review

The Community and Public Sector Union / Civil Service Association (CPSU/CSA) is a West Australian Union representing 630 occupations in over 130 public sector agencies.

We make work life better for over 40,000 people in WA.

We represent public sector staff at the agencies under the consideration of the Service Priority Review.

- **We believe that robust, dynamic and quality public services are the foundation of a fair and just society.**
- **We are vehemently opposed to the privatisation of public goods and services.**
- **In formulating this report, we have consulted as widely as possible with members given the restrictions of the tight timeline.**

The CPSU/CSA welcomes the opportunity to make this submission to the Service Priority Review, as the key stakeholder representing the workforce of the Western Australian public sector. In making this submission to the Service Priority Review, the CPSU/CSA would also welcome an opportunity for further discussion and presentation to the Panel.

The Service Priority Review is an opportunity for a fresh lens on the sector, to assess the health of the current machinations and functions and ascertain how to better support its workforce who serve the community of Western Australia.

The CPSU/CSA also wishes to identify the inherent difficulty in providing analysis and comment about the Western Australian public sector when it is currently in transition via the Machinery of Government amalgamations, which will commence in July 2017 with some changes already underway. Any analysis or comment about the state of the various public sector agencies and workforce prior to transition may in some cases be resolved in the implementation stages of the amalgamations. In contrast, the amalgamations may also create other issues for the public sector which are not yet anticipated. For this reason, the CPSU/CSA intends to contribute further as the Review progresses, including reflections on the amalgamations and an implementation framework for future Machinery of Government changes as they arise.



Executive Summary

In addressing all three themes articulated in the Terms of Reference circulated to stakeholders in May 2017, this submission is structured as follows:

1. Definitions
2. Reflections on Theme 1 of the Terms of Reference:
Customer-focused and Outcomes-based service design and delivery
 - Citizen-centric service design
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Definitions

Agency: a department or an SES organisation.

Citizen-centric service design: Designing public sector services with the citizen (community member) at the centre.

Contracting-out: Paying a corporation or another organisation to undertake a service that was previously provided directly by the government. In this report, outsourcing and contracting-out are used interchangeably.

Department: a department established under section 35 *Public Sector Management Act 1994*.

Innovation: Significant improvements to public administration and/or services.

Job security: A cluster of attributes that if implemented would protect public sector employees' jobs, including but not limited to permanent employment being the default mode of employment, restriction of non-essential labour hire, ceasing outsourcing, and no forced redundancies.

Labour hire: A labour hire arrangement is one whereby a labour hire company or agency provides individual workers to a public sector client or host with the labour hire company being ultimately responsible for the worker's remuneration. These workers may be employed directly by the labour hire company, or independent or dependent contractors.

For the purposes of this submission, the definition of labour hire also includes independent contractors with an ABN who have been engaged by a public sector agency on a contract for service basis.

Non-SES organisation: an entity which consists of –

- (a) a body, whether corporate or unincorporate, or the holder of an office, post or position, being a body or office, post or position that is established or continued for a public purpose under a written law; and
- (b) persons employed by or for the purposes of that body or holder under that written law or another written law, and which neither is nor includes –
- (c) an SES organisation; or
- (d) an entity specified in column 2 of Schedule 1;

Organisation: a non-SES organisation or SES organisation

Place-based approach to service delivery: A place-based approach is one that seeks to address the collective problems of families and communities at a local level, usually involving a focus on community-strengthening.



Prevention and diversion services: Services designed and/or delivered by the public sector which are targeted towards universal prevention, early intervention and diversion and are broad-reaching in their scope.

Privatisation: Privatisation can encompass the direct sale of Government Assets; Social Impact Bonds, outsourcing, Public Private Partnerships, commissioning, contracting and private finance initiatives.

- **Social Impact Bonds:** A complex venture capitalist model applied to the provision of social and other public services that relies on the profit motive to get private investors to fund and source the service delivery in order to ensure an agreed social outcome is reached. If the investor is successful, governments pay them a profit of between 15-30%, but if not they do not receive a profit.
- **Outsourcing:** The delivery of public services by a workforce employed by an employer external to the government agency that is responsible for their delivery.
- **Public Private Partnerships:** A contract between government and a private company [where] a private company finances, builds, and operates some element of a public service [and] gets paid over a number of years, either through charges paid by users, or by payments from the public authority, or a combination of both.
- **Commissioning:** "Commissioning is a definitionally fuzzy concept that can mean a range of things to different people. There is no such thing as a definitive definition of commissioning and it tends to be used in a fairly broad way.....In an Australian context this is important – many of the uses of the terminology of commissioning to date have been as a synonym for more contracting out or privatisation. In a number of documents the types of words that appear alongside commissioning are things like "contracting" and "contestability", with the aim of delivering efficiencies through competition-like mechanisms." (Dickinson, 2015)

Public Sector: means all –

- (a) the agencies; and
- (b) the ministerial offices; and
- (c) the non-SES organisations;

Service model: The assumption, systems and structures on which the delivery and design of a service to the community are based.

Senior Executive Service: means the Senior Executive Service as constituted under section 43 *Public Sector Management Act*.

SES organisation: means an entity which consists of –

- (a) a body, whether corporate or unincorporate, or the holder of an office, post or position, being a body or office, post or position –
 - (i) established or continued for a public purpose under a written law; and
 - (ii) specified in column 2 of Schedule 2; and
- (b) persons employed by or for the purposes of that body or holder under that written law or another written law;



Workforce capability: The measure of a workforce's ability to achieve the tasks and objectives of their role through the application of skills, knowledge and attributes.

Workforce capacity: The present or future measure of how much the workforce can do in an operational situation, referring to availability of appropriately skilled staff (such as absolute numbers) and workforce performance (qualitative elements such as staff engagement and motivation).

Workforce mobility: The ability and possibility for both interagency and intra-agency movements of public sector employees, either on a temporary (secondment) or permanent (transfer) basis.



Theme 1: Customer-focused and outcomes-based service design and delivery

Building a public sector focused on community needs and open to new ways of working

The public sector's role is to support all three arms of government – the executive, the legislature and the judiciary and in so doing, to support the West Australian community. The public sector can be considered as comprising a number of categories - public service departments, SES and non-SES organisations, other organisations and independent offices. The CPSU/CSA has industrial coverage of the majority of employees in those spheres of the public sector.

When considering how best to serve the community, the CPSU/CSA's view is that it is necessary to consult with representative bodies who are well placed to articulate the service needs of the community, however ultimately the workforce itself who has the accrued knowledge and experience of serving the community over a number of years, both in terms of service design and delivery.

Citizen-centric service design

The CPSU/CSA is interested in the consideration of a shift towards citizen-centric service design, however that is a broad umbrella term encompassing many different service design and delivery models. The key requirement in implementing any service design model is consultation with the workforce who will be subject to any servicing restructure and placing the delivery of the services in their responsible hands, ensuring quality, oversight and public sector accountability.

There is also a distinction which ought to be made between a customer service model, and a citizen-centric service model. In the former, 'customers' have to navigate an organisation's structure to access services on their own initiative as mandated by the discrete organisational structure. By contrast, in a citizen-centric model, decisions and services are designed with members of the public at the centre, such that all the different elements and services of the public sector move around them (Dudley, 2015). In implementing a citizen-centric approach, research has suggested the benefits of place-based models of service delivery, which seek to locate services in a particular location where there is an entrenched need for services and/or a large population which could accommodate a service 'hub' (Moore, 2011).

In engaging with citizen-centric and place-based models of service design and delivery, the CPSU/CSA's view is that the focus should be on utilising the existing public sector workforce to publicly deliver outcomes which serve community need.

Government's ability to address disadvantage is fundamental to its legitimacy. Many actors have roles and responsibilities, but governments should and will ultimately be held accountable for the effectiveness of key social services. While this accountability has not changed, the role that government plays in the design and delivery of services has evolved considerably over recent decades – especially due to an increased emphasis on contracted-out service delivery models. (Farrow, 2015)



The increased reliance of the previous state government on outsourcing models of service design and delivery mirrors a trend visible in other Australian public sector jurisdictions to view the private sector model as the 'default':

Policy professionals and service providers have been in constant and sometimes competitive pursuit of the optimum service delivery model. Over recent decades, this process has seen outsourced services emerge as an orthodoxy. This has occurred amidst contradictory or countervailing demands and forces that have compromised the effectiveness of key services. (Farrow, 2015).

The CPSU/CSA's view is that wraparound services and service integration have a place in the public sector going into the future, however they need to be implemented carefully and involving significant consultation and collaboration with the existing workforce. Often, the limitation of private sector delivery is constrained by the original contract and any additional or different service that may be necessary are still left to public providers to provide. The barrier in service delivery is linked to the payment of that service. It is not in the interests of the private service provider to provide a service just because it is needed, there must be a means to pay for it. This has the potential to create a separation in service delivery and stifle coordinated innovation in achieving outcomes. A role that can arguably only be undertaken by government as it has no profit or cost motive.

Place-based models of service delivery will be suited to some services (such as healthcare and education) however without extensive modelling it is too early to conclude whether it will be suitable for every agency or service. Accordingly, the CPSU/CSA's view is that it should reflect part of the toolkit whilst other models are also investigated.

Service design and delivery: Investing in prevention and diversion services

At this juncture in time, with a new government and the intervention of the Service Priority Review and stakeholder submissions, there is an opportunity to utilise the planning and projections skills of the current public service to create a model which is suited to the current needs of the WA community 2017-2021 whilst being adaptable and flexible to respond to changes into the future.

CPSU/CSA members overwhelmingly indicate that the prioritisation of preventative and diversionary services in areas such as child protection, corrective services, health and education, as well as high quality frontline services in these and others, will ensure community needs are well represented in the services that are delivered. Further, expenditure on costly public sector services such as youth detention, child protection placements and policing will decrease over time as the societal effects of an investment in prevention and diversion are observed.

Unfortunately, employees' wealth of experience is consulted very little when it comes to deciding and responding to community needs. Historically, employees have been accused of being inflexible and unwilling to be open to new ways of working when they try to indicate their belief in the design and delivery of frontline services with an early intervention focus. More often, the issue is that employees delivering services (and their representative the CPSU/CSA) are not engaged in the consultation and change management processes in implementing different service models, new



technologies and structural changes in delivery. There is also frequently insufficient training in new theory and practice models, as well as new Information and Communication Technology, as they arise. The link between change, and improvement, is very often lacking and employees are not provided with the evidence and rationale for change which would assist them in trusting that change.

It is true that community needs shift and evolve over time as the community itself changes, however the constant is that there are sectors of entrenched disadvantage in the community which require a coordinated, multi-agency and multi-disciplinary response at the earliest available time. 'Band-aid' service models, particularly when delivered by an increasingly casualised workforce which is losing the accrued knowledge and experience it has previously retained, are costly and less effective than the former.

Unfortunately the cost of the service models increasingly being implemented by the public sector (and outsourced at unprecedented levels) are not always clear. In fact, cost savings has been the rationale for cutting key frontline and preventative and diversionary services in favour of services which are targeted to fixing problems that have already had time to grow. Service models of the latter are often cheaper per service, particularly to deliver. They are often easier to implement too, as they are less sophisticated and are targeted towards a smaller group of the community (as contrasted to prevention and diversion which aims for a larger coverage of the community), so the sector can outsource at very little cost. At first glance it is easy to see how it looks as though savings are being made. However, the cost only appears low if the analysis is rudimentary: a "cost per service" rather than a "cost per outcome" analysis. In short, no matter how cheaply a service can be designed and delivered, if it is ineffective and requires constant repetition, it is wasted public sector expenditure.

Prevention and diversion services have a wealth of evidence-based support (PWC, 2017) and the membership of the CPSU/CSA speak of first-hand experiences of their efficacy in practice. Accordingly, the Service Priority Review should conduct a thorough analysis of services used both now and in the recent past, including services which have been cut, in determining the potential of the public sector to respond to community need, and for medium to long-term savings to be made.

In terms of service delivery, please see the section on labour hire below in addressing Theme 2 of the Terms of Reference.

Regional issues for service design and delivery

The concentration of services in the Perth metropolitan area raises difficulties for regional members of the community as well as employees of the public sector who work in regional areas and/or are trying to service regional areas remotely. Geographical distance, a lack of local infrastructure and inadequate Information and Communication Technology systems cover some of the challenges experienced in the regions when it comes to the public sector.

There is no doubt that across the sector, multiple agencies report inadequate and outdated Information and Communication Technology systems, particularly for corporate services such as payroll and Human Resources. Recent upgrades in areas



such as Health have then experienced difficulties and delays in their rollout. As a result, some agencies are using multiple systems and by the time the rollout is complete, the technology is outdated. This is particularly problematic in regional areas which heavily rely on these technologies to facilitate communication where face to face contact is more difficult, particularly for members of the public.

However, in moving forward and correcting the issues regarding Information and Communication Technology in agencies who are located regionally or who have a regional focus, there is still no substitute for face to face service provision, particularly in areas such as child protection, cultural services and dental health services. There is a tendency for governments to reach increasingly for the automation offered by technology, particularly in regional areas which experience the tyranny of geographical distance. However the public sector's ability to respond to the needs of regional communities will decrease if processes and service delivery become automated and the employees working within the sector gradually deskill as their work requirements shift and narrow.

Regional areas are also at an increasing risk in relation to outsourcing. When regional services are outsourced, public sector capacity in regional areas is diminished. Any funding pressure or necessity to evolve the service creates a risk that the private provider cannot or will not provide the service.

The CPSU/CSA is aware of examples where this pattern has resulted in the discontinuation of services. As the former government cut costs for regional service delivery this laid the groundwork for the argument that the private sector could better and more efficiently deliver a service. With that groundwork laid, the next step is to outsource the service and the contract is then sent to tender. The cheapest option is often taken with small consideration given to the sustainability of that service. In regional areas, the service is contracted to small groups reliant on volunteers or more corporate non-government organisations with a minimal physical footprint in the regional town. The volunteer based groups struggle to provide the service on a shoestring budget while the corporate non-government organisations rely on casual, often untrained staff. This casual workforce is characterised by high staff turnover. Despite the best intentions of the people at the front line, the service is set up to fail irrespective of any needs-based changes to the service. The end result is that the service is at risk of ceasing or failing.

This will ultimately harm members of the public in the medium to long term, even resulting in safety issues in areas such as child protection where appropriate field resourcing in regional areas is key, and will cost the public sector more money later down the track in the costs of rectification.

In terms of the public sector's ability to respond to issues created by location and geographical distance, it is necessary to examine how services may be coordinated, perhaps in "hub" locations in regional areas, to respond to the needs of local communities. This would enable communities to access public services in close proximity to each other. The West Australian Auditor General's report (AGWA, 2015) regarding the delivery of services to remote aboriginal communities indicates that weaknesses in coordinating services to communities means there are missed opportunities to reduce costs. Poor contracting and outsourcing models combined



with a lack of oversight, mean that the agencies involved, including Housing, are not getting full value from roles such as the Program Manager with fees of up to \$1 million a year. Improved planning, information sharing, communication and collaboration between affected agencies would improve service design and delivery, improve efficiency in travel and on site costs as well as improving service quality and effectiveness.

Measurements of public sector performance and service outcomes: Key Performance Indicators vs employee engagement models

In terms of the how to measure the public sector's ability and effectiveness in responding to community needs, the CPSU/CSA is of the view that measurements need to be sophisticated, accurate, longitudinal and contextual.

There are some important questions that need to be asked in relation to the personal Key Performance Indicators for Directors General and Chief Executive Officers which the government has indicated will be implemented as a key component of their overall project of public sector reform. The general nature of the Key Performance Indicators is of some concern.

The salary figure linked to the successful outcomes on Key Performance Indicators is the same percentage as the loading given to non-tenured Senior Executive Service Officers to compensate for the absence of tenure. This makes it more important to be fair and reasonable in setting Key Performance Indicators.

Further, this market-driven approach to service delivery runs counter to the public service ethos of serving the public and the ethical and professional standards that accompany that ethos. While it is necessary to ensure that public sector leadership works effectively together, it does not follow that community responsibility at one level will be enough to drive the change necessary to address social issues at another.

The CPSU/CSA appreciates that the government is seeking to take significant action on important social issues but the reality is that the West Australian public sector is constituted by a diverse range of agencies and it is not fair and reasonable to ask an agency head working in the Department of Mines, Industry Regulation and Safety to meet a Key Performance Indicator that demonstrates a reduction in the rate of type 2 diabetes.

In terms of Key Performance Indicators for personal performance, the CPSU/CSA is therefore of the view that they are unnecessary and not targeted towards community needs or service outcomes. Key Performance Indicators for agency performance and service review is a different matter and have been in existence in the West Australian public sector for over 20 years. They are capable of review, frequently audited by the West Australian Auditor General and agency-specific. In this way, they are able to be adapted according to need and sophisticated enough to truly focus on what needs to be measured, such as the effectiveness of a service to the community. It must also be noted that responsibility for the outcomes which are measured by a Key Performance Indicator (whether personal or agency-wide) ultimately rests with the relevant Minister. This is especially important for the government to consider when deciding whether to implement Key Performance Indicators for heads of agencies, given the role of the public sector is to implement government policy. Further, existing



frameworks for addressing substandard performance are already available at all classifications and levels including upper management.

If the Key Performance Indicators for personal performance of Directors General and Chief Executive Officers do go ahead, the following questions need to be asked and the Panel could ensure these questions are answered to their satisfaction:

- Will Key Performance Indicators be implemented with some flexibility for agency heads who are unable to influence targets?
- When will the Key Performance Indicators be set by Cabinet?
- Will the government work with the CPSU/CSA and our Senior Executive Service members to assist in the development, implementation and review of the Key Performance Indicators?
- Will the Key Performance Indicator responsibility be contained to Directors General, Commissioners and Chief Executive Officers?

The need for tools of measurement to be longitudinal as well as contextual, are particularly evident in the areas of child protection, housing, corrections and health. Ultimately the measurement should incorporate how well the community needs, however they have been articulated for a specific project or service brief, are being met over time. It won't be possible to have one tool of measurement, which is another reason that individual Key Performance Indicators do not work well in practice. The choice of appropriate tools and methods will depend upon what is being measured. Some outcomes are visible in a short period of time, others will require a more longitudinal approach and some may not be able to be measured at all, or are intangible. Further, tools of measurement and measurement outcomes cannot be viewed in isolation from each other. For example, a reduction in one area may correspond with growth in another which needs to be examined in its overall context.

Rather than Key Performance Indicators which attach to individual performance which have been demonstrated to be ineffective in elevating performance outcomes, the CPSU/CSA advocates for a more evidence-based approach such as models which focus on employee engagement which can broadly be defined as:

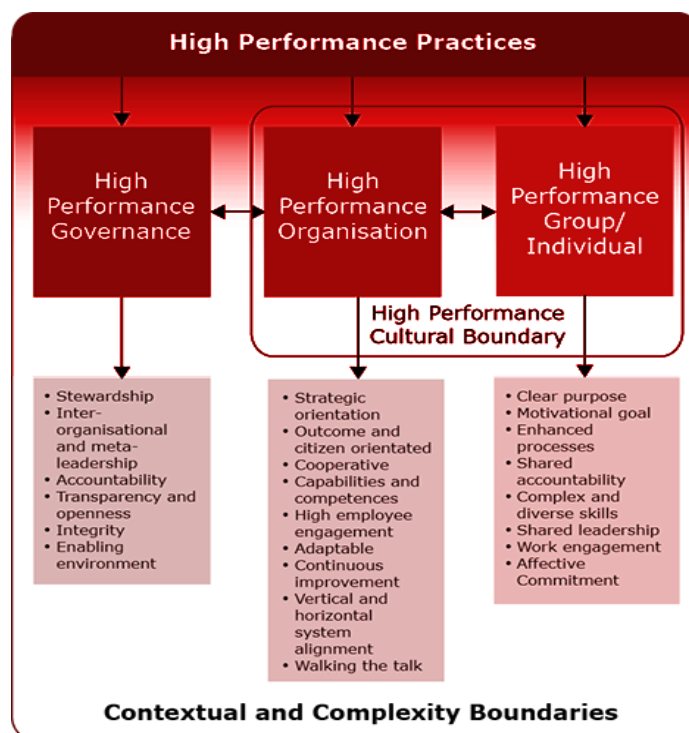
A positive, work-related cognitive state characterized by vigour, dedication, and absorption. Vigour involves high levels of energy, resilience, and persistence. Dedication requires employees to be enthusiastic, highly involved and to take pride in their work. Absorption involves employees concentrating fully on the completion of work tasks, to the point that time at work passes quickly and employees find it difficult to disengage. (Schaufeli, Salanova, Gonzalez-Roma & Bakker, 2002)

More recently, "employee-listening" models are entering the lexicon of performance management and mirror the approach which the CPSU/CSA takes in regularly engaging in discussions with members about the issues which matter to them:

The concept of a survey-based approach to understanding how employees feel rapidly is being replaced. The new solutions are often mobile apps, open-ended questions, and social tools that let employees see each other's opinions, vote and comment on other ideas, and freely share their ideas. I like to think of this new world as the "employee listening platform," and it includes information from surveys, comments, exit interviews, and even ongoing performance reviews. (Bersin, 2016)



The following graphic from the Australian Public Service Commission's Performance Management Framework demonstrates the link between employees' performance and the overall health of the governance and leadership of the organisation:



This demonstrates that a myopic approach which focuses on lifting performance without addressing the governance and leadership of the agency itself will not be effective or sustainable.

Cultural change: innovation, creativity and appropriate risk

The membership of the CPSU/CSA agrees that there is a need for cultural change, though not in terms of how this phrase is ordinarily understood, as shorthand for expressing perceived inadequacies in the workforce. Indeed, the West Australian Auditor General's 2012 report of the performance of the sector suggests that the public sector workforce is high-performing, uniquely skilled and producing both highly quantitative and highly qualitative bodies of work. Negative perceptions of the workforce expressed as a need for cultural change fail to understand that the cultural change required ought to be top-down, from the relevant Ministers with the support of the Public Sector Commissioner through to executive layers of the public sector and each layer of management, consistent with Part 3A Division 2 of the *Public Sector Management Act*. Further, the type of cultural change required is not the raising of workforce *capability* or performance, it is the raising of workforce *capacity*, in terms of the appropriate resourcing of the workforce, agencies, services and projects to enable outcomes to be achieved by the already-capable workforce.

In terms of innovation and creativity, it is important to look at examples from within the current WA public sector agencies which may not have been published or widely understood at a sector-wide level. Unfortunately the silos and lack of communication and coordination which can separate agencies, means that the free-flow of ideas is hampered and achievements are not widely celebrated and incorporated into the



public sector memory. It may also be worthwhile to look to examples of innovation successes and areas of improvement, from other Australian jurisdictions.

Lastly, it is necessary to look at the industrial framework necessary to support innovation and creativity. As recommended in the Australian Council of Trade Union's 2017 submission to the inquiry into Innovation and Creativity,

Government should take actions, such as guaranteeing industrial and economic conditions for workers, investing in research and innovation, creating job opportunities and supporting the growth of new industries, to ensure our economy is well placed to respond to the challenges and opportunities created by technological, economic, climate and demographic change. (ACTU, 2017)

In terms of a perception of the public sector being risk-averse, this may have historically been the case due to a perceived inflexibility across some agencies in terms of the admission of error. Over time, appropriate risk has been identified by many agencies as important to the service design and delivery of the public sector, and most agencies now implement policies of continuous improvement which operate alongside agency-Key Performance Indicators towards the outcomes identified by the agency. However, there still remains a reticence for decision-makers to take appropriate risks, due in part to the layers of delegations for decision-making contained in each agency's Delegations Schedule, but also due to employees not being reassured that admissions of error or identifying areas of improvement will not subject them to disciplinary or performance processes. Accordingly if cultural change in terms of appropriate risk is to be fully embodied across the sector, it will require an understanding that policies of continuous improvement require reflection and a tolerance for error. Unfortunately, the existing culture is resistant to admitting errors or room for improvement, which stymies growth and the ability to learn. If the culture is to become supportive of reasonable risk, there has to be tolerance for unavoidable errors which are inherent in that level of risk.

CPSU/CSA Recommendation 1: That prevention and diversion services are prioritised across the public sector when designing services to respond to community needs.

CPSU/CSA Recommendation 2: That Key Performance Indicators should not attach to an individual's performance and that the Key Performance Indicators measuring the outcomes of agencies are created and reviewed in their agency-specific context and continue to be subject to auditing.



Theme 2: Contemporary, adaptable and high-performing workforce

Reshaping and strengthening the public sector workforce

The public sector as currently constituted and administered, runs the risk of experiencing a casualisation of the workforce, increasing difficulty to attract and retain employees and a gradual deskilling of the existing workforce over time. The factors leading to this will be explored below and include excessive workload, the inappropriate use of labour hire, contracting out, fixed term contracts, and a shift in the work that is being conducted, from frontline service provision to procurement and contract administration.

In terms of cultural change amongst the workforce of the public sector, the tired refrain that a high performing culture needs to be fostered as it is not already present, is untrue and fails to consider issues of excessive workload and insufficient resources which inform the current constraints of the sector and the workforce capacity to deliver quality services to the public. As stated below, the government's willingness to address excessive workload, increase diversity, guarantee job security, restrict labour hire and support mobility in the sector, will influence whether high-performing candidates are attracted and retained.

Senior Executive Service, the two-tiered system, and access to the Western Australian Industrial Relations Commission

The Government has recently announced that it intends to operationalise its election commitment to reduce the number of Senior Executive Service members by 20 per cent. The framework for operationalising this outcome has not yet been detailed however the CPSU/CSA has concerns about the scale of this reduction, the need for transition arrangements (particularly given the coexisting large scale public sector reform with the Machinery of Government) and the lack of recourse available to the Senior Executive Service to access the Western Australian Industrial Relations Commission (WAIRC).

The current organisational structure of the public sector with the Senior Executive Service as a separate category in relation to access to the WAIRC, creates a two-tiered system which causes division amongst the workforce. The CPSU/CSA maintains that a review of access to the WAIRC isn't necessary; public sector staff should have equal access to the WAIRC. The CPSU/CSA takes the view that this is an equity measure and that all public sector employees should be treated equally to each other and to private sector staff.

A State Government should act as a model employer and it is unacceptable that public sector employees do not have the same access to the WAIRC as private sector employees on a range of important issues, including bullying and harassment in the workplace. In 2014/15, there were over 200 formal complaints of bullying and inappropriate workplace behaviour within the public sector and according to the *State of the WA Public Sector 2015 Report*, 10% of public sector workers felt they had been bullied in their workplace (PSC, 2015).



Excessive workload

Throughout the course of the previous State government's two term government, the public sector's Senior Executive Service expanded while the overall workforce shrunk in some agencies and remained static in others, putting pressure on the frontline services and layers of the workforce who carry out the work. Meanwhile, the population of the state grew and demand for services grew in parallel. Citing economic and budgetary concerns, sector-wide and agency-wide freezes on public sector recruitment were implemented by the government which put further pressure on the existing workforce to continue to deliver outcomes to the community, without being able to meet replacement levels when employees exited to the private and not-for-profit sectors. The *Public Sector Workforce Renewal Policy* (which is still in operation) further cemented the fate of a shrinking public sector workforce.

Throughout this term of government and into the current state of affairs in 2017, members of the CPSU/CSA have reported unprecedented levels of workload pressure and excessive workload. As an example, the CPSU/CSA has been particularly concerned around excessive workload concerns within the Department for Child Protection and Family Support. In 2009 the Department managed 3,196 cases. As of late 2016, this caseload had blown out to 7,046 yet, Full Time Equivalent positions had only grown in the same period from 659 to 771. The Union surveyed 182 members on workload concerns in November 2016. Seventy-eight per cent of respondents said that the loss of support staff had meant additional tasks had been added to their daily duties. Evidence was also raised with the Union that 0.5 Full Time Equivalent caseworkers were being assigned a pro-rata caseload of 20. A caseload of 15 is the legal limit, with a caseload of 18 allowable in extraordinary circumstances. These issues have been raised at several levels by the membership of the CPSU/CSA: with direct supervisors, team leaders, Joint Consultative Committees, via letters to the Directors General and Chief Executive Officers of agencies, the Peak Consultative Forum, the Western Australian Industrial Relations Commission and lastly to Parliament in September 2016 by way of a petition, submission and oral evidence provided to the Committee for Environment and Public Affairs opposing funding cuts to the Department for Child Protection and Family Support.

Whilst some improvements were made temporarily through these channels in some cases, in mid-2017 the issues of excessive workload are once again at unacceptable levels, with the membership initiating a specific claim item in the CPSU/CSA's log of claims for the negotiations towards a replacement industrial agreement, with interventions such as regular employee perception surveys, management of workload related OSH issues and referral of workload disputes to the Western Australian Industrial Relations Commission (WAIRC).

The impact of the issue of excessive workload is multi-faceted. It affects the workforce in terms of creating a disincentive to work in the public sector (affecting attraction and retention), it creates occupational safety and health risks affecting both employees and the employer, and it causes functional issues which may in turn impact on productivity and workflow.



Attraction and retention of skilled workforce: resourcing, diversity and mobility

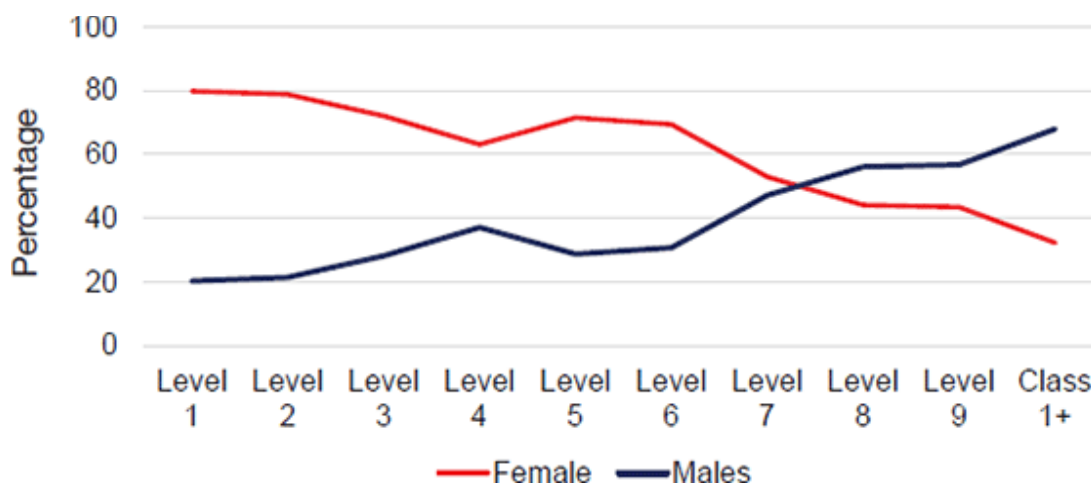
As will continue to be restated throughout this submission, there are no indications that there are issues in the public sector workforce's inherent capabilities beyond the constraints on workforce capacity arising from being insufficiently resourced, subjected to excessive workload and becoming increasingly casualised through the overuse of labour hire, casual and fixed term appointments. The current workforce is a skilled workforce. However, the high degree of turnover in some agencies and the low numbers of external applications to positions in others, may indicate there are issues with the attraction and retention of employees in the public sector.

The membership of the CPSU/CSA has indicated that there are a number of available interventions for resolving this issue. Recruitment drives which focus on young people, not solely graduates but people who may have worked for a short period of time in the private sector or the community/not for profit sector, and may be interested in working in the public sector, is one. Another key intervention to retain valuable employees is to ensure the areas in which they are working are appropriately resourced such that the agency's outcomes can be met and the employees are engaged in servicing the community. This is consistent with the findings of the CPSU/CSA's Your Union Agreement campaign which has continued to demonstrate that public sector employees value job security and flexible working arrangements above other factors.

The CPSU/CSA is aware that some agencies experience greater issues with attraction and retention than others. In cases of incredibly high turnover, there is a likelihood of underlying reasons to account for that which warrant further investigation as they may be exposing our members to occupational safety and health concerns, bullying or excessive workload. Accordingly, the CPSU/CSA seeks that data on staff turnover within agencies should be maintained and provided to the Union on an annual basis. Currently the Disability Services Commission does this but other agencies where members have estimated turnover in excess of 15 per cent (eg. Department for Child Protection and Family Support) do not currently provide this information to the Union.

Another key component of attracting and retaining a skilled workforce is addressing issues of diversity which continue to pervade the public sector. While recent strides have been made in terms of responding to issues of gender and diversity in the West Australian public sector (including the creation of a Minister for Women's Interests and the provision of paid family and domestic violence leave in the industrial agreement) Western Australia still has the highest gender pay gap in the whole of Australia (BCEC WGEA report, 2017). As at March 2016 according to data held by the Public Sector Commission, women made up the majority (72.3 per cent) of the Western Australian public sector workforce, however of these women nearly half (47 per cent) were employed on a part-time basis, compared to 15 per cent of men. Women make up most of the public sector workforce at the lower equivalent salary bands (Level 6 and below) with women representing approximately 80 per cent of public sector employees at the Level 1 equivalent salary band (up to \$57 376 per annum). At Level 7 and above the percentage of women steadily declines, indicating the glass ceiling which women continue to experience in their professional and salary progression.

Gender distribution (%) at each classification level – Western Australian public sector March 2016



Strategies towards gender equality and diversity in general are currently not coordinated at a sector-wide level and are currently being delivered within agencies via a piecemeal approach. Not only does this involve significant duplication but it is failing to deliver the results that are needed in 2017. The Director of Equal Opportunity in Public Employment is currently in partnership with the Public Sector Commission to develop a gender equality strategy along the lines of the Australian Public Sector's 'Balancing the Future: The Australian Public Service Gender Equality Strategy 2016–19' which implements specific targets (including an overarching goal of achieving a 50-50 gender balance at all levels of the sector) as well as steps towards achieving those targets (such as a 'flexibility by default' approach to work arrangements). These kinds of interventions are long overdue in Western Australia and the CPSU/CSA's view is in line with the Australian Council of Trade Union's, that:

A new approach to gender pay equity is required, one that acknowledges that relying on market forces, the effluxion of time or improvements in women's human capital will not remedy the intractable gender pay gap or address the structural inequalities that underpin gender segregation across industries and occupations. (ACTU, 2017)

Accordingly, how such a strategy is to be devised and implemented by the public sector should be an immediate priority of the Service Priority Review.

The CPSU/CSA welcomes the domestic violence leave clause proposed to be entered into the replacement industrial agreement, as demonstrating the public sector's commitment to an issue which disproportionately affects women and is impacting on their overall representation in the workplace and stifling their ability for upwards mobility to senior executive levels of the public sector. In the federal Community Public Sector Union's submission on gender segregation in the workplace and its impacts on gender equality it was demonstrated the whilst the overall representation of women in the public sector is high, where agencies have a relatively high concentration of women in their workforce, the classification structure corresponds with a lower level of pay than at agencies which are historically and continue to be male-dominated. The impact this has on attraction and retention of a skilled workforce needs to be rectified in the West Australian public sector with a thorough



gender and diversity plan with identified targets and quotas.

The other major issue impacting attraction and retention, are the frequent recruitment freezes (sector-wide freeze) which have stymied incoming skills and experience and have made the transition between agencies, also known as workforce mobility, difficult or impossible. Members continually inform us that staff morale and the propensity to stay within the public sector is impacted by the culture of the agency and the workplace conditions, but also whether they are able to visualise and be encouraged in moving vertically and horizontally within the public sector to develop their skills and follows paths of interest.

Job security: Fixed Term Contract Conversion to Permanency

Job security is undoubtedly the issue of primary importance for the membership of the CPSU/CSA and public sector employees at large and has continually been raised by employees and the Union in a series of forums such as the negotiations for the replacement industrial agreement, the Peak Consultative Forum, the Save our Services campaign and other channels.

The log of claims item in relation to fixed term contracts in the current round of negotiations for a replacement industrial agreement is targeted towards a conversion to permanency clause which would enable employees engaged on Fixed Term Contracts to work towards permanency and would prevent the misuse of “rolling” fixed term contracts which under the current operation of the Commissioner’s Instruction on Filling a Public Sector Vacancy, can deny an employee eligibility for consideration for permanent appointment in certain circumstances. The proposed clause is as follows:

Employees continuously engaged for a period of 18 months or more, whether on one or a number of sequential fixed term contracts, in the same or a similar role shall be converted to permanency.

The letter of appointment for fixed term employees shall confirm the prescribed circumstance under the relevant award or Agreement that permits fixed term engagement.

The CPSU/CSA is currently negotiating to attain notifications of the names and workplace of fixed term employees within 28 days of a request. This workplace rights notification has already been enacted in the West Australian Health Services Union public sector agreement.

The inclusion of this expansion of the fixed term contract clause would encourage compliance with clause 8(5) b of the *Public Sector Award 1992* and *Commissioner’s Instruction No. 2*, aid employing authorities in meeting their industrial obligations to make transparent decisions capable of review, and allow employees to check that employment decisions are fair, equitable and consistent. The benefit that the conversion of fixed term contract employees to permanent provides to the public sector, is a more engaged and cohesive workforce, a reduction in costly contract administration practices, an investment in building the capabilities of that employee for their future in the sector and a reduction in the amount of resourcing for recruitment, orientation and induction of employees.



Job security: Preventing involuntary redundancy

Involuntary redundancy still looms over public sector workers as a possible path that could be exercised by the current state government due to the redeployment and redundancy arrangements which came into place on 1 May 2015. These arrangements provide that employees who are “surplus to an agency’s requirements or whose office, post or position has been abolished” become a registrable employee. Registrable employees who are unable to be internally transferred to alternative positions within their agency, are then given one of two choices: they can take a voluntary severance or become registered for redeployment. When employees take the redeployment option, it is by no means guaranteed that a placement will be allocated to them and they bear the onus of securing alternative public sector employment (with some assistance from the agency’s transition team). There is a very small window of opportunity for securing an alternative placement, which is known as the registration period and it is currently six months. Where this is not achieved, the employee’s employment is terminated.

By way of comparison with other jurisdictions, the South Australian model is a useful comparator. It has similarities to the West Australian public sector’s redeployment and redundancy scheme, but is more employee-friendly and onerous on their equivalent Public Sector Commission and employing authorities. As a result, there are no cases of employees being made forcibly redundant under this framework.

In the current round of negotiations for a replacement industrial agreement, the CPSU/CSA has campaigned heavily for no forced redundancies throughout the course of the agreement negotiations. Further, the CPSU/CSA’s view is that where necessary, redeployment is a guaranteed right for affected employees, rather than the onus falling on the employee to secure alternative placements in such a short timeframe before facing redundancy.

The CPSU/CSA is also aware of employees experiencing a stigma which attaches to the label ‘redeployee’ where assumptions are made that an employees whose position has been made redundant and are awaiting alternative placements are ‘troublemakers’, ‘lazy’ or ‘don’t want to work.’ As a result of this stigma, transition teams sometimes fail to discharge their responsibilities in assisting redeployees to find alternative placements and when redeployees are placed, they may experience isolation, bullying and a lack of trust in their abilities. There is a need for top-down cultural change from an executive level throughout the sector to recognise redeployees as valuable assets to any public sector agency and not at fault for the circumstances of their employment.

It is also important to be very clear that the forced redundancy provisions do not relate to performance management processes. Often, debates about whether or not forced redundancies are necessary include performance management as an element.

Section 29(1) of the *Public Sector Management Act 1994* requires Chief Executive Officers to evaluate the performance of, and to establish and implement training, education and development programs, for their employees.



A Public Sector Commission report in 2013 found that:

Annual Agency Survey data for 2011/12 shows that less than one third of all public sector agencies had more than 80 per cent of employees participate in an annual performance management process.

It's critical that performance management be better deployed across the sector and that there is also an acknowledgement that the forced redundancy process is not a solution to performance management issues.

There are many employees who may be interested in transitioning to retirement which would ease the load on the redeployment and redundancy pathways, however currently transition to retirement options are limited and not widely utilised by agencies. Where they are utilised it is in a very prescriptive way which doesn't allow for the flexibility of choice and individual circumstances which impact the employee.

Labour hire/contracting out/outsourcing

Labour hire, contracting out and outsourcing are used interchangeably in this report, as they are across most of the West Australian public sector. In the view of the CPSU/CSA there should be very limited circumstances in which engaging labour hire is justifiable given the extensive requirements of permanent employment being the default mode of employment, as contained within the *Public Sector Management Act*, Commissioner's Instruction on Filling a Public Sector Vacancy, the Public Service and Government Officers General Agreement and other relevant legislation, regulations and industrial instruments.

The engagement of labour hire across the public sector is currently subject to the *Public Sector Commissioner's Approved Procedure 5*. Long-term planning with the aim of retaining an experienced and capable workforce has led to the development of Approved Procedure 5. These rules ensure the public sector does not weaken itself by losing institutional knowledge through a reliance on contracting out. The Procedure is referred to in both the *Public Sector Management Act 1994* and the *Public Service Government Officers and General Agreement 2014*.

Approved Procedure 5 reads:

Determination of the circumstances where it would be appropriate for the engagement of a contract for service:

- *the appropriate expertise is unavailable in the public sector at the time of need;*
- *there is a requirement for impartiality and objectivity external to the public sector;*
- *the required expertise and specialist skills are available only from external sources;*
- *there arises a need to fill a position on very short notice for which the appropriate expertise within the public sector cannot be readily made available (eg. 1 - 2 weeks). (AP 5)*

One of the items on the CPSU/CSA's log of claims for the current negotiations for the replacement industrial agreement, is a narrowing of the scope of engaging labour hire



from its existing scope in the industrial agreement and Approved Procedure 5, along with a request for the provision of labour hire data from an agency to the Union within 60 days of a request. The negotiations are currently still ongoing and this item is a high priority for the membership who are aware that the current overuse and misuse of labour hire arrangements and the frequent outsourcing of services previously delivered by the sector, erodes job security and the ability of the public sector to deliver outcomes to the community.

In recent years, it has become evident to the CPSU/CSA and has been brought to our attention by the membership, that labour hire arrangements are occurring at an unprecedented level and in many cases, the work they are engaged to carry out could be completed by the current directly employed workforce, either by permanent employees or employees on fixed term contracts. Not only does this erode the job security of the workforce and lead to its casualisation, it compromises the quality and accountability of services to the public, is a costly way to engage a workforce and risks losing accrued skills and knowledge which would otherwise have been retained by the sector. It is also concerning in terms of privacy and consumer protection, to have private companies delivering public services. The public's access to information which would otherwise be publicly available via applications made pursuant to the *Freedom of Information Act* becomes subject to confidentiality when outsourcing occurs.

In terms of cost, there is an erroneous perception that labour hire or contracting out services is a cheap model of service delivery. Engaging labour hire or contracting out services at the expense of directly employed staff has many hidden costs such as costs associated with contract specification, the tendering process and ongoing contract management and monitoring. As well as the cost of repetition when a service is ineffective or inefficient in delivering outcomes to the community. In determining whether the engagement of labour hire is justified, all costs should be thoroughly assessed, this is not limited solely to the direct fiscal costs associated with the contract for service, but the costs to the community that are not easily quantified, including the social cost to individuals, families and communities such as "flow-on impacts from shifting to a non-government service delivery workforce with less protections on pay and conditions" (Farrow, 2015).

A 2015 report from independent think-tank, the Centre for Policy Development on whether contracting out has improved the public sector's capability to address social policy, concluded that a predisposition by recent governments (both State and Federal) to outsource human services risks poorer outcomes for the most disadvantaged and erodes public sector capability to design and deliver effective public services (Farrow, 2015). The report which followed a stakeholder roundtable in March 2015 including representatives of the federal branch of the Community Public Sector Union as well as not-for-profits, peak bodies, corporate consultancies and academia, found several aspects of concern in the process of outsourcing, including the gradual deskilling of the public sector workforce and the inadequate resourcing of the sector (both services and workforce) perpetuating an increased need for labour hire to respond to public demand.

There is a concerning link between outsourcing and 'long-term loss of competencies in the public service' (McAuley, 2000). The gradual deskilling of the workforce occurs when the public sector's previous roles in providing the architecture of service design



as well as implementing service delivery, are not used anymore due to outsourcing and the skills and capabilities leave the public sector over time as they are not constantly being practised.

The government's role in ensuring integrated, flexible and holistic human services is more important than ever. But the capabilities it needs to do so are absent – a challenge exacerbated by delivery models that push government agencies into narrow contract-management roles.

In areas where services deal with many people with profound disadvantage (including employment services), there is a risk that outsourced delivery models not only fundamentally change the nature of the relationship between that state and disadvantaged people, but also erode the skills and expertise needed to achieve and sustain effective services over the longer term. (Farrow, 2015)

In September 2015, the Centre for Policy Development conducted a poll (Essential Research poll, 2015) to gauge the public's expectations of government capability and the government's role in service delivery. Respondents were asked "in the long term, how important is it that the government maintain the capability and skills to directly deliver social services, rather than paying private companies and charities to deliver these?" In total, 82 per cent of respondents answered that it was either very important or somewhat important that government retain capability and skills for service delivery:

Table: Importance of government retaining service delivery and capability

How important	Total	Men	Women	18-34	35-54	55+
Very important	48%	43%	52%	32%	52%	61%
Somewhat important	34%	39%	28%	43%	30%	28%
Not very important	6%	7%	5%	8%	4%	6%
Not at all important	2%	2%	2%	1%	2%	1%
Don't know	11%	9%	13%	16%	12%	4%

The poll also asked respondents to rank services provided by the government, the not-for-profit sector and private providers according to a range of indicators of service quality. The results indicate a public perception that government-run services outperform others in terms of their accountability, accessibility and affordability:

Chart: Perceptions of government, not-for-profit and private social services



At the Centre for Policy Development's roundtable discussion which informed their report, Community Public Sector Union Federal Secretary Karen Batt described public services as a "continuum" rather than a bundle of fragmented prescribed outcomes" (Batt, 2015). She also observed that services often suffer from insufficient funding, meaning the benefits that they otherwise would have never materialise: "If you're going to look at outcomes, you have to look at funding models...we talk about having a holistic policy, [but] this isn't being supported by funding across the board" (Batt, 2015).

It is the CPSU/CSA's view that this rationale behind appropriate funding also extends to the funding of public sector salaries, as well as appropriate resourcing of the sector and programs delivered by it. If not, the attraction and retention of employees who design and deliver high quality services will wane. Public sector salaries, which have been further restricted by the newly introduced McGowan government Wages Policy (2017) need to be funded appropriately as an investment in service outcomes, and should be viewed as such.

In reviewing the recent history of the WA public sector, it is easily observed that an outsourcing agenda had become the default position of the previous State government. As a result, there is work needed to rectify the damage to the public sector of these years. Viewing the current state of affairs as the status quo instead of the result of many years of the calculated erosion of the public sector, will further incapacitate the sector to respond to the needs of the community.

Commissioning approaches which inform the business cases behind the outsourcing of West Australian public sector services are costly as they include "designing, procuring, reviewing and revising outsourced delivery models, as well as building the public sector capability required to do so effectively" (Farrow, 2015). These costs need to be considered and form part of the overall cost assessment when justifying the introduction or retention of private sector competition into service delivery. A narrow focus on service and contract costs is misleading and underestimates the overall costs associated with outsourcing.

The Centre for Policy Development report identified potential "hazards" for the future of public sector capability and service outcomes include the disability services and corrective services sectors. The former in relation to the National Disability Insurance Scheme and the latter in terms of increased privatisation in prison service delivery.



Case study: Labour hire: Cost and efficiency in relation to outsourcing of psychological services in Child Protection

Members in Child Protection have reported various systems and processes of the Department of Child Protection and Family Support outsourcing services to Non-Government Organisations which have a range of negative outcomes for service delivery and efficiency. A specific example provided by members is the outsourcing of psychological services to external providers in the following three categories: therapy, psychological assessments and parenting capacity assessments.

Cost and efficiency

A cost analysis is required on having all psychological services completed by directly employed Department of Child Protection and Family Support psychologists. Not only would this have the potential to be more cost effective, it would also eliminate handover delays and communication difficulties as Department of Child Protection and Family Support psychologists have access to the file, so have a deeper understanding of the child and family's current situation. This enables regular consultation with caseworkers, and for treatment to be adjusted according to changing needs.

Cost versus quality

There are also concerns with the quality of externally provided reports.

Regarding psychological assessments, external psychologists usually have a lesser understanding of complex trauma and attachment theories and how they interact. As a result, external assessors can often diagnose incorrectly and therefore provide incorrect recommendations. These reports are charged hourly at around \$240 or \$250 an hour, but each practitioner has their own rates.

In regard to Parenting Capacity Assessments, there are a number of providers who are very low quality, and others who work to a higher standard but charge around \$250 per hour. These reports cost between \$2500 and \$4000 depending on the complexity and requirements of the case. There are instances where the Department has been required to procure second or even third opinions due to issues with reports written by external practitioners. These reports often do not include sufficient proof-reading, or jump to odd conclusions with little to no evidence to support suppositions. To combat this issue, practitioners are selected who the Department have a lot of experience with and whom they believe will provide a good product, but these practitioners charge high hourly rates (\$250 per hour or more).

The quality of some of the work of Non-Government Organisations is very poor. For example, the Department funds the Child Sexual Abuse Therapy Service, with the contract being held by the same provider for many years. Many members have reported a reluctance to engage this service because the quality is poor, which then requires a second contract to external psychologists to complete the work Child Sexual Abuse Therapy Service contractors should be doing, to the required standard. This essentially means the Department is paying for services



twice, and paying a premium for the private practitioners who are then engaged at short notice.

Often, Department of Child Protection and Family Support psychologists are choosing between cost and quality when choosing which external provider to engage, whereas if they were tasked and funded to complete the assessments themselves, both cost and quality could be assured, due to a fixed public sector salary and capacity for high quality training and experience.

Compromising safety and risk

Members report that the reliable, high quality service providers are often at full capacity due to the demand. In the case of waitlists, risk goes up as many of the children requiring assessment have complex needs such as trauma-driven suicide ideation. Delays in treatment could have the effect of compromising the safety of vulnerable young people as a result.

Benefits of the Department psychologists delivering what is currently outsourced

As a result of the above, the role of directly employed Department of Child Protection and Family Support psychologists working within metropolitan and regional offices has begun to resemble contract administrators rather than psychologists, as they often have to act on reports given to them after referring clients to Non-Government Organisations for assessment and treatment. When they are required to provide psychological opinion in their professional capacity it is based on third party reports that they do not always have the time to scrutinise/vet, due to workload issues. This arrangement may fall into theme 3 and potentially others as I am not sure if government is acting efficiently and effectively based on the cost of the contracts with these Non-Government Organisations and the service they get in return.

Child protection work is specialised, and so the key benefit is that the assessments would be completed by a worker with specialised skills and knowledge in this area, rather than by generalist external psychologists. Also, internal workers are available for consultation on the cases, and so provide a richer and more in-depth multidisciplinary perspective on the cases that is not available from external practitioners. Further, external psychologists do not have access to the latest information regarding family functioning, the child's well-being and functioning, or other relevant information that will impact on treatment or assessment. The internal psychologist is not beholden to a particular contract for treatment, and so can provide intervention for new issues as they come up. Finally, some interventions and assessments require many hours of contact, often at the residential home. External psychologists either refuse to facilitate this or sessions become cost prohibitive, whereas the Department of Child Protection and Family Services are familiar with this requirement and process and their occupational safety and health is more easily assured by the Department who is responsible as their direct employer.



Case Study: Public Sector capability: WA NDIS

Reviews of the parallel trials of two National Disability Insurance Scheme models in Western Australia (the Commonwealth's 'NDIS' and the State Government's 'WA NDIS' models) overwhelmingly demonstrated that the state-run model provided a higher quality service to people, due in part to it being built upon the accrual of decades of public sector capability in disability services, along with the consistency and accountability offered by the local area coordinator model. Despite the clear evidence to recommend the 'WA NDIS' model over its Commonwealth counterpart, the State government has indicated it is considering withdrawing from the bilateral agreement with the Commonwealth government to implement this model and is considering adopting the Commonwealth 'NDIS' scheme instead.

The Centre for Policy Development's report declared that "the role of the Disability Services Commission of Western Australia in this process, particularly its desire to build on existing capability, points to the value of resourcing government departments to act as effective, persistent, policy entrepreneurs" (Centre for Policy Development report, 2015).

If the experience of other states is a guide, adopting a strict National Disability Insurance Agency model for service delivery will result in a loss of Local Coordinator jobs in Western Australia and substantially reduce the pay and conditions for those that remain.

The CPSU/CSA has met with both the Premier and the Minister for Disability Services to express the view of our Local Coordinator members, that any decision in relation to the delivery of the 'NDIS' in Western Australia should be based on what is best for West Australians with disabilities.

CPSU/CSA Recommendation 3: That due to the pervasiveness of excessive workload across the public sector, a specialised public sector body is created to assess, review and respond to issues of public sector workload.

CPSU/CSA Recommendation 4: That an updated and evidence-based public sector workforce diversity policy and implementation framework is created and rolled-out across the public sector.

CPSU/CSA Recommendation 5: That the Panel gives consideration to CPSU/CSA's claim item in relation to labour hire and contracting out, in making a recommendation that all non-essential labour hire and contracting out should cease and that direct employment via permanent and fixed term contracts are utilised to address the resultant workload.



Theme 3: Efficient and effective systems and processes

Enabling the public sector to do its job better

The CPSU/CSA membership has provided a lot of feedback regarding changes which could be made to the internal functions of agencies and the sector as a whole to improve efficiency and effectiveness in systems and processes.

Delegations Schedules: “7 layers of sign-off”

A source of continual frustration for CPSU/CSA membership as well as members of the public, are the lengthy delays which are caused in part by the many layers of responsibility which are prescribed in each agency’s Delegations Schedule. Referred to colloquially as the “7 layers of sign-off”, employees whose Job Descriptions Forms expect and allow them to exercise the degree of knowledge, skill and care required for certain decisions are prevented from working to their capability due to these overly prescriptive and risk-averse Delegations Schedules. The practical result is that completed work tends to reach a roadblock while waiting for approval and when this approval is provided, it is often a case of the relevant decision-maker having to approve multiple bodies of work at once and giving only cursory attention to what is before them. In this sense, the decision-maker with the requisite approval permissions tends to be a nominal title, with the real decision being made at a lower level. In some cases this will be unproblematic, however there is potential for a harmful lack of oversight.

Collaboration: Intra-agency, inter-agency and with the not-for-profit sector

In terms of collaboration, all relevant stakeholders within and between agencies, Union representatives and the not-for-profit sector need to be involved when considering the future direction of the public sector.

It was recently reported by the Productivity Commission that the Western Australian State Government funds the community services and aged care sector in the vicinity of \$2.9 billion a year (Productivity Commission, 2016). There are currently about 1,500 service agreements between State Government agencies and the community services sector. The newly created Department for Community Services will have the responsibility for almost half of all those services.

A roundtable was recently held on 16 June 2017 between the Premier and Minister for Disabilities and representatives of the sector including Chief Executive Officers of non-for-profit organisations to further “a collaborative partnership between public and not-for-profit stakeholders in the community services sector” (Department of Premier and Cabinet Media release, 16 June 2017). It is disappointing that the CPSU/CSA, the key stakeholder representing employees delivering community services (particularly within child protection and disability care) was not included in the roundtable to discuss these matters. The public sector has been delivering community services in Western Australia far longer than the comparatively recent not-for-profit providers and has a wealth of accumulated skills and knowledge in service design and delivery.



The accumulated institutional know-how that remains in federal and state departments that have traditionally been oriented towards service delivery should not be undervalued or excluded. It is run down at great expense to the public interest. (Farrow, 2015)

The delivery of quality community services relies on the retention of directly employed public sector workers who have accrued years of experience in delivering outcomes for vulnerable members of the community. If the government cuts public sector jobs, the community services sector will be under further stress and the demand for services will increase.

Public sector accountability for service delivery

The diffusion of responsibility which follows outsourcing is a very real concern, affecting public sector accountability for service delivery and narrowing the government's sphere of control:

Blurred responsibility for service outcomes has led to the emergence of grand alibis where no one organisation is held accountable for service problems or entrenched failures. (Farrow, 2015)

This is particularly evident within areas such as corrective services and child protection. In the Department of Corrective Services, contracts to run prisons have been awarded to Serco and recently Sodexo, a company with no experience in corrective services within Australia. Since opening, this prison has experienced a flurry of occupational health and safety concerns, amongst other critical barriers to the proper functioning of a corrections facility, culminating in CPSU/CSA members working within Legal Aid refusing to access the facility to visit clients due to unacceptable safety concerns. Since this development, the Department has indicated increased supervision and assistance from the public sector to Sodexo in terms of the functioning of the facility. This example illustrates that any savings that are made are at the expense of wages and become moot when the public sector needs to spend money rectifying the problems caused by the inadequacy of the contractor.

Clarity of roles and processes: Sector-wide Code of Conduct and HR policies

Much of the resources of the sector are spent in internal Human Resource processes such as performance management, disciplinary processes, grievances, interpersonal disputes, reclassifications and Job Description negotiations. Each agency has different policies on each, including a unique Code of Conduct which refers to the Public Sector Commissioner's Public Sector Code of Ethics. The Code of Ethics itself is a very brief document with the bare bones underlying how an agency may choose to exercise its disciplinary responsibilities.

As a result of each agency having a unique Code of Conduct and Human Resources policies which are locally enforced and subject to the whims of each internal Integrity, Ethics and Standards directorate and internal Industrial Relations and Employee Relations division, as well as differences in application at the line management stage, there are a plethora of potential outcomes for each Human Resources intervention, whether it's a substandard performance process, disciplinary process or an application of any number of other policies. Delays are frequently caused by there being



inadequately drafted allegations (in the case of disciplinary matters) or insufficient materials provided to the respondent employee. This then requires follow-up by the employee or Union on their behalf. This lack of consistency applies within agencies as well as between agencies and involves a significant duplication of resources. Some agencies have Industrial Relations professionals including Integrity and Ethics directorates located at every site, dispensing information and advice to managers and enforcing the agency's policies in relation to its employees. The duplication and wasted resources this involves is astounding given there already exists a sector-wide body involved in the administration of the Public Sector Management Act, in the person of the Public Sector Commissioner. This wastage is worthy of a more in-depth investigation by the Service Priority Review Panel.

The CPSU/CSA's view is that a sector-wide Code of Conduct and sector-wide Human Resources policies which clearly describe the roles and responsibilities of employees and processes including the disciplinary process, should be created. Public sector employees who were industrially subject to the Public Service and Government Officers' General Agreement would be subject to the same Code of Conduct (and policies) and if a body such as the Public Sector Commission or similar was tasked to manage its administration, the application of the sector-wide Code of Conduct and policies would be consistent. There wouldn't be the need for higher levels of industrial relations on each agency's delegations schedule, to rectify the errors made at lower levels. In the past, these errors have led to employees subject to disciplinary processes being denied procedural fairness and have caused substantial delays in disputes with the Union which have progressed all the way to the Western Australian Industrial Relations Commission, frequently with findings made against the agency.

In terms of performance management, the CPSU/CSA's view can be summarised by the following passage from our federal counterpart the CPSU's submission to the Australian National Audit's Office audit of managing underperformance in the Australian Public Sector:

It is the CPSU's view that having efficient, transparent and equitable performance management systems that are genuinely geared at improving performance in the organisation as a whole will assist both managers and employees, and have a positive impact on productivity.

Performance management systems that are forward looking rather than retrospective, or at worst even punitive, are more likely to contribute beneficially to workplace performance and culture. Managing performance in a constructive and positive way is an integral part of ensuring employee satisfaction as well as the professional delivery of quality public services.

There is a real need for consistency in everyday applications of Human Resources and payroll processes, such as leave entitlements (the public sector currently carries a \$2.9 billion dollar leave liability), access to Long Service Leave pro-rata, standardised performance management, and easing employee mobility across the sector via transitions and secondments. The creation of sector-wide policies and procedures and a centralised body to interpret and apply them, would lead to substantial savings as well as a simpler and more functional sector.

In terms of the need for clarity of roles, classifications and job descriptions, the Panel



should give consideration to a centralised database of Job Description Forms which are managed and amended by a sector-wide body such as the Public Sector Commission to ensure consistency and mobility across the sector.

Machinery of Government: Relocations and Implementation Framework

The upcoming Machinery of Government amalgamations which are commencing in July 2017 may resolve some structural issues in the West Australian public sector while creating others. It is too early to reflect on these outcomes (and the CPSU/CSA will provide further feedback on the impact of the Machinery of Government at a later date), however what can be observed at this early stage is that there has been insufficient consultation with the Union and the workforce and an underdeveloped implementation framework.

Amalgamating departments necessarily involves relocating the offices of certain agencies, however there has been lack of consultation with the workforce regarding how these relocations will be effected, both recently and in the former government's term. Clear examples affecting CPSU/CSA members include the relocations to Joondalup and Fremantle.

For the relocations to Joondalup (Department of Water, Department of Environment Regulation and Office of the Environmental Protection Authority) and Fremantle (new Department of Community Services), there has been no coordinated plan to accommodate employees who live and would prefer to work South, nor employees who live and would prefer to work North, to reduce commuting time. The CPSU/CSA's view is that the government should facilitate like-for-like job swaps for people adversely impacted by the moves from the Central Business District to other locations, coordinated by a specifically appointed sector-wide Transition Team. Unfortunately, the Machinery of Government's transitions (including relocations) are not being handled at a sector-wide level and as such, there is significant confusion and a lack of consistency in their roll-out.

The CPSU/CSA's membership within the Department of Water, the Department of Environment Regulation and the Office of the Environmental Protection Authority are opposed to the relocation to Joondalup from the Central Business District for several reasons, including the lack of evidence of a thorough business case to justify the efficiency of the move.

Accordingly, the CPSU/CSA recommends that the Service Priority Review incorporates a review of the following:

- building leases involving public sector agencies as either owner or occupier; and
- business cases for leases and office relocations negotiated between affected agencies and the Department of Finance's Building Management Works.

This information should be published as part of the findings of the Review. Company shareholders of private sector companies involved in these lease arrangements are currently privy to these lease arrangements however is not currently available to the tax-paying West Australian public.



Aside from not being aware of a convincing business case to justify the move to Joondalup, there are concerns from the membership at each of the affected agencies that the move may negatively impact on their ability to perform their roles and responsibilities. For example, the Department of Environment Regulation currently has the responsibility to physically respond pollution related incidents to ensure compliance and enforcement. The capacity to respond in a timely manner from the location of Joondalup is made much more difficult and may cause delays which compromise the safety of employees and the public.

Further, all of the affected agencies are required to frequently liaise with southern and central Local Government Authorities. Locating these offices in the far northern metropolitan suburb of Joondalup will adversely impact on the service provided to and expected by southern and central Local Government Authorities. As major stakeholders in the activities of the three affected agencies, Local Government Authorities have not been consulted about the upcoming move.

In terms of the implementation of the Machinery of Government changes as a whole, there has not been a consistent and coordinated approach by the State government. Unlike the tailored guide for agencies which was provided to Australian Public Sector agencies regarding their Machinery of Government changes (APSC, 2016), there has been no implementation framework for the upcoming July 2017 changes in Western Australia beyond the existing policies for change management and structural change, which are proving unsatisfactory to manage the scope and magnitude of the Machinery of Government amalgamations. Further, consultation with the CPSU/CSA and the workforce has been minimal at best. The CPSU/CSA is of the view that a sector-wide framework is created with the Union's input as a matter of urgency and that employees are widely consulted regarding their preferences to facilitate a cohesive transition.

CPSU/CSA Recommendation 6: That the structural layers of decision-making within the public sector including agencies' delegations schedules are revised to empower employee capability, risk-taking and the avoidance of delays.

CPSU/CSA Recommendation 7: That a sector-wide Code of Conduct and HR policies are created, established, interpreted and administered by a sector-wide body such as the Public Sector Commissioner.

CPSU/CSA Recommendation 8: That an implementation framework is designed in consultation with the CPSU/CSA as a matter of urgency for any further Machinery of Government amalgamations and changes and that employees are preferences regarding resultant relocations are given due consideration.

Conclusion

The CPSU/CSA seeks the opportunity to meet with the Panel to further discuss the items raised in this submission, as well as any further lines of inquiry the Panel chooses to pursue in conducting the Service Priority Review and related working groups. Given the tight timeframe for providing a response to this initial deadline and the need to consult broadly with its membership, the CPSU/CSA requests further



opportunities to contribute to the Review by way of written submissions at key points throughout the Review process.

In summary, the CPSU makes the following recommendations to the Panel as part of this submission:

CPSU/CSA Recommendation 1: That prevention and diversion services are prioritised across the public sector when designing services to respond to community needs.

CPSU/CSA Recommendation 2: That Key Performance Indicators should not attach to an individual's performance and that the Key Performance Indicators measuring the outcomes of agencies are created and reviewed in their agency-specific context and continue to be subject to auditing.

CPSU/CSA Recommendation 3: That due to the pervasiveness of excessive workload across the public sector, a specialised public sector body is created to assess, review and respond to issues of public sector workload.

CPSU/CSA Recommendation 4: That an updated and evidence-based public sector workforce diversity policy and implementation framework is created and rolled-out across the public sector.

CPSU/CSA Recommendation 5: That the Panel gives consideration to CPSU/CSA's claim item in relation to labour hire and contracting out, in making a recommendation that all non-essential labour hire and contracting out should cease and that direct employment via permanent and fixed term contracts are utilised to address the resultant workload.

CPSU/CSA Recommendation 6: That the structural layers of decision-making within the public sector including agencies' delegations schedules are revised to empower employee capability, risk-taking and the avoidance of delays.

CPSU/CSA Recommendation 7: That a sector-wide Code of Conduct and HR policies are created, established, interpreted and administered by a sector-wide body such as the Public Sector Commissioner.

CPSU/CSA Recommendation 8: That an implementation framework is designed in consultation with the CPSU/CSA as a matter of urgency for any further Machinery of Government amalgamations and changes and that employees are preferences regarding resultant relocations are given due consideration.



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