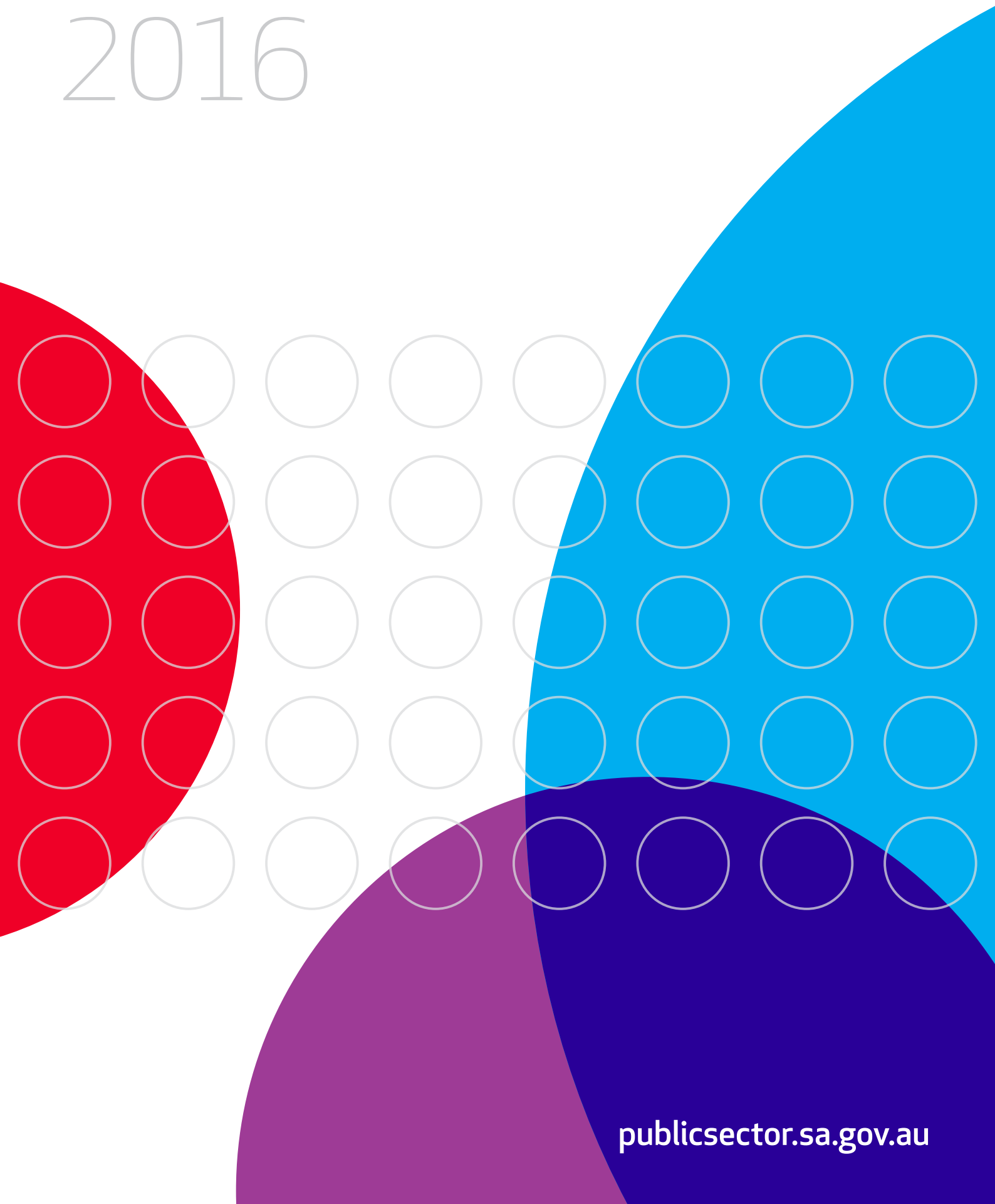


STATE OF THE SECTOR REPORT

2016

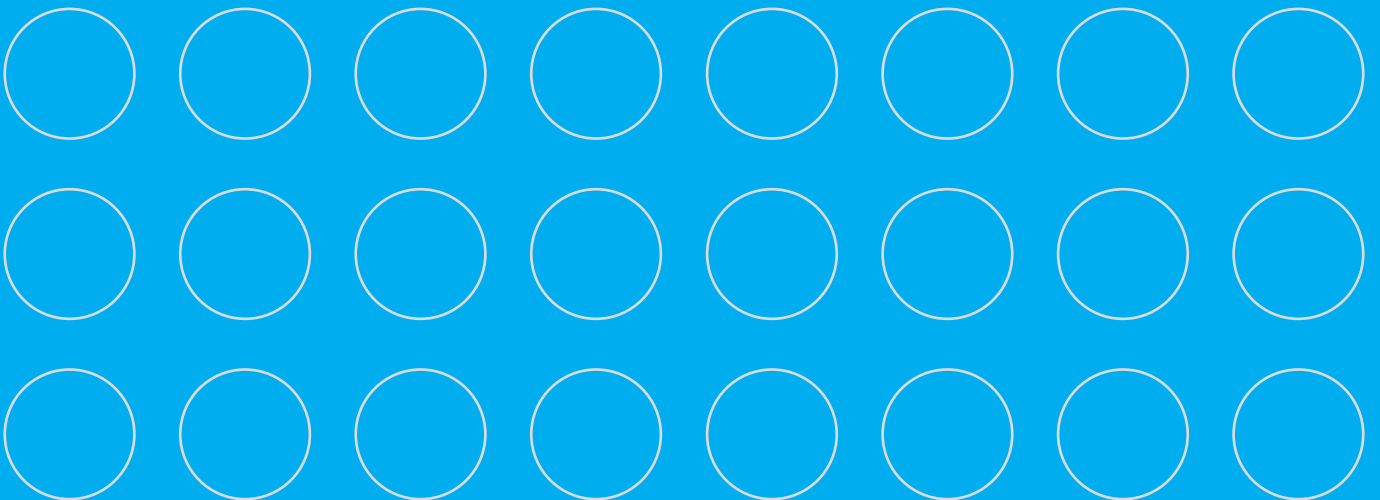


Government of South Australia
Office for the Public Sector



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INTRODUCTION

This is the third *State of the Sector* report since my appointment as Commissioner for Public Sector Employment on 1 July 2014.

It constitutes both my formal annual report to the South Australian Parliament and a broader overview of some of the key issues and trends across the South Australian public sector during the 2015-16 financial year.

As Commissioner, I must advance the objects of the *Public Sector Act 2009* and promote observance of the public sector principles, in so far as they relate to public sector employment. I also have statutory responsibilities under other legislation.

As head of the Office for the Public Sector (OPS), my role also encompasses whole-of-government policy, industrial relations, reform programs and continuous improvement frameworks.

In addition, the OPS provides administrative support to the Public Sector Grievance Review Commission and the Remuneration Tribunal of South Australia.

Much of the content in this document was created by, or in response to, my annual survey of public sector agencies. I am delighted that this year we received responses from 35 agencies, which between them employ about 97% of the public sector workforce. The agencies that participated in the survey are listed at Attachment 1.

What is clear to me from the rich pool of data collected is that the public sector is serious about being responsive to government and the community and becoming an employer of choice.

In particular, it is pleasing to note that:

- 100% of agencies evaluated their level of efficiency and effectiveness in delivering services and functions
- 100% recognised employee successes and achievements
- 97% have an employee management and development system in place
- 97% provided employees with education and training in the Public Sector Values, the Code of Ethics and ethical decision-making.

This is welcome news, and I encourage agencies to continue their good work. There are areas where more needs to be done, however, and these are noted throughout the report.

With these areas in mind, I will focus on these issues as my priorities in 2016-17:

- a Public Sector Workforce Strategy, including targets and metrics
- a whole-of-government human resources strategy

- a Commissioner's Guideline on Performance Management and Development, with supporting tools
- negotiation of 20 Enterprise Agreements covering approximately 65 000 employees
- completion of organisational capability reviews in five agencies
- an online induction program for all new public sector employees.

I would like to thank all the employees of the OPS for their work during 2015-16. During the reporting period, the OPS:

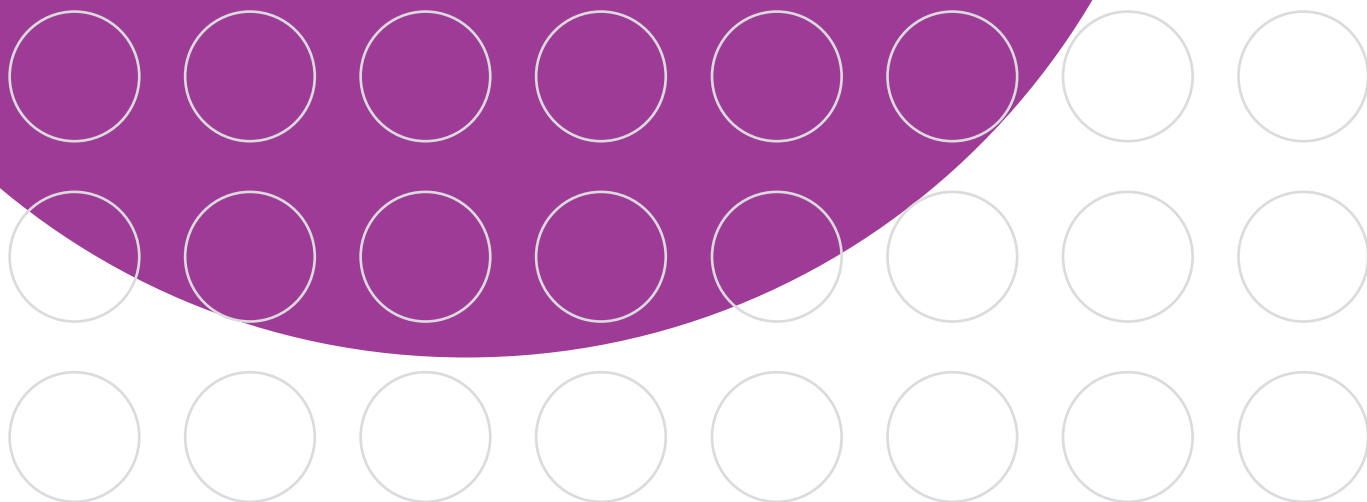
- supported my statutory responsibilities through issuing and monitoring determinations and guidelines
- commenced the standardisation of conditions of employment and consistent human resource policies
- issued an updated Public Sector Code of Ethics and a new online awareness program
- scoped a new 'One HR for One Government' model for the public sector to enable a focus on lifting professional standards, managing the performance of our people and driving leadership excellence
- implemented new leadership development initiatives, including the Gender Equality in Leadership strategy, Jawun Executive Placement Program and Modern Manager Series
- led negotiation of major enterprise agreements such as the *South Australian Public Sector Wages Parity Enterprise Agreement: Weekly Paid 2015* and managed public sector industrial dispute notifications and employment related litigation
- continued implementation of the Change@SA program including the completion of 90-Day Projects
- supported 130 trainees to successfully complete the Jobs4Youth program.

In addition to the work undertaken throughout 2015-2016 our second full year was one of consolidation and formation of the Office.



Erma Ranieri
Commissioner for Public Sector Employment

ABOUT THIS REPORT



The *State of the Sector* is my annual report as required by the *Public Sector Act 2009* and, according to section 21(1), it must: “Describe the extent of observance of the public sector principles in as far as they relate to public sector employment and measures taken by the Commissioner to promote observance of those principles.”

In addition, regulations 11(a) and (b) of the *Public Sector Regulations 2010* require my annual report to include:

- variations or substitutions of the public sector Code of Conduct
- new public sector employment determinations
- new guidelines relating to public sector employment matters
- the number of occasions on which public interest information was disclosed to the Commissioner under the *Whistleblowers Protection Act 1993*.

The first two chapters of this report highlights issues and trends within the public sector, including the evolution of the *Code of Ethics for the South Australian Public Sector*. The third chapter – Commissioner’s Reports – incorporates reporting that I am either required to make or have undertaken to do in the past.

The *State of the Sector* is designed to be read in conjunction with the *Workplace Information Report*, which provides data about the size and composition of the public sector.

PUBLIC SECTOR PRINCIPLES

1. PUBLIC FOCUS

- Focus on the provision of services to the public
- Recognise the diversity of public needs and respond to changing needs
- Consult and involve the public, where appropriate, to improve services and outcomes on an ongoing basis.

2. RESPONSIVENESS

- Implement the policies of the Government of the day in a timely manner
- Provide accurate, timely and comprehensive advice
- Align structures and systems to achieve major strategies while continuing to deliver core services.

3. COLLABORATION

- Ensure collaboration between all agencies in order to achieve outcomes for the government and community
- Focus on services and outcomes within their agency as well as those that involve and impact multiple agencies across the sector.

4. EXCELLENCE

- Provide services with a high level of efficiency and effectiveness
- Move resources rapidly in response to changing needs
- Devolve decision-making authority to the lowest appropriate level
- Manage resources effectively, prudently and in a fully accountable manner
- Maintain and enhance the value of public assets.

5. EMPLOYER OF CHOICE

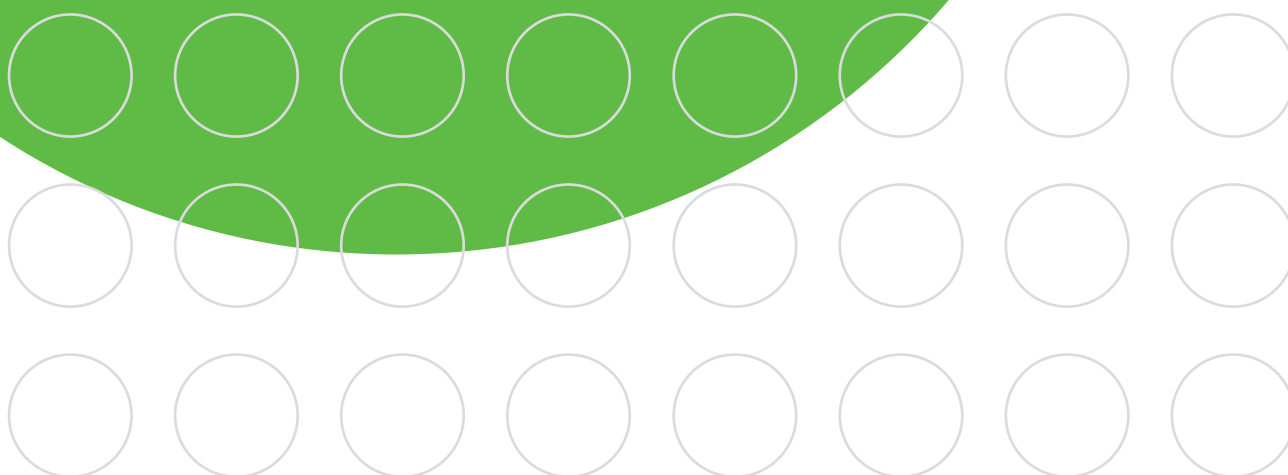
- Treat public sector employees fairly, justly and reasonably
- Prevent unlawful discrimination against public sector employees or persons seeking employment in the public sector
- Ensure that public sector employees may give frank advice without fear of reprisal
- Encourage public sector employees to undertake professional development and to pursue opportunities throughout the public sector
- Set clear objectives for public sector employees and make them known
- Acknowledge employee successes and achievements and address underperformance
- Ensure that public sector employees may join, or choose not to join, organisations that represent their interests
- Consult public sector employees and public sector representative organisations on matters that affect public sector employment.

6. ETHICAL BEHAVIOUR AND PROFESSIONAL INTEGRITY

- Be honest
- Promptly report and deal with improper conduct
- Avoid conflicts of interest, nepotism and patronage
- Treat the public and public sector employees with respect and courtesy
- Make decisions and provide advice fairly and without bias, caprice, favouritism or self-interest
- Deal with agency information in accordance with law and agency requirements
- Avoid conduct that will reflect adversely on the public sector
- Accept responsibility for decisions and actions
- Submit to appropriate scrutiny.

CHAPTER 1:

A Modern Public Sector



A strong public sector workplace is characterised by the effective implementation of the public sector principles. I will report on activities and initiatives that address five of the six principles here. The following chapter will cover ethical behavior and professional integrity.

PUBLIC FOCUS (PRINCIPLE 1)

In line with the Government's *Modern Public Service Policy*, in June 2016 the Premier launched the CQ Initiative, a whole-of-government customer intelligence strategy to drive a more customer-centric culture.

Led by Service SA, this initiative provides a suite of online practical resources, including:

- the Voice of the Customer Framework, which outlines how customers can be effectively heard and how agencies can improve their responses, processes and systems
- the Common Measurements Tool, which enables regular performance reporting across government
- a Service Recovery Model, which ensures customer service problems are rectified and systems are improved
- a Workforce Planning Framework, which helps agencies have the right people available at the right times to meet service customer needs.

Service SA also has been tasked by Senior Management Council with leading an across-government project to:

- create a customer satisfaction baseline for reporting purposes through an annual survey
- assist agencies without customer satisfaction surveying programs to implement a basic satisfaction assessment approach
- create an online resource space to raise the profile of better practices and positive feedback
- develop and deliver an online tool for assessing government complaint management systems to support agency service improvement objectives.

An increasingly important part of customer service is how well the public sector responds to the needs of people from culturally and linguistically diverse (CALD) backgrounds. To that end, some concerns were raised by responses to questions in this year's agency survey. While 85% of agencies use professional interpreting and translating services when required, only 56% use CALD media to provide information and promote their programs and services, and just 26% provide CALD competency training for employees.

In response, Multicultural SA has initiated projects to:

- modify a cultural competency training package developed by the Western Australian Office of Multicultural Interests
- adapt a cross-government video training resource, originally created in the United Kingdom, about using interpreting and translating services.

Where we can help, my office will assist Multicultural SA to address these important issues.



CASE STUDY: Reaching Out to Chinese-Australians

The Adelaide Festival Centre has built a reputation for cultural engagement with Asia, in particular through the successful OzAsia Festival – Australia's leading annual contemporary arts festival focusing on Asia.

An increasing amount of digital and printed marketing collateral is now being produced in Mandarin and Cantonese following the employment of a Marketing Assistant who speaks both languages. This has increased the engagement of these communities with the Centre's Asian programming.

All Australian performing arts centres have recognised the need to introduce programming of Asian influence or origin in order to better reflect the changing demographics of the country. The Centre's systematic approach makes it a national leader.

RESPONSIVENESS AND COLLABORATION (PRINCIPLES 2 AND 3)

The Change@SA program continued during 2015-16, with ten 90-Day Projects completed. In all, 74 projects have been conducted over the first 3.5 years of the program, involving 14 agencies and more than 1000 employees.



CASE STUDY: Using Technology to Put the Client First

A 90-Day Project run by the Lifetime Support Authority (LSA), which cares for and supports South Australians who are very seriously injured as a result of a motor vehicle accident, highlights the responsiveness of public sector employees in using technology to put the needs of clients first.

The LSA has adopted new technologies to allow staff to spend better quality time with clients and to access and update files, emails and information about clients seamlessly and securely from any location.

The project has successfully overcome:

- problems associated with current Remote Access Services, including security concerns
- the limitations of accessing documents due to firewall restrictions.

In addition, other projects have been undertaken by agencies working individually with their partners. This fulfils one of the core aims of the program, which is to help build capabilities in change management and embed new ways of working in public sector agencies.

Change@SA offers agencies and their partners a service known as 'design workshops', where projects teams are coached to identify and understand customers, partners and stakeholders, define issues and solutions, and evaluate results. The OPS ran 12 design workshops in 2015-16.

The Change@SA program continues to be outward facing. Over 60% of the stakeholders engaged were external to State Government, including business and industry groups, community groups, individual community members, academia, not-for-profit organisations and local and commonwealth government.

The key issues addressed through the projects were service delivery, process and productivity improvement, economic development and community capacity and welfare. Of the projects surveyed, 67% had led to further initiatives and 63% had better met customer needs.



CASE STUDY: Bail Accommodation Support Program

The Bail Accommodation Support Program is a joint venture between the State Government and AnglicareSA to provide short-term accommodation as an alternative to custody for alleged offenders granted bail who do not have a suitable place to stay. The 30-bed facility is due to be operating by March 2017.

The project is led by the Department for Correctional Services and AnglicareSA in partnership with the Courts Administration Authority, South Australia Police and the Legal Services Commission.

EXCELLENCE (PRINCIPLE 4)

ORGANISATIONAL PERFORMANCE

This year's public sector survey again had a strong focus on organisational performance and it is pleasing that all agencies reported that they evaluate their levels of efficiency and effectiveness in delivering services and functions, both to identify good performance and to inform strategies to address specific issues. Last year 92.6% of agencies reported doing so.

Agencies use a range of tools to assess their organisational performance, including the High Performance Framework, the Business Excellence Framework and audit and quality assurance processes. Several agencies also reported using customer and stakeholder feedback and external benchmarking.

The survey found that all agencies use the results of their organisational performance assessments to support continuous improvement strategies. Clear areas of strength and weakness shared across all agencies were difficult to identify from the survey results; for example, some agencies reported strong performance in client engagement and employee recognition but others identified these as areas for improvement.

The majority of agencies (71%) said they reported progress against the Government's Economic and Strategic Priorities or South Australia's Strategic Plan. Progress is usually reported in an agency's annual report.

In answer to a complementary survey question, 62% of agencies reported that they had surveyed their own employees in the past year to seek their views on the agency as an employer. These agencies reported that the results of the staff survey were communicated to employees and used for workforce planning and the development of strategies to address key employee concerns.

PERFORMANCE MANAGEMENT

In the survey, 97% of agencies reported having an employee performance management and development system in place and in 85% of cases the system covered all employees in the agency.

On initial reading it is concerning that 58% of people working across those agencies (58 167 of 99 573) had not received a performance review during the year, and that only 65% of the agencies provide training to ensure managers conduct effective reviews. However, several agencies reported relatively high instances of 'no review' during the year as they transitioned to new performance management systems in early 2016.

In addition, agencies were adjusting to new directions issued by the Premier in March 2016 that require all agencies to adopt performance management development systems that include biannual performance reviews and reporting of completion rates of reviews within agencies to me biannually.

Agencies will be supported to meet the new direction by a new guideline I will release after a period of consultation with them. I will monitor the data on performance reviews provided to me by agencies, and will report the data regularly. The survey results indicate that employee performance management remains a critical issue that requires continuing attention by Chief Executives and agency heads. All agencies will be required to undertake a review of the effectiveness of its performance management and development systems over the 2016/2017 financial year. To assist agencies, a review tool will be published as part of the new guidelines which will be published shortly.

It is encouraging to note that all agencies reported having systems to recognise employee successes and achievements.

WOMEN IN LEADERSHIP

South Australia's Strategic Plan includes three specific targets to increase the number of women employed at executive level in the public sector and participating on boards and committees. The goals and achievements to date are set out in the following table.

STRATEGIC PLAN	LEAD AGENCY GOAL	GOAL	JUNE 2016
Target 30	Office for Women	Increase the number of women on all State Government boards and committees to 50% on average by 2014 and maintain thereafter by ensuring 50% of women are appointed on average each quarter (baseline: 2004).	Women held 47.4% of positions (941) on State Government boards and committees, a 13.8% increase on the January 2004 baseline figure of 33.62%.
Target 31	Office for Women	Increase the number of women chairing State Government boards and committees to 50% by 2014 (baseline: 2004).	Women held 38.1% of chair positions (72), a 14.3% increase on the April 2004 baseline figure of 23.83%.
Target 52	Office for the Public Sector	Have women comprising half of the public sector employees in the executive levels (including chief executives) by 2014 and maintain thereafter (baseline: 2003).	Women comprised 44.6% of all public sector executives, a 15.2% increase on the June 2003 baseline figure of 29.4%.

Table 1: Progress against Specific South Australia's Strategic Plan targets

To reinvigorate the public sector's commitment to target 52, Senior Management Council (comprising the chief executives of the major portfolio agencies) released the *Gender Equality in Leadership Strategy for the South Australian Public Sector* in March 2016. This takes a systematic approach to addressing gender inequality in leadership by focusing on three key levers: strengthening leadership accountability; creating empowered workplaces; and building a sustainable talent pipeline.

Since the strategy's launch, the OPS has:

- initiated training in mitigating unconscious bias for managers, HR consultants and new executives
- held a two-day Women in Leadership course for 40 women
- developed a Reverse Mentoring Program
- implemented a policy to protect and support victims of family/domestic violence.

However, it is disappointing that in this year's survey only 47% of agencies reported having specific strategies in place to help increase the number of women in leadership positions. My office will continue to focus on lifting the participation of women in public sector leadership roles.

During 2015-16, the Office for Women also undertook a number of initiatives to help further increase female participation on boards and committees, including:

- offering 25 fully paid scholarships for women to attend the one-day 'Introduction to Governance' training course facilitated by the Australian Institute of Company Directors
- releasing *Achieving Women's Equality: South Australia's Women's Policy*, which focuses on enabling women to reach their full potential as leaders in our community, public service, boards and Parliament
- speaking at women's leadership events, including events for regional women, Aboriginal women and women working in non-traditional backgrounds.

The Office for Women also manages the Premier's Women's Directory, an online resource and register. As at 30 June 2016, it contained approximately 620 resumes of women seeking board appointments.

EMPLOYER OF CHOICE (PRINCIPLE 5)

The following programs and activities help create positive workplaces across the public sector and provide opportunities for individuals to pursue personal and professional development.

EMPLOYEE DEVELOPMENT

During 2015-16 Senior Management Council again collaborated with the Institute of Public Administration Australia to provide a range of activities to support the professional and personal ambitions of employees and the development of strategic partnerships and alliances with all sectors of government and the not-for-profit and community sectors as appropriate.

The Institute of Public Administration Australia delivered 74 events, forums and workshops attended by 3765 public sector employees, and a further 2183 people took part in 48 professional development courses delivered on 159 occasions covering four themes: career management and self-development, core skills for the public sector (including workplace communications and writing), financial management, and strategic and technical leadership.

EXECUTIVE DEVELOPMENT

During the year, the OPS launched the South Australia Executive Service (SAES) Charter, which brings together in one place the expectations of public sector executives of each other. The Charter draws upon feedback provided by executives and sits alongside the *Code of Ethics for the South Australian Public Sector*.

SOUTH AUSTRALIAN EXECUTIVE SERVICE
SAES

LEADING THE WAY

SOUTH AUSTRALIAN EXECUTIVE SERVICE CHARTER

As members of the South Australian Executive Service (SAES) we are united in leading a high performing and modern public sector that helps South Australia thrive. We are the stewards of the public sector, focused on increasing the Government's value to its current and future citizens.

<h3>INSPIRE</h3> <p>We know where we are going and how to get there.</p> <ul style="list-style-type: none">• We set a clear direction and communicate our vision.• We build commitment to our shared purpose.• We strive for excellence and challenge ourselves and others to take considered risks.• We model the highest professional standards and live the public sector values.	<h3>COLLABORATE</h3> <p>We get better outcomes when we work together.</p> <ul style="list-style-type: none">• We work as 'one public sector' that is responsive, productive, and innovative.• We support and develop our people to fulfil their potential.• We bring the voices of our communities into the issues that affect them.• We harness diversity to benefit all South Australians.	<h3>DELIVER</h3> <p>We do what we say we will do.</p> <ul style="list-style-type: none">• We are astute, agile and impartial in all our actions.• We align our organisational resources to be efficient and effective.• We are fiscally prudent in delivering sustainable outcomes.• We take responsibility for our decisions and learn from them.
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The OPS supported the professional development of SAES members with five seminars covering topics such as creating public value, the diversity dividend, evidence for policy and decision-making, public sector reform and treating public policy as investment. There was also a new series of Executive Masterclasses, with the first two classes looking at contemporary employee engagement and influence and persuasion. A total of 41 new executives completed the SAES Induction Program.

The OPS continued to induct new agency chief executives through the Fast Start program and hosted three Chief Executive Roundtables, which allowed senior executives to hear from leading thinkers in public sector administration. In addition, four chief executives attended cross-jurisdictional forums run by the Australia and New Zealand School of Government.

The OPS also continued a collaboration with the University of Adelaide that allows senior executives to undertake the Transformative Leadership Program delivered in conjunction with the University of Texas. Eighteen people commenced the program during the year.



An exciting initiative was the launch of the Jawun Secondment Program, which supports public sector leaders to participate in six-week residential placements with Ngarrindjeri-led organisations in the Lower River Murray, Lakes and Coorong, alongside leaders from the private and not-for-profit sectors. There has been a public sector participant in each of the three rounds since the program began in September 2015.



MANAGEMENT DEVELOPMENT

In April 2016, the OPS launched the Modern Manager Series, providing workshops and forums for managers to help lift the professional standards of public sector managers and keep them informed of key government priorities. To date two workshops entitled *Making Better Decisions: Mitigating Unconscious Bias* and a seminar on influence and persuasion have been run.

Through the Sir Doug Nicholls and Lady Gladys Nicholls Indigenous Scholarships Program, the OPS fully funded two Aboriginal leaders to participate in the Governor's Leadership Foundation program.

In addition, during the year 37 public sector employees completed and 13 commenced the Public Sector Management Program run nationally by Queensland University of Technology. Completion of the course qualifies participants for a Graduate Certificate in Business (Public Sector Management).

SAFE ENVIRONMENTS

The South Australian Government has a strong commitment to providing a safe working environment for all employees and to supporting victims of domestic violence.

During 2015-16, Cabinet approved an additional 15 days' special leave for domestic / family violence, and the OPS was tasked with implementing these changes. Amendments to the *Public Sector Regulations 2010* took effect from 1 July 2016.

In this year's survey, OPS asked agencies about White Ribbon accreditation, which recognises workplaces that are taking active steps to prevent and respond to violence against women. It is encouraging that 44% of agencies reported that they have received accreditation and 37% of those that haven't are working towards it.



CASE STUDY: Department for Communities and Social Inclusion's Domestic Violence Policy

The Department for Communities and Social Inclusion is committed to providing a workplace that supports the safety and wellbeing of employees and their children who are victims of domestic violence.

A variety of options are considered to support employees and keep them safe in the workplace including:

- granting special leave to attend appointments with support organisations, court applications and other necessary appointments
- a change of position for a short period of time to a non-client interfacing role, which may include a different work location
- specific phone numbers and email addresses being blocked on the work computer and mobile phone
- a free Employee Assistance Program.

THE NEXT GENERATION

Three ongoing initiatives support the next generation of public sector employees and help position the South Australian Government as an employer of choice.

The OPS coordinates the South Australian Government Internship Program, which provides three-month unpaid placements for undergraduate or postgraduate university students to complete a specific project for an agency and receive credit towards their degree. During 2015-16, 25 internships were provided to students from Carnegie Mellon University, the University of Adelaide, Flinders University and the University of South Australia.

Graduates are supported through the online South Australian Graduate Register, which allows them to register their qualifications, skills and work experience. In turn, public sector agencies use the Register to advertise a specific position or annual graduate intake, or short list candidates against a job vacancy at graduate level. During the year, 1,225 new registrations were received, mainly from graduates aged 20-29.

Jobs4Youth, an initiative of the Premier launched in February 2014 in conjunction with the *Modern Public Service Policy*, will recruit around 800 young people to public sector agencies over four years. In the second round of Jobs4Youth in 2015, 176 trainees were appointed, mostly in administrative roles. Trainees were primarily aged between 17 and 24 years, however applicants up to the age of 30 are included if they meet specific eligibility criteria. Some 55% of the trainees were from Aboriginal and/or Torres Strait Islander descent; 27% were from culturally and linguistically diverse backgrounds and 5% had declared disabilities.

In 2015, the Jobs4Youth program was also opened up to graduates, which resulted in a total of 40 additional placements.

WORKPLACE FLEXIBILITY

The Flexible Workplace Futures project focused on identifying and adopting ways that public sector workplaces can be flexible while improving productivity and innovation. The project commenced in 2014 as a Change@SouthAustralia project and resulted in the completion of the current Commissioner's Guideline and Determination: Flexible Workplaces, and a resources toolkit, available on the Equal Opportunity Commission's website, to support a strategic approach to implementing and improving flexible workplace options in the public sector.

The flexible working toolkit was downloaded over 10 000 times between 1 July 2014 and 30 June 2016.

In 2015-16 the Equal Opportunity Commission continued to:

- raise awareness of the benefits of flexible working arrangements in terms of business outcomes
- encourage implementation of flexible work policies and practices more consistently across the public and private sectors.

The Equal Opportunity Commission is also working collaboratively with the Chiefs for Gender Equity, a group of South Australian business leaders from key industry sectors, to improve flexible workplace options in their respective industries. The work of the Chiefs has a particular focus on engaging men in flexible working arrangements to facilitate gender equality at work. Access to flexible working arrangements is a critical platform in both the public and private sectors for enabling genuine choice for women and men in designing their work and caring arrangements, and in providing greater opportunities for men to choose to be more actively involved in caring responsibilities.



CASE STUDY: Independent Review into Sex Discrimination, Sexual Harassment and Predatory Behaviour in SA Police

The Equal Opportunity Commission (EOC) was engaged by South Australia Police (SAPOL) to investigate sex discrimination and sexual harassment, including predatory behaviour, within SAPOL. The review was announced on 15 April 2016 at a SAPOL event to mark 100 years of Women in Policing.

Women make up 32% of SAPOL's workforce. The SAPOL Commissioner, Grant Stevens, and his leadership team are committed ensuring the culture in SAPOL is positive and inclusive and that the safety and wellbeing of staff is protected.

In undertaking the review, the EOC Review Team visited 27 SAPOL sites, reaching around 1,000 employees face-to-face. Current SAPOL staff, including sworn and non-sworn employees, volunteers and staff who left SAPOL in the past year were invited to take part in an anonymous survey and confidential interviews. Over 30% of SAPOL's workforce have completed the survey.

A final report will be made available to the public by the end of 2016. The report will make recommendations about improving the safety and wellbeing of SAPOL staff, which will be monitored and reported by the Equal Opportunity Commission over a three-year period.

DIVERSITY

Diversity is an important issue, and one to which I am personally very committed. I am proud of the leadership demonstrated by the public sector in reflecting the diversity of the community. I would like to highlight progress with two targets from South Australia's Strategic Plan.

Aboriginal Employment

The OPS is developing strategies to improve the recruitment and retention of Aboriginal employees. This includes providing traineeships through the Jobs4Youth program and implementing a range of initiatives identified by the Aboriginal Employment Public Sector Industry Cluster (AEPSIC). This group, which I co-chair with the Commissioner for Aboriginal Engagement, is part of the Governor's Aboriginal Employment Industry Cluster Program.

A Principal Consultant has been recruited to provide executive support to the AEPSIC, which has identified three priorities to form part of its action plan:

- improving career pathways for Aboriginal people in the public sector
- developing consistent recruitment and retention practices across the public sector
- improving the cultural competence of the public sector.

A 90-day Change@South Australia project completed in July 2015 made 13 recommendations to improve career pathways for Aboriginal people in the public sector. I supported 12 of these, and they are currently being considered by the AEPSIC for implementation.

The OPS has also introduced a Public Sector Aboriginal and Torres Strait Islander Mentoring Program, which is designed to link Aboriginal and Torres Strait Islander employees with a mentor outside their agencies.



CASE STUDY: Department of the Premier and Cabinet Raising the Bar

In February 2016 the Department of the Premier and Cabinet increased its Aboriginal employment target from 2% to 4% and met this by employing a further 35 FTE by 30 June 2016. Recruitment strategies included the establishment of the Aboriginal employment pools, targeted traineeship and graduate placements via Jobs4Youth, community liaison, advertising via university and TAFE networks and targeted vacancies advertised through various Aboriginal employment service providers.

Employees with a Disability

In 2014, Change@SouthAustralia partnered with the Equal Opportunity Commission and the Department for Communities and Social Inclusion to complete a 90-Day Project aimed at increasing public sector employment of people with a disability. This identified a number of resources, service providers, tools and information to assist with the recruitment and ongoing employment of individuals with disability.

The project aimed to target five new positions for people with developmental disability, including intellectual and learning disability and Autism Spectrum Disorder. In 2014-15, six people were appointed, including four who are job sharing two positions. The success of the project continued in 2015-16, with a further seven people appointed in the public sector, including six people who are job sharing three positions.

During the year, the Department of the Premier and Cabinet became the first agency to partner with the National Disability Recruitment Coordinator program, allowing it to access a range of advisory and support services to help build disability knowledge and confidence and break down barriers to employment for people with disability.

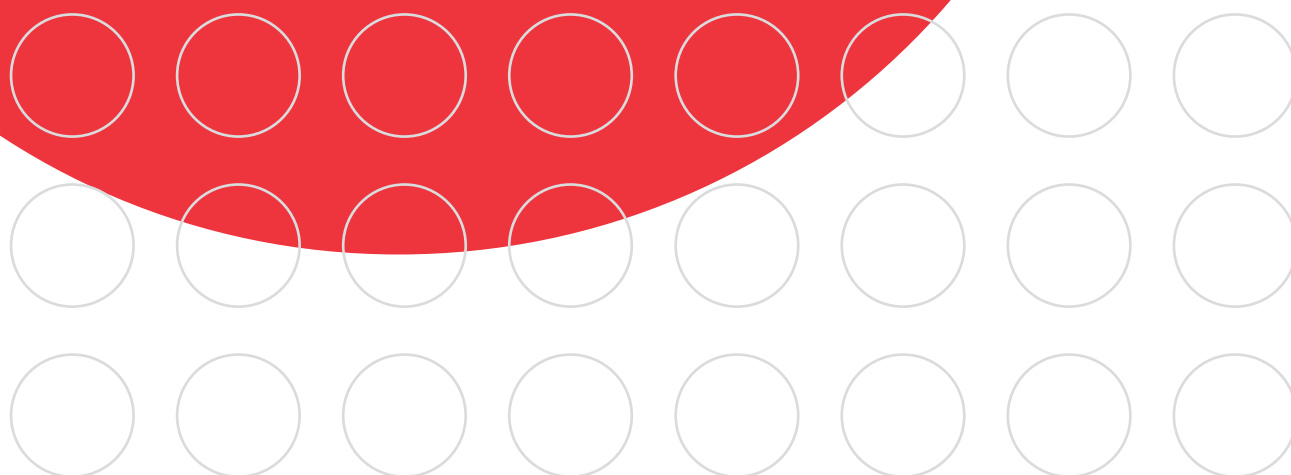
However, while some important things are being achieved on a whole-of-government basis, as set out above, it is clear from this year's survey that more needs to be done at the agency level.

It is disappointing that so few agencies reported having workforce diversity strategies designed to increase the number of Aboriginal employees (59%) and employees with a disability (47%), despite there being specific targets within South Australia's Strategic Plan in both of these areas.

Spotlighting these results will help raise awareness of the need for action. I will continue to monitor these statistics and work with agencies.








CHAPTER 2:

Code of Ethics



The Code of Ethics for the South Australian Public Sector was reviewed during 2014 to ensure its continuing relevance, with feedback sought from public sector employees and other stakeholders. An updated Code came into effect on 13 July 2015.

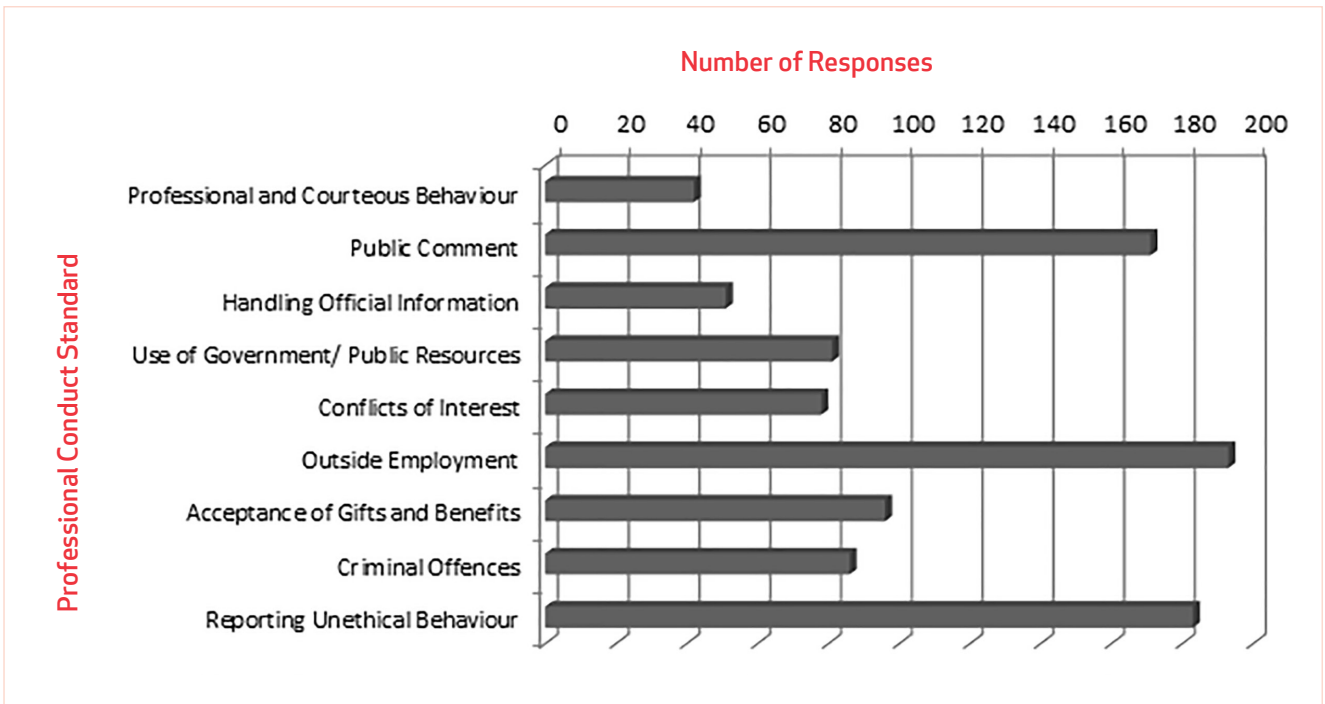
The most significant change was to include a previously defined list of Public Sector Values within the Code to create a single point of reference for expected behaviour. The Code already contained the nine Professional Conduct Standards that govern public sector activities; behaviour contrary to those standards is by definition misconduct under the *Public Sector Act 2009*.

- 
Service
 We proudly serve the community and Government of South Australia
- 
Professionalism
 We strive for excellence
- 
Trust
 We have confidence in the ability of others
- 
Respect
 We value every individual
- 
Collaboration & Engagement
 We create solutions together
- 
Honesty & Integrity
 We act truthfully, consistently, and fairly
- 
Courage & Tenacity
 We never give up
- 
Sustainability
 We work to get the best results for current and future generations of South Australians

To support these changes, the OPS developed and released an online Code of Ethics Awareness Program.

I am pleased to report that in our annual survey 97% of agencies reported that they had strategies in place to provide employees with education and training in relation to the Code, the Public Sector Values and ethical decision-making. However, only 56% reported that it was mandatory for their employees to complete the online training package. I will work with agencies in the coming year to increase that percentage.

Based on the survey results of those who completed the training package, the response to the package has been very positive, with many participants reporting they had learned new things, even if they had been in the public sector for some time. Significantly, 60% learned something new about at least one of the Professional Conduct Standards – these are outlined in the graph below.



Graph 1: Participants who Reported Learning 'New' Information about at least one of nine Professional Conduct Standards from with the Code, December 2015-June 2016 (Source: Office for the Public Sector)

INVESTIGATIONS INTO BREACHES OF THE CODE OF CONDUCT

Agencies reported 609 investigations into breaches of the Code of Ethics during the year, 164 more than in the previous year. However, this was due in part to three agencies reporting for the first time (a total of 97 investigations). Sixteen agencies reported more investigations (124 in total) and two reported fewer (57).

Of the 609 cases, a breach was found in 251 and no breach in 125. One investigation was discontinued. Most breaches related to professional and courteous behaviour (76%), use of government / public resources (12%) and criminal offences (12%).

232 of these investigations (38%) had not been finalised by 30 June 2016. In 27% of cases the investigations had been under way for more than six months; in 32% of cases the agencies reported being unsure as to when the investigation had commenced. By comparison, 61% of investigations were still to be finalised at 30 June 2015.

I will be working with agency chief executives in the coming year to ensure investigations are completed more quickly.



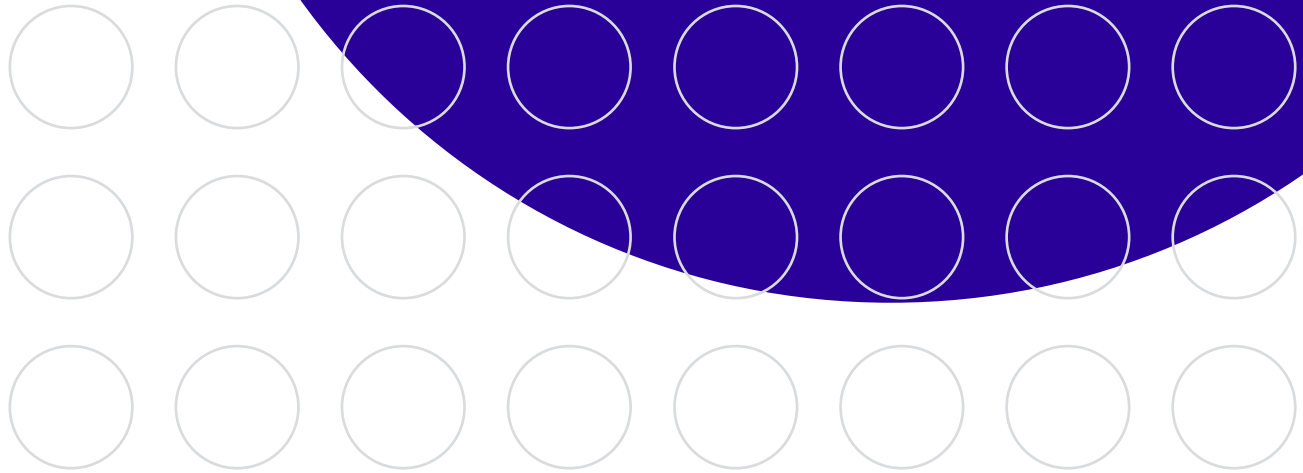
CASE STUDY: Department of Treasury and Finance makes Code a priority

The OPS online training package on the Code of Ethics and ethical decision-making is mandatory for all Department of Treasury and Finance employees.

On 7 March 2016 current employees were given until 31 October to complete it and will be required to take a refresher course every three years. Information about the Code is part of the induction program for new employees, who have six months to complete the training package.

CHAPTER 3:

Commissioner's Reports



COMMISSIONER'S DETERMINATIONS

Pursuant to section 16(1) of the *Public Sector Act 2009* (the Act), I may issue determinations relating to employment in the Public Service and, in some cases, to public sector employment outside the Public Service. Determinations are binding on agencies to which the determination applies.

During 2015-16, I issued no new determinations. However, I updated determinations on:

- Merit, Engagement, Assignment of Duties and Transfer of Non-Executive Employees
- Excess Employees – Income Maintenance
- Employment Conditions – Remuneration and Allowances
- Classification and Remuneration of Employees.

The following eight determinations currently are in force.

1	Merit, Engagement, Assignment of Duties and Transfer of Non-Executive Employees
2	Excess Employees – Income Maintenance
3.1	Employment Conditions – Leave
3.2	Employment Conditions – Remuneration and Allowances
4	Qualifications for Designated Whistleblower Contact Officers
5	Classification and Remuneration of Employees
6	Recovery of Overpayments
7	Redeployment, Retraining and Redundancy

Table 2: Current Commissioner's Determinations Guidelines

GUIDELINES

I may issue guidelines on employment matters, as per section 14(1) of the Act. Guidelines are non-binding; they are intended to help agency managers and employees improve practice in specific employment matters.

During 2015-16, I issued a new guideline, *Changes to Workforce Composition and Managing Excess Weekly Paid Employees - Redeployment, Retraining and Redundancy*.

The following 11 guidelines currently are in force.

Flexible Workplaces
Review of Employment Decisions
Management of Unsatisfactory Performance (including Misconduct)
Gifts and Benefits
Management of Excess Employees
Long Service Leave – in service payments
Women in Leadership in the Public Sector
Requests by Members of Parliament for Briefings
Extent of Obligation of employees to report they have been charged with a criminal offence
Power to Require Medical Examination
Redeployment, Retraining and Redundancy Weekly Paid

Table 3: Current Commissioner's Guidelines

WHISTLEBLOWER DISCLOSURES

Regulation 11 of the *Public Sector Act 2009* requires that I report "the number of occasions on which public interest information has been disclosed to the Commissioner under the *Whistleblowers Protection Act 1993* during the financial year".

No disclosures were made to me during the reporting period.

EMPLOYEE MOVEMENT

The rules relating to mobility of employees are outlined in regulation 6 of the *Public Sector Regulations 2010*.

Chief executives may decide not to apply this regulation in relation to a specified area of their agency, but under regulation 6 (11) must notify me of any such decisions. I did not receive any such notifications during 2015-16.

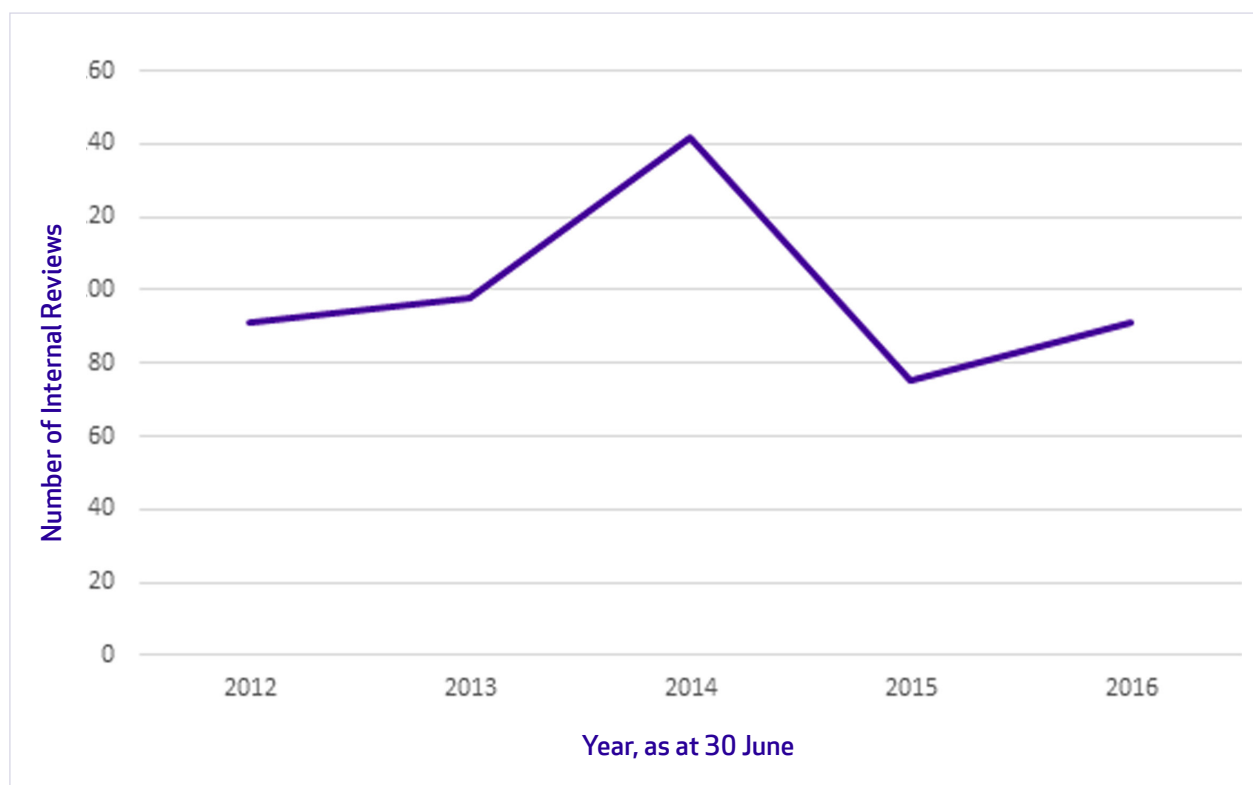
REVIEWS OF EMPLOYMENT DECISIONS

INTERNAL REVIEW

Under the Public Sector Act 2009, an employee 'aggrieved by an employment decision of a public sector agency directly affecting the employee may apply for an internal review of the decision by the public sector agency'.

During 2015-16, agencies reported 91 such applications. The three main issues were selection process (35.2%), promotion and advancement (22%) and leave (9.9%). Most internal reviews begin within 21 days (95%). At 30 June 2016, 57 of the 91 reviews had been completed.

The five-year trend is below.



Graph 2: Number of Internal Reviews, 2012-16 (Source: Commissioner for Public Sector Employment, State of the Sector reports)

EXTERNAL REVIEW

The Public Sector Grievance Review Commission is established under schedule 2 of the Act. Subject to conditions, a public sector employee aggrieved by an employment decision of a public sector agency that directly affects that employee may apply to the Commission for a review of the decision.

During 2015-16, 33 applications for external review were lodged. Two matters were carried over from the preceding reporting period and the Commission found it had no jurisdiction to hear these applications. Three applications were subsequently withdrawn by employees of TAFE SA and Department for Education and Child Development.

The Commission found it had no jurisdiction to hear six applications from employees of the Department for Education and Child Development, Department for Correctional Services, Courts Administration Authority, TAFE SA and Department for Health and Ageing.

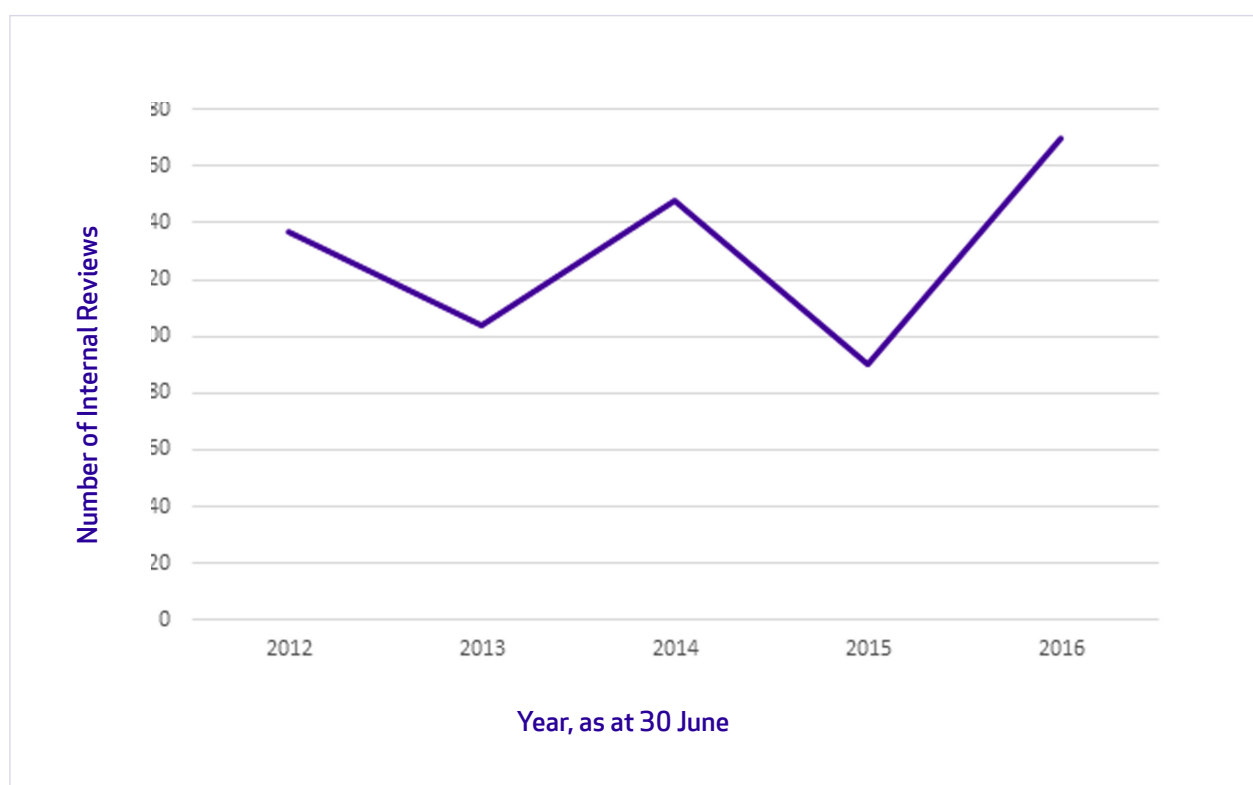
The remaining 24 resulted in 18 hearings (multiple applications relating to the same matter were heard in one hearing), with two applications still to be heard as at 30 June 2016. In 13 hearings the Commission affirmed the employment decision of the relevant public sector agency and in five hearings did not affirm the decision under review. In those cases, the Commission made recommendations to address issues arising from the review.

EXEMPTIONS TO MERIT-BASED SELECTION PROCESSES

Regulation 17(1)(i) of the *Public Sector Regulations 2010* allows for chief executives to engage an individual without a merit-based selection process, taking into account the individual's skills and experience.

During 2015-16, agencies reported 170 exemptions to merit-based selection processes. Of these, 55% were for fixed-term non-executive roles, 38% for ongoing roles and 7% for executive roles.

The five-year trend is below.



Graph 3: Exemptions to Merit-Based Selection Processes, 2012-16 (Source: Commissioner for Public Sector Employment, *State of the Sector reports*)

SAFETY AND WELLBEING

The Government supports a range of initiatives to prevent injuries and facilitate the early return to work of injured workers.

As a result, the number of work injuries reported has fallen by 16% over the past four years, from 4200 in 2011-12 to 3526 in 2015-16. The rate of serious injuries (defined as involving the loss of a week or more of work time) fell from a high of 21.7 per 1000 FTE in March 2014 to 15.8 in March 2016. For serious musculoskeletal injuries it fell from 13.25 to 9.58 and for psychological injury from 5.23 to 4.06 per 1000 FTE over the same period.

Two important initiatives during 2015-16 were:

- finalisation of *Building Safety Excellence in the Public Sector*, a new strategy to help agencies move their safety systems to the next level of maturity (to be released shortly)
- a review of injury management practices across the public sector, ensuring that agencies are able to meet legislative changes following commencement (on 1 July 2015) of the *Return to Work Act 2014*.

During the year, six agencies (Attorney General's Department, Department of Planning, Transport and Infrastructure, Department of Environment, Water and Natural Resources, SA Water, SA Health and Minda Incorporated) were audited using the Audit and Verification System (AVS). Under the AVS, senior management is involved in designing and agreeing actions that are monitored until close out to achieve superior performance.

As at 30 June 2016, five of the 19 agencies audited in the program had closed out all corrective actions. Of 159 agreed management actions open at 1 July 2015 or opened during 2015-16, 43% were closed out during the year. The majority of overdue actions were for recently conducted audits.



CASE STUDY: Promoting Safe Work Practices in SA Health

The physical work required to provide and support health care means body stressing (manual handling) injuries traditionally account for half of all workers' compensation claims in SA Health.

Things have changed, however, since the implementation of a Manual Tasks Local Facilitator (MTLF) training system to provide consistent best-practice manual tasks training and supporting resources. The role of the MTLF underpins the SA Health manual tasks risk management system, supporting the safety culture and identifying opportunities to modify work environments, processes and equipment to mitigate manual tasks risks.

Over 800 staff have enrolled as MTLFs in the three years since the program started. Manual handling claims have dropped by 30% in the past two years and data analytics conducted by external auditor Deloitte show that high-risk areas with a MTLF have a 28% lower rate of claims than those without a MTLF.

WORKERS' COMPENSATION

As a self-insured employer, the public sector meets the costs of workers' compensation claims and associated liabilities in full. During 2015-16, total claims expenditure was \$133.7 million, compared with \$123.7 million in the previous year (see Table 4). The majority of the increase came from higher redemption payments for commutation of income support payments and medical expenses.

A redemptions project was undertaken in conjunction with ReturnToWorkSA and public sector agencies to ensure employees with transitional claims have the opportunity to consider a redemption offer before the cessation of their benefits under the *Return to Work Act 2014*.

Expenditure	2015-16 \$m	2014-15 \$m	Variation \$m +(-)	% Change + (-)
Income Support	46.5	50.2	-3.6	-7.3%
Lump Sum - Non-economic Loss	17.2	15.5	1.7	+11.2%
Redemption of Income Support	31.3	21.8	9.5	+43.5%
Redemption of Medical Expenses	1.7	0.7	1.0	+140.8%
Others (e.g., Medical treatment, Rehabilitation and legal costs)	37.0	35.5	1.4	+4.0%
Total Claims Expenditure	133.7	123.7	10.0	8.1%

Table 4: Workers' Compensation Claims Expenditure (Source: Office for the Public Sector)

Workers' compensation costs are budget funded within an agency's appropriation and accounted for in the forward estimates. The gross total workers' compensation liability for the South Australian public sector at 30 June 2016, as estimated by independent actuaries, was \$376.1 million.

Date as at:	Liability Provision#	
	Gross (\$million)	Net* (\$million)
30-Jun-16	376.1	372.0
30-Jun-15	380.4	375.6
30-Jun-14	436.1	431.1

Table 5: Summary of Estimated Outstanding Liability [Source: Office for the Public Sector]

Includes figures from SA Water and Minda Inc. which commissioned their own valuations.

* After 3rd party recoveries

INDUSTRIAL RELATIONS

As Commissioner, I act on behalf of the Chief Executive of the Department of the Premier and Cabinet as the declared employer for public sector employees pursuant to the *Fair Work (General) Regulations 2009* under the *Fair Work Act 1994*. As a result, the OPS gives effect to the Government's salaries and wages policy, leads enterprise bargaining negotiations for major public sector employment groups and agencies, and provides governance and support in relation to other enterprise bargaining with the public sector.

During 2015-16, new enterprise agreements were approved by the Industrial Relations Commission, including:

- *South Australian Public Sector Wages Parity Enterprise Agreement: Weekly Paid 2015*
- *South Australia Police Enterprise Agreement 2016*
- *South Australian School and Preschool Education Staff Enterprise Agreement 2016.*

The following enterprise bargaining negotiations were commenced in this period:

- Trades (approximately about 200 employees)
- TAFE (approximately about 1300 lecturers and 1300 hourly paid instructors)
- Ambulance (approximately about 1200 operational employees)
- Assistants to Members of the South Australian Parliament (approximately about 190 employees)
- Visiting Medical Specialists (approximately 380 employees)
- Nursing/Midwifery (approximately 17 800 employees).

EXCESS EMPLOYEES

The Government's commitment to 'no forced redundancy' ended on 1 July 2014, as outlined in the 2013-14 Budget. A new *Redeployment, Retraining and Redundancy Policy* was then negotiated and approved by the South Australian Industrial Relations Commission in December 2014.

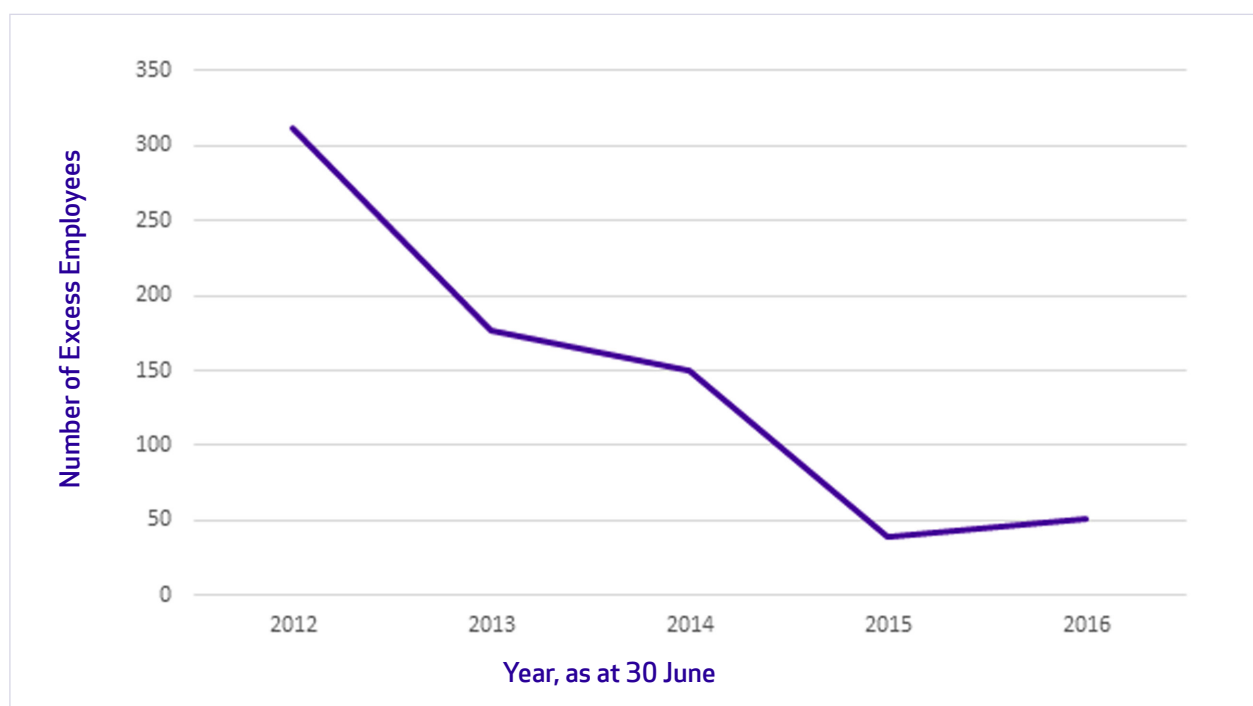
This policy came into effect for employees covered by the *South Australian Public Sector Wages Parity Enterprise Agreement: Salaried 2014* when I released *Determination 7: Management of Excess Employees – Redeployment, Retraining and Redundancy* on 19 March 2015, after significant consultation with unions and employees.

As at 30 June 2016, new redeployment, retraining and redundancy arrangements have been included in enterprise agreements covering weekly paid employees, tram operations employees and employees of Parliament House, West Beach Trust, Adelaide Cemeteries Authority, Forestry SA and SA Water. This process will continue to include other relevant enterprise agreements.

I have also issued a guideline setting out the process for redeploying, retraining and, if necessary, making redundant employees covered by the *South Australian Public Sector Wages Parity Enterprise Agreement: Weekly Paid 2015*.

As at 30 June 2016, there were 51 employees in the public sector who had been formally declared excess. This is an increase on the previous year (39), but significantly lower than the 150 who were excess at 30 June 2014. Of these 51 employees, 15 are in temporary roles or on leave and 36 are available for immediate placement. Three have been declared excess for nine months or more.

The five-year trend is below.

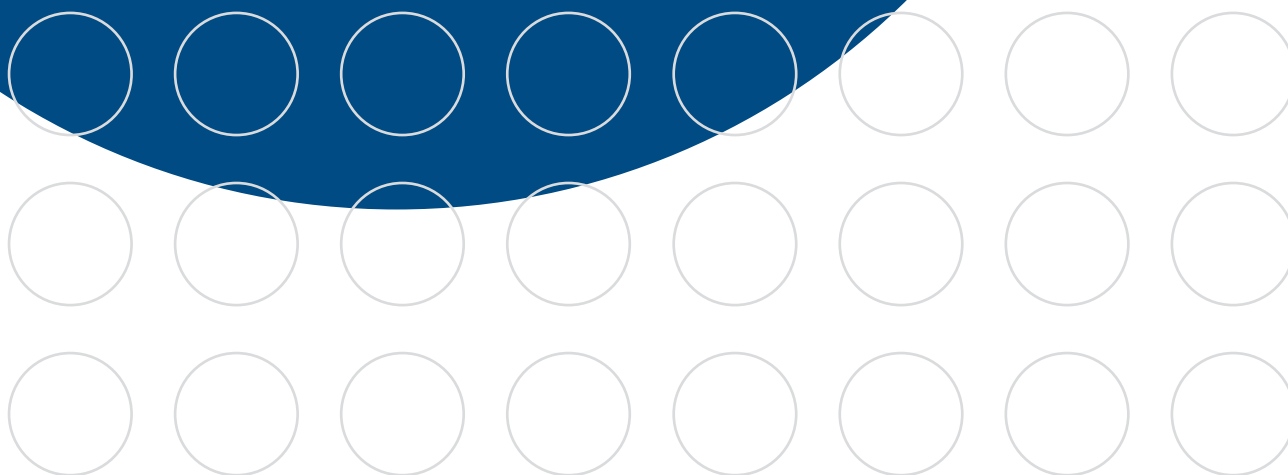


Graph 4: Number of Excess Employees, 2012-16 (Source: Commissioner for Public Sector Employment, State of the Sector Reports)

Since the implementation of the new arrangements, the formal declaration of employees has occurred less often and outcomes are being achieved more quickly once the declaration has occurred. The latter is demonstrated by the fact that 98% of excess employees are placed or separated within 12 months of being advised that their role had been abolished.

ATTACHMENT 1:

Agencies Surveyed for the *State of the Sector*



**The OPS survey of public sector agencies was carried out in July 2016.
The following 35 agencies responded, and all verified their data as correct.**

Adelaide Festival Centre Trust
Attorney-General's Department
Auditor-General's Department
Country Arts SA
Country Fire Service
Defence SA
Department for Communities and Social Inclusion
Department for Correctional Services
Department for Education and Child Development
Department of Environment, Water and Natural Resources
Department of Planning, Transport and Infrastructure
Department of the Premier and Cabinet
Department of State Development
Department of Treasury and Finance
Electoral Commission SA
Environment Protection Authority
Essential Services Commission of South Australia
Funds SA
History Trust of South Australia
Lifetime Support Authority
Metropolitan Fire Service SA
Motor Accident Commission
Primary Industries and Regions SA
Office of Green Industries SA
Renewal SA
SA Health
SA Water
SACE Board of South Australia
South Australia Police
South Australian Film Corporation
South Australian Fire and Emergency
Services Commission
State Emergency Service
Study Adelaide
TAFE SA
Veterinary Surgeons Board of South Australia

The Office for the Public Sector welcomes comments about this report and suggestions on how it may be improved. Feedback and enquiries may be directed to:

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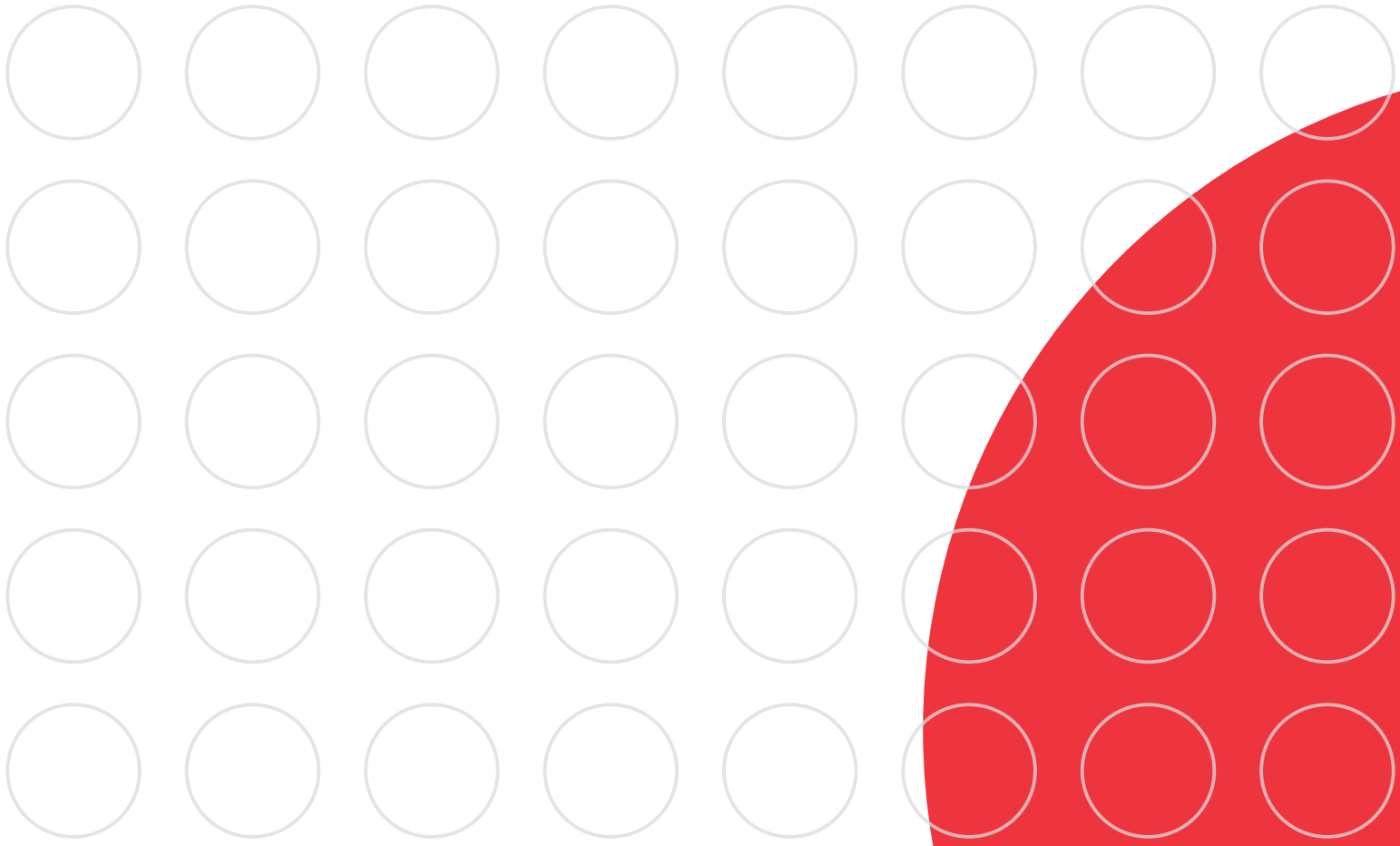
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