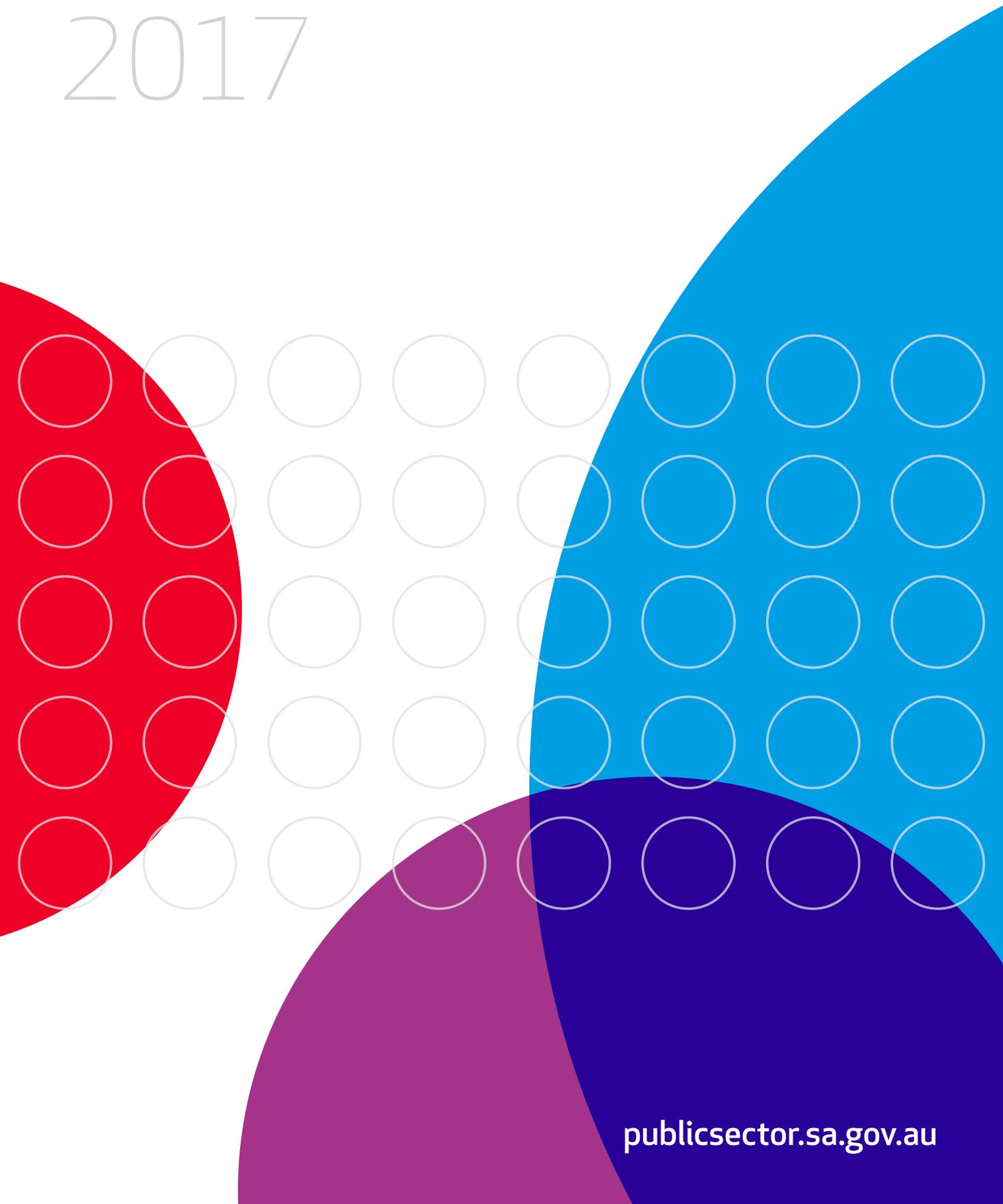


# STATE OF THE SECTOR REPORT

2017

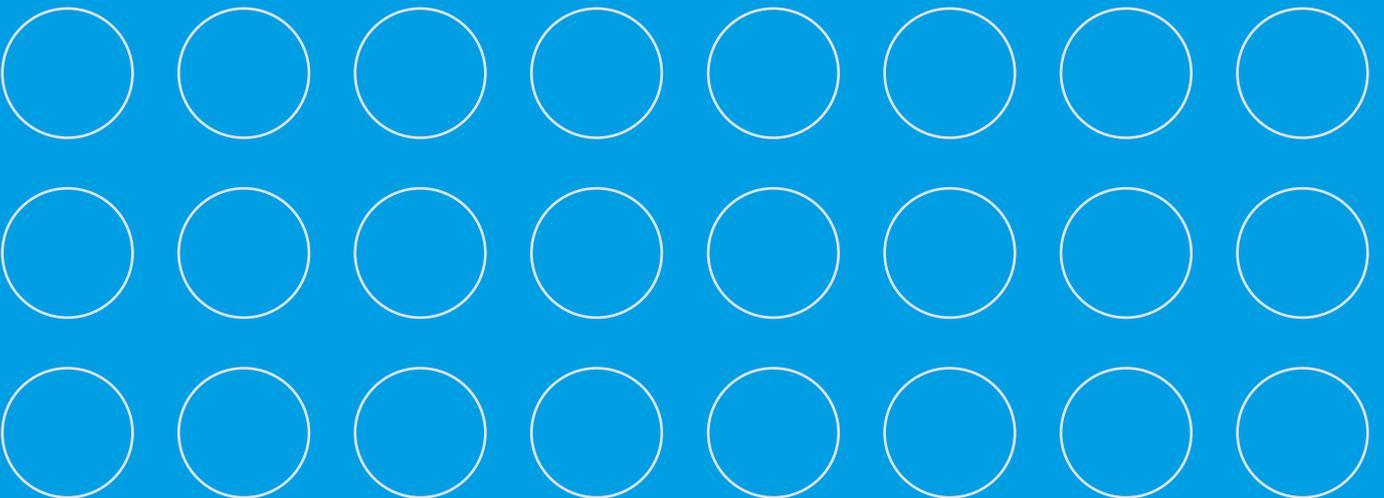


Government of South Australia  
Office for the Public Sector



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# COMMISSIONER'S FOREWORD

A key part of my role as Commissioner for Public Sector Employment is to talk with employees and colleagues about the performance of our public sector.

Over and over, our employees tell me the public sector must be innovative, flexible and diverse to thrive. As Commissioner, I whole-heartedly support these themes. To do this, we need to keep collaborating and working together, consistent with the One Government One Employer principles. We must be guided by a strong sense of purpose and be grounded in the Public Sector Values (Our Values) and behaviours as our foundation. This will truly unlock the fullest potential of our workforce and, as South Australia's largest employer, help us be the employer of choice.

Good governance drives our performance and, in my experience, goes hand in hand with building a positive culture. As a sector, we must foster an exceptional culture of excellence that embodies the Public Sector Values, with governance at its heart.

The *State of the Sector* is my tool to report on the performance of the South Australian public sector as a whole, consistent with the principles and objects of the *Public Sector Act 2009* (the 'Act'). As the Commissioner, it is my role to put a lens over our sector so we have an understanding of what we've achieved and how we are continuing to transform.

Likewise, as outlined in section 31 (1)(a) of the Act, chief executives are also responsible for *"making an effective contribution to the attainment of the whole-of-Government objectives that are communicated in writing by the Premier or the department's Minister and relate to the functions or operations of the department"*.

Further, under section 32, *"The chief executive of an administrative unit is to ensure, as far as practicable, that the objects of this Act are advanced and the public sector principles and code of conduct are observed in the management and day-to-day operations of the unit."*

This year's *State of the Sector* report focuses on the themes of **innovation, flexibility and diversity**. Our public sector must have innovative workforce practices that help lift productivity and reduce red tape while supporting employee motivation and job satisfaction by helping our people manage their work-life commitments. We need a public sector that represents South Australia by reflecting the diversity of the community. I see these as the hallmarks of a modern public sector.

I am pleased to report on a number of new initiatives, as well as continuing projects, that I believe go a long way to making the public sector more innovative, flexible and diverse. These projects include:

- Employee Performance Management and Development
- One Government One Employer
- Agency Capability Review and Improvement
- Workforce Transition
- South Australian Leadership Academy
- Gender Equality in Leadership - Executive Numbers
- Flexibility for the Future
- Aboriginal Employment Target.

As always, this *State of the Sector* reports on the implementation of the public sector principles, outlined in the Act, in so far as they relate to public sector employment. The report provides commentary, data and case studies to illustrate how the principles are being applied.

Any report that looks across the public sector, like this one, relies on the assistance and cooperation of public sector agencies. I would like to acknowledge and thank the 49 agencies that contributed data and information. The agencies that contributed to the *State of the Sector* are listed in Attachment 1.

This year's data demonstrates a public sector that is making real change:

- 91.8 per cent of agencies reported their performance management and development systems now required employees and managers to conduct biannual performance management and development reviews<sup>1</sup>
- 86.5 per cent of agencies intend to modify their performance management and development system over the next 12 months
- 69.4 per cent of agencies had workforce strategies to achieve equal gender representation at the executive level. Last year's *State of the Sector* recorded 47 per cent of agencies reporting such strategies in place<sup>2</sup>
- 73.5 per cent of agencies reported that they had workforce strategies to increase Aboriginal employment in their agency. Last year, 59 per cent of agencies reported having strategies<sup>3</sup>
- *Jobs4Youth* is on track to meet its target of 800 placements for trainees and graduates in the public sector by 2018.<sup>4</sup>

The data also highlights what we must continue to do to build a modern, diverse and flexible public sector:

- 36.1 per cent of employees participated in a performance management and development review in the six months from 1 January 2017
- We are still working towards achieving the targets for equal gender representation at the executive level, and Aboriginal employment
- The number of investigations into breaches of the Code of Ethics that have been under way for more than six months, in my opinion, is still too high (38 per cent of total investigations as at 30 June 2017)<sup>5</sup>

- During 2016-17, agencies reported 192 exemptions to merit-based selection processes. Last year, there were 170 exemptions reported. Given the increase, I will remind agencies of their obligations in relation to the principles of merit, and I will seek clarification from agencies as to why there has been an increase in appointment processes that rely on regulation 17(1)(i) of the *Public Sector Regulations 2010*
- In line with the Premier's direction on recruitment issued during the reporting period, I propose further conversations with chief executives and agency heads about selection processes and minimum approaches for agencies to adopt.

I am grateful for the support of my office, the Office for the Public Sector (OPS). The OPS has important responsibilities for public sector workforce management and reform, industrial relations and organisational improvement. In addition, the OPS supports the Remuneration Tribunal of South Australia as well as the Public Sector Grievance Review Commission.<sup>6</sup>

As a sector we must always strive to build a strong, modern public sector that helps South Australia thrive. That's why, as Commissioner, reporting on our sector is and will continue to be my priority. Likewise, my office will continue to work with agencies to support the governance and performance of our sector. I am committed to advocating the Public Sector principles, Code of Ethics and ensuring Our Values remain at the forefront of everything we do.



**Erma Ranieri**  
Commissioner for Public Sector Employment

Note: This report provides data from the financial year 2016-17 *State of the Sector* survey. In 2016, 35 agencies participated in the survey. This year, 49 agencies contributed to the survey. These agencies employ the majority of public sector employees.

<sup>1</sup> Based on data collected in July 2017 *State of the Sector* survey.

<sup>2</sup> 2017 *State of the Sector* survey.

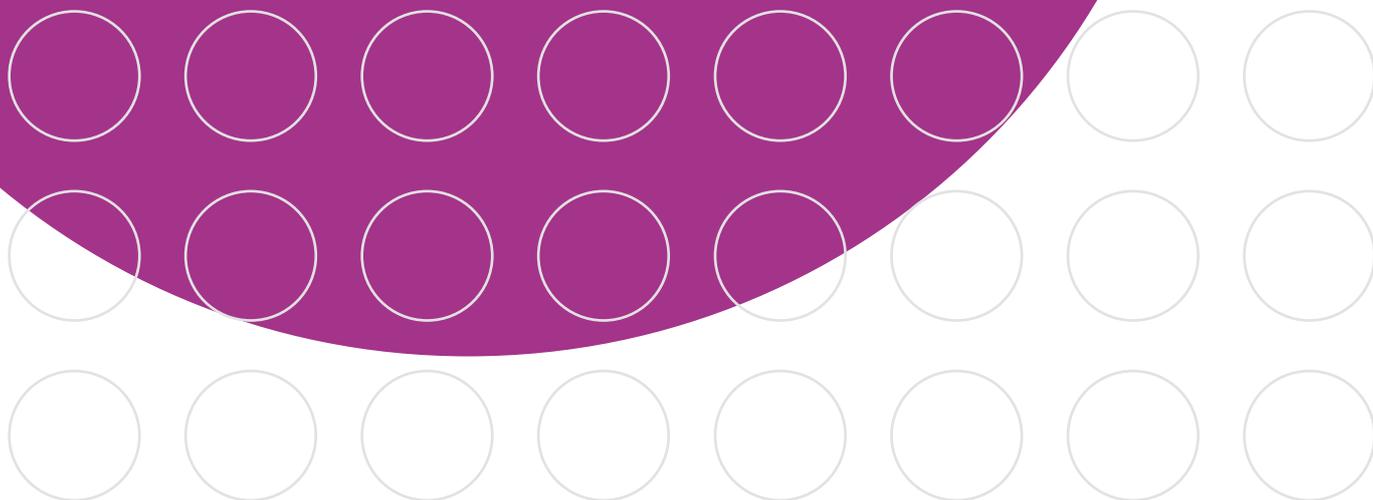
<sup>3</sup> 2017 *State of the Sector* survey.

<sup>4</sup> This target was met in September 2017.

<sup>5</sup> 2017 *State of the Sector* survey.

<sup>6</sup> From 1 July 2017, all new matters that would have been considered by the Public Sector Grievance Review Commission will be lodged instead with the South Australian Employment Tribunal. The Commission will finalise any active matters received prior to 1 July.

# 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.”**

## **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.

*Table 1: The Public Sector Principles (Public Sector Act 2009)*

In addition, regulations 11(a) and 11(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 highlight issues and trends within the South Australian public sector. The third chapter – Commissioner's Reports – incorporates reporting that I am either required to make as Commissioner or have elected to undertake consistent with past reports.

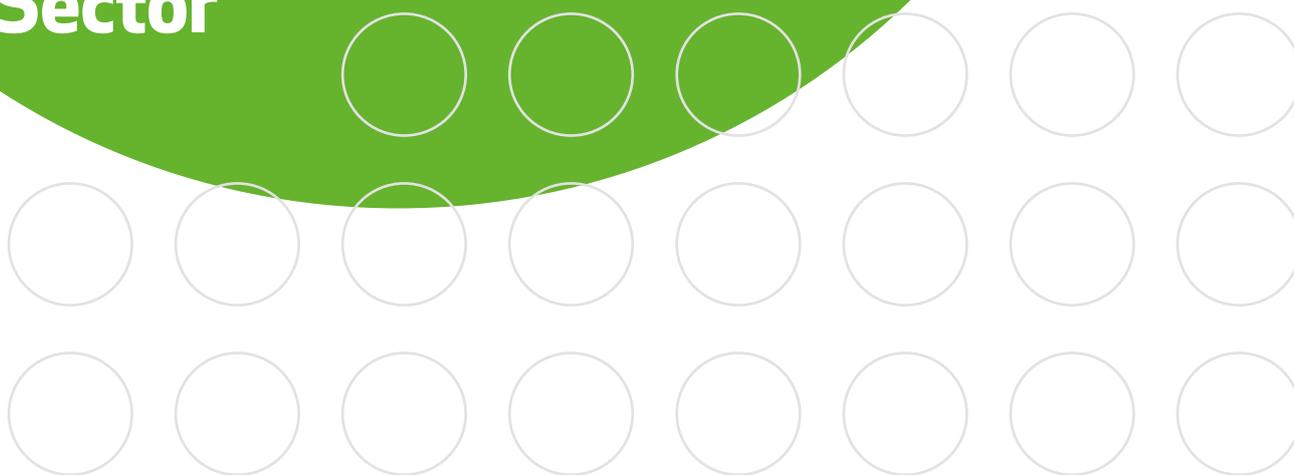
This report contains data and information that were provided by 49 agencies in a sector-wide survey, conducted in July 2017.<sup>7</sup>

More data about the public sector workforce, including its size and composition as at 30 June 2017, will be published late 2017 in my *Workplace Information Report*. The 2017 *Workforce Information Report*, will be available on the OPS website. Previous years' reports are also available on the OPS website.

<sup>7</sup>Note: This report provides data from the *State of the Sector* survey for the 2016-17 financial year. In 2016, 35 agencies participated in the survey. This year, 49 agencies contributed to the survey.

# CHAPTER 1:

## Building a Modern, Innovative, Flexible and Diverse Public Sector



**In last year's *State of the Sector* report, I described the work to create a modern public sector for South Australia. That work, led by the Office for the Public Sector (OPS) in collaboration with other public sector agencies, created a deeper understanding of the strengths and gaps in the public sector's capabilities – both at the employee and organisational level.**

Acting on this understanding, the South Australian public sector took an already ambitious reform program and accelerated the pace of change in 2016-17.

In January 2017, Senior Management Council (SMC) – comprising the chief executives of the 13 largest South Australian Government agencies and myself – agreed to focus attention and share resources on priority projects to lift productivity and build future capability.

Of the eight priority projects approved by SMC, six are led by OPS, with support from agencies. The six projects led by OPS are:

- Employee Performance Management and Development
- Agency Capability Review and Improvement
- South Australian Leadership Academy
- Gender Equality in Leadership – Executive Numbers
- Flexibility for the Future
- Aboriginal Employment Target.

This chapter focuses on the SMC priority projects, as well as existing and new initiatives, to demonstrate the robust application of the public sector principles. These projects and initiatives are wide-ranging, but I will discuss each under the themes of innovation, flexibility and diversity.

## INNOVATION

Innovation is at the heart of building a modern, diverse and flexible public sector. Without innovation, grounded firmly in our Public Sector Values, our sector cannot thrive. Further, innovation is critical for the public sector to continue creating public value for South Australia. Innovation is often seen as a new product, service or process. But as the examples below show innovation can also include re-examining how we look at a problem, doing things differently and even stopping a service or process that no longer works.

## EMPLOYEE PERFORMANCE MANAGEMENT AND DEVELOPMENT

Employee performance management and development are fundamental to ensuring our people can deliver public services effectively and efficiently. Establishing strong employee performance management practices helps implement the public sector principle of excellence.

Section 8 of the Act - Public Sector Performance Management and Development - requires all agencies to establish and administer effective performance management and development systems for employees.

Despite this requirement being in place since 2010, reported participation of employees in performance management and development reviews across the sector has historically been low. It was clear that a new approach to performance management was needed – one characterised by strong central leadership and new supports for agencies.

As Commissioner for Public Sector Employment, I am committed to ensuring that 100 per cent of public sector employees have performance management and development plans in place. Further, I am committed to supporting employee participation in regular, effective performance conversations, and the implementation of effective performance management and development systems in all agencies. I am pleased that my SMC colleagues recognise the importance of improving performance management, and have made this matter a priority project. The Chief Executive of SA Health is the project sponsor and the work program is developed and implemented by OPS.

On 5 May 2016, the Premier issued a direction under section 10 of the Act to require chief executives and agency heads to implement in their agency a performance management and development system that, at a minimum, incorporates performance management and development reviews with all employees (including executives) at least biannually.

In accordance with the direction, agencies are now required to report biannually on the number of employees who have completed a performance management and development review within the previous six months. I can report that in this first year under the new direction:

- 91.8 per cent of agencies reported their performance management and development systems now required biannual performance management and development reviews<sup>8</sup>
- 36.1 per cent of employees reported participation in a performance management and development review between 1 January and 30 June 2017.<sup>9</sup>



# 91.8

per cent of agencies reported their performance management and development systems now required biannual performance management and development reviews.

It is encouraging to see from the data above that agencies are implementing the Premier's direction. Further work is still needed however to ensure all employees have biannual performance management and development reviews. In my 2018 report, I will be able to more fully comment on the impact of the biannual performance management and development approach.

<sup>8</sup>2017 State of the Sector survey.  
<sup>9</sup>2017 State of the Sector survey.

The direction also notes that I will publish a new guideline on performance management and development. This was published in December 2016, and the guideline outlines minimum requirements, principles, roles and responsibilities, and best practice components of employee performance management and development systems.

In March 2017, I released an audit tool for agencies to review their performance management and development systems. Completion of the audit was included in the 2016-17 performance appraisal of SMC chief executives as a key performance measure and, as a member of the chief executive performance appraisal panel, I will be discussing audit results with SMC chief executives.

I am pleased to report that the audit tool has created impetus amongst agencies to strengthen their performance management practices. The audit results reported to OPS so far include:

- 86.5 per cent of agencies intended to modify their system over the next 12 months, which will impact approximately 92 per cent of the total workforce.
- More than a third of agencies indicated that they intended to introduce a new or significantly revised approach to performance management and development within their agency.
- The audit highlighted opportunities to improve training on effective performance conversations, and identified interest across agencies in talent and succession management strategies and in online systems to support the performance management and development process.

Looking ahead, my office will continue to collaborate with the public sector to implement more effective performance management and development. This includes advising agencies on modifying or introducing new performance management and development systems, and a range of workshops for human resources (HR) professionals, managers and executives. In addition, I will be releasing online educational resources to supplement information and supporting material already available on the OPS website.

## **ONE GOVERNMENT ONE EMPLOYER**

Contributing to the public sector principles of employer of choice and excellence, the One Government One Employer Program was established in 2017 to:

- create an Employee Value Proposition that re-positions the South Australian Government as an employer of choice
- create a capability that treats an employee as an employee of the South Australian Government and not just an employee of an agency
- move the existing HR profession function from a transactional based business to an advice based business (generating additional value to the sector)
- procure a Human Capital Management Capability for the sector at the best possible price.

This program will help create better and more efficient ways to attract, recruit and manage employees across the public sector, including a focus on ensuring human resources professionals have the right skills and capabilities.

Work is being undertaken in consultation with all agencies, and functionality will be delivered progressively over the coming year. The key principles for the program are “Choice” and “Flexibility”, and these will be fundamental to the effective engagement across the sector for the change that will be required.

## **ORGANISATIONAL PERFORMANCE**

As at 30 June 2017, 100 per cent of agencies that responded to the *State of the Sector* survey reported that they evaluate their levels of efficiency and effectiveness in delivering services and functions. Last year 100 per cent of agencies reported doing so.

There are multiple tools that agencies use to assess their organisational performance. These include the High Performance Framework (HPF), the Business Excellence Framework, audit and quality assurance processes, customer and stakeholder feedback and external benchmarking. Surveying employees on their views on the organisation was used by 73.5 per cent of agencies, compared to 62 per cent last year.<sup>10</sup>

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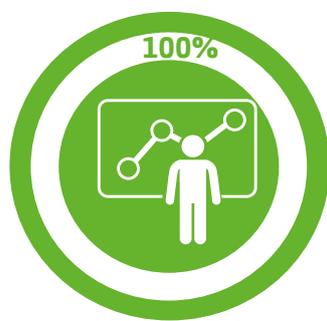
<sup>10</sup>2017 *State of the Sector* survey.

To ensure a consistent and contemporary approach to organisational performance improvement, SMC endorsed a proposal in December 2016 to evolve the HPF. This initiative, referred to as the Agency Capability Review and Improvement (ACRI) Pilot, is led by OPS and sponsored by the Chief Executive of the Department for Education and Child Development. It is one of the SMC priority projects, and contributes to the public sector principles of excellence and collaboration.

In January 2017, the project team designed a new structured, independent, and evidence-based model to assess agencies' ability to meet objectives and deliver public value to South Australians. The ACRI pilot model was endorsed by the project sponsor in February and released to the following four agencies for testing:

- Department for Education and Child Development
- Department of Environment, Water and Natural Resources
- Department of Treasury and Finance
- Environment Protection Authority.

Completed Agency Capability Review Reports and Improvement Action Plans will be received from the pilot agencies by OPS early in the 2017-18 financial year. The findings will be analysed and an Evaluation Report with recommendations for the new HPF will be submitted to the SMC.



**100**  
per cent of agencies  
reported evaluating their  
efficiency and effectiveness  
in delivering services and  
functions, as at 30 June  
2017.

## **CHANGE@SOUTH AUSTRALIA**

When we talk about innovation in the South Australian public sector, we cannot bypass Change@SouthAustralia and the 90-day projects. The Change@SouthAustralia program, managed by OPS, works with agencies and employees to increase productivity and strengthen partnerships with business and the community. By doing so, Change@SouthAustralia contributes to the public sector principles of public focus, responsiveness and collaboration.

Change@SouthAustralia's high profile 90-day projects continued during 2016-17. The 90-day project approach supports organisations to devise and implement solutions to complex problems, with a focus on delivering public value. Projects come from both inside and outside of Government and more than 14 agencies have been involved as have business and not-for-profit organisations since the launch of Change@SouthAustralia in 2012. 90-day projects are unique to the South Australian public sector, and have attracted national and international interest in their methodology and results.

90-day projects give agencies permission to try an idea – and to fail in a safe environment. In my experience, people don't realise what they can do until you remove boundaries.

Five projects were completed in the financial year, with many more scoped and progressing within the planning stage. The total number of 90-day projects that have been completed since the program's inception in 2012 is now 79, as at 30 June 2017. In addition to this, other projects have been undertaken by agencies working individually with their partners. This fulfils one of the core aims of Change@SouthAustralia, which is to help build capability in change management and embed new ways of working in public sector agencies. In excess of 2500 community and business members have been directly engaged as part of evidence gathering to improve policy outcomes.

To build on the firm foundation provided by 90-day projects, OPS is working with The Australian Centre for Social Innovation (TACSI) on what else can be done to unlock public sector innovation. I expect to provide an update on this work in my next *State of the Sector* report.



79  
90-day projects  
completed since  
2012.



### CASE STUDY – 90 day project - Innovation in Social Housing

A 90-day project was taken forward by Office for the Ageing (OFTA) to discover how housing and precinct design can respond to the needs of older Housing SA tenants as they age, enabling designed-for-purpose living that can cater to diverse support, care and lifestyle needs.

Collaboration with industry, combined with cross-government engagement and a focus on empowering older people as customers and project partners, were key to the success of the project.

Engagement was a significant component of the project, involving numerous workshops with both Housing SA tenants and industry professionals. Innovative engagement approaches included discussions at a co-design forum being led by a small number of 'community conversationalists'; older volunteers who have been trained and supported by OFTA as peer facilitators.

The findings of the project are being used to inform creative and innovative design solutions to meet the needs of an ageing population across the broader housing sector.

## WORKFORCE TRANSITION

The introduction of the National Disability Insurance Scheme (NDIS) and Commonwealth Aged Care reforms are ground-breaking national reforms, which will transfer State Government provided domiciliary care services and some disability services to the non-government sector. Of the 2800 public sector employees who care for 16 000 users of disability and aged care services, about 1100 employees currently work within services that are expected to transfer to the non-government sector.

This is a major workforce transition issue for the public sector. In response, the State Government endorsed a centrally managed employee mobility strategy in February 2017 to assist affected ongoing employees in the Department for Communities and Social Inclusion (DCSI) who choose to remain in the public sector.

Due to the scale and complexity of the reforms, an innovative, whole of Government approach to workforce transition is needed. A successful transition will contribute to the public sector principles of public focus, responsiveness, collaboration, excellence and employer of choice.

As at 30 June 2017, I intend to issue a *Guideline of the Commissioner for Public Sector Employment - Public Sector Employee Mobility* in July.<sup>11</sup> This guideline will provide a vision for workforce mobility that is responsive and adaptable to the needs of agencies and employees. It will also emphasise collaboration between agencies to adopt whole of Government solutions to changing service and workforce requirements.

Central to the strategy is the requirement for chief executives and agency heads to:

- prioritise consideration of affected DCSI employees for filling suitable vacancies, subject to first prioritising work injured employees and those declared as excess to requirements
- hold (and temporarily backfill where necessary) a relevant position for an ongoing DCSI employee who needs to be retained to support the implementation of the reforms.

<sup>11</sup>This guideline was issued on 6 July 2017.

A Workforce Transition Unit has been established within OPS to implement the guideline and assist DCSI employees to transition into another role in the public sector. The unit will also support my reporting and monitoring roles, and assist agencies to fulfil their responsibilities under the guideline.

## **LEADERSHIP DEVELOPMENT - DEVELOPING A STRONG PIPELINE OF LEADERS**

Public sector employees rightly expect professionalism and courage from their leaders. By focusing on developing a strong leadership cohort, we are better placed to ensure all of the public sector principles are observed throughout the sector. This is why my SMC colleagues and I have invested significant effort to ensure high quality leadership development programs are in place to equip leaders to excel in their roles.

### **SOUTH AUSTRALIAN LEADERSHIP ACADEMY**



In 2016-17, there was a new addition to the public sector's core executive development program – the South Australian Leadership Academy, announced by the Premier in December 2016.

The South Australian Leadership Academy – as a leadership centre for our public sector - is one of my most deeply held personal and professional ambitions.

The Academy is an SMC priority project and will contribute to the public sector principles of public focus, responsiveness, collaboration, excellence and employer of choice. The OPS works with the project sponsor, the Chief Executive of the Environment Protection Authority, to deliver the Academy.

In its inaugural year, the Academy will pilot programs for high performing executives and emerging executives, as well as initiatives that support other SMC priority projects, including strengthening performance management and development practices, increasing the number of female executives and increasing the number of Aboriginal employees.

As one of its first key deliverables, the South Australian Leadership Academy launched an online public value awareness course in June 2017.<sup>12</sup> This course outlines the key principles of Professor Mark Moore's public value framework and how it will be applied within the South Australian Government.

In addition, the Academy launched the nomination process for its flagship program – *Executive Excellence*. This intense and challenging program has been designed for skilled executives who are ready for greater challenges and opportunities in the public sector.

The Academy will integrate with a suite of centrally-provided learning and development programs to ensure a continuous learning path for current and aspiring South Australian Executive Service (SAES) members and other public sector executives as they build their career. These offerings provide consistent and continuous learning, ensuring leaders understand the Government's priorities and have the skills and capabilities to lead organisations and employees. Agencies can add offerings tailored to their executives and managers.

## **INNOVATIVE LEARNING AND DEVELOPMENT**

In addition to the Academy, the core learning and development programs offered the following initiatives coordinated by OPS:

- induction of new agency chief executives through the Fast Start program
- three Chief Executive Roundtables, allowing chief executives and agency heads to learn from leading thinkers in public sector administration
- four seminars and five two-day workshops for executives on topics such as creating public value, influencing human behaviour, leadership for change agents, women in leadership and driving high performance
- ten Executive Masterclasses covering topics such as public value, effective decision making and exploring what motivates us
- the SAES Induction Program, which was completed by 51 new executives
- participation of public sector executives in the Jawun Secondment Program, a six-week residential placement with Ngarrindjeri-led organisations in the Lower River Murray, Lakes and Coorong, alongside leaders from the private and not-for-profit sectors

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<sup>12</sup>Further information about public value can be found at: <http://dpc.sa.gov.au/what-we-do/services-for-government/public-value>

- in partnership with the Australia and New Zealand School of Government (ANZSOG), OPS assisted four executives to commence the Executive Masters in Public Administration and three executives to undertake the Executive Fellows Program
- workshops on collaborative problem solving, writing effective briefings, and mitigating unconscious bias were delivered through the Modern Manager Series
- 47 public sector employees completed and 25 commenced the Public Sector Management Program, run nationally by Queensland University of Technology
- funding for the Sir Doug Nicholls and Lady Gladys Nicholls Indigenous Scholarships Program to allow two Aboriginal leaders to participate in the Governor's Leadership Foundation program.



### **CASE STUDY: Shandong Connect**

OPS coordinated the inaugural Shandong Connect program, which saw 12 public sector employees make an immersive visit to Shandong, China as part of a joint public sector exchange program with the Shandong Provincial Government.

The program was a great success, achieving its aims of building stronger connections between our Sister-States by deepening the understanding of each region's government structures, regulatory structures and frameworks and policy-making processes and strengthening participants' understanding of the distinct cultural differences that influence business relationships between South Australia and China.

Other centrally provided learning and development was delivered through a partnership between the Institute of Public Administration Australia (IPAA), South Australia Division and SMC. The partnership aims to promote ethical standards and integrity and equip employees with the knowledge and information they need for their role.

During the reporting period:

- 4468 public sector employees attended 46 events, forums and workshops organised by IPAA
- 2259 public sector employees participated in 38 IPAA professional development courses 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.

Work to achieve gender equality in public sector leadership/executive roles is discussed below in the diversity section.

## **EMPLOYEE WELLBEING**

During the reporting period, OPS commenced the development of a new approach to improving employee wellbeing across the public sector. A high level of employee wellbeing contributes to the public sector principle of employer of choice.

This work is based on the recommendations of a 90-day project: *Building Wellbeing and Resilience in the SA Public Sector*, which was completed in April 2017. The 90-day project evaluated Wellbeing and Resilience programs in selected agencies, and recommended the piloting of an evidence-based approach to wellbeing across the public sector.

OPS has established the Wellbeing Project to develop a whole of sector approach to building wellbeing including:

- co-ordination of a whole of sector survey that includes reliable measures to assess individual, team and organisational wellbeing and resilience
- establishment of a panel of endorsed providers that agencies can access for targeted interventions based on the survey results.

The project is the start of a dialogue with employees on what they need for their wellbeing at work, and will help the public sector better understand the effectiveness of intervention strategies.

## DIVERSITY

The South Australian public sector has long been committed to making its workforce more representative of the diverse community it serves – this is a key contribution towards the public sector principle of employer of choice. While we have made considerable progress, there is more work to be done. We are still working towards meeting the targets in the *South Australia's Strategic Plan* regarding women employed as public sector executives and the employment of Aboriginal jobseekers that have not yet been met by the public sector. Further, there is ongoing concern in the community about youth unemployment. Our public sector can play a vital role to create new employment opportunities for young people. I will describe below how the public sector has responded to these challenges.

### WOMEN IN LEADERSHIP

*South Australia's Strategic Plan (SASP)* 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	JUNE 2017
Target 30	Office for Women	Increase the number of women on all State Government boards and committees to 50 per cent on average by 2014 and maintain thereafter by ensuring 50 per cent of women are appointed on average each quarter (baseline: 2004).	Women held 47.52 per cent of positions on State Government boards and committees, a 13.8 per cent increase on the January 2004 baseline figure of 33.2 per cent.
Target 31	Office for Women	Increase the number of women chairing State Government boards and committees to 50 per cent by 2014 (baseline: 2004).	Women held 39.9 per cent of chair positions, a 16.07 per cent increase on the April 2004 baseline figure of 23.83 per cent.
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 47.0 per cent of all public sector executives, a 17.6 per cent increase on the June 2003 baseline figure of 29.4 per cent. (latest available data, as at 30 June 2016).

Table 2: Progress against specific South Australia's Strategic Plan targets



Women comprised 47 per cent of public sector executives, as at 30 June 2016.

In my survey of agencies, 69.4 percent of agencies responded that they had workforce strategies to achieve SASP target 52.<sup>13</sup> Last year, 47 percent of agencies reported having strategies in place.

During the reporting period, SMC agreed that increasing the number of women employed at executive level in the public sector should be a priority project. OPS is the lead agency for this project, and the project sponsor is the Chief Executive of Primary Industries and Regions South Australia.

A systematic approach to addressing gender inequality in leadership is set out in the *Gender Equality in Leadership Strategy for the South Australian Public Sector*, released in March 2016. The strategy focuses on three key levers: strengthening leadership accountability, creating empowered workplaces, and building a sustainable talent pipeline. SMC reconfirmed its commitment to the strategy in March 2017.

Strategy actions delivered by OPS this year include:

- piloting a Reverse Mentoring Program and commencing delivery of a second cohort
- commencing delivery of the Empower Sponsorship Program
- delivering MATE Awareness training – focusing on gender based violence prevention and education
- continuing to deliver an unconscious bias education program to mitigate the influence of unconscious bias in promoting women
- organising *The Second Innings: Gender Equality in Leadership Summit* with keynote speaker, the Hon. Julia Gillard
- presenting a Women in Leadership series including Performance Conversations, Career Journey to the Boardroom, Five Breakthrough Steps for Career Success and Strategic Leadership
- delivering a proxy metrics workshop to assist agencies to implement their own proxy measures to support gender equality
- conducting a Gender Pay Gap Analysis with the Office for Women.



#### **CASE STUDY: Gender Equality in Leadership at the Department of Treasury and Finance**

**The Department of Treasury and Finance has set a target of 50/50 gender split in leadership positions from ASO7 and above by 2020. It is implementing a strategy with measurable outcomes aimed at recruitment, flexible work arrangements, performance and succession planning, and training and leadership capability development for women, in addition to addressing previous gender pay gap outcomes.**

During 2016-17, the Office for Women (OFW) also undertook a number of initiatives to increase female participation on boards and committees, including:

- Subsidising board training for women with the Australian Institute of Company Directors. This training has been offered for the last four years, and has made provisions to recruit women under 25 years of age, over 60 years of age, Aboriginal women, women from culturally and linguistically diverse backgrounds, women with disability, and women serving on sporting boards or committees.
- Subsidising board training for women to attend the workshop 'Next Step - The Boardroom', provided by OFW in partnership with Volunteering SA&NT for women from not-for-profit organisations, women currently sitting on a board/committee/management committee, and women in senior management looking to gain a position on a board or committee.

OFW also manages the Premier's Women's Directory, an online resource and register. As at 30 June 2017, it contained over 660 resumes of women seeking board appointments.

A diverse range of women are represented on this database, including:

- 20 Aboriginal women
- 18 women with disability
- 94 women from culturally and linguistically diverse backgrounds
- 114 women living in rural and regional South Australia.

<sup>13</sup>2017 *State of the Sector* survey.



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

In December 2016, the Equal Opportunity Commission (EOC) released the final report of its review into the nature and extent of sex discrimination and sexual harassment, including predatory behaviour, within SAPOL.

The review found:

- 45 per cent of respondents had experienced sex discrimination, and these respondents were more likely to be women
- women were also more likely to be the targets of sexual harassment, with 21 per cent of female respondents reporting that they had experienced this in the last five years, compared to eight per cent of male respondents.

The Police Commissioner has accepted the report's 38 recommendations across six key areas including leadership, workforce management, training and development, flexible workplace cultures, dispute resolution and complaints, and wellbeing and support services. Implementation of the 38 recommendations over the next three years will be monitored and reported by the EOC.

### INCREASING ABORIGINAL EMPLOYMENT AT ALL LEVELS

South Australia's Strategic Plan (SASP) Target 53 aims to increase the participation of Aboriginal people in the public sector, spread across all classifications and agencies, to two per cent by 2014 and maintain or better those levels through to 2020. As at 30 June 2016 (the latest available data), there were 1844 self-identified Aboriginal employees in the public sector, representing 1.77 per cent of the total workforce. This figure represents an increase of 106 Aboriginal employees (from 1738 employees) or 0.01 per cent (from 1.76 per cent of the workforce) from the previous year.<sup>14</sup>

In my survey of agencies, 73.5 per cent of agencies reported that they had workforce strategies to meet SASP Target 53. Last year, 59 per cent reported having such strategies.<sup>15</sup>

Responding to the progress to date, the Premier has set bold, new internal targets for chief executives to achieve:

- a minimum level of two per cent Aboriginal employment within their respective agencies, in line with SASP Target 53 by 2018
- a minimum level of four per cent Aboriginal employment by 2020
- an increase in the number of Aboriginal people in executive level positions across the public sector to two per cent by 2020.



# 1.77

per cent of public sector employees identified themselves as Aboriginal, as at 30 June 2016



### CASE STUDY: Corrections' Future

A program - "Corrections' Future" - is helping Aboriginal jobseekers apply for careers in the Justice Sector.

A pilot group of 13 jobseekers in Port Augusta commenced the program, with nine graduating with a Certificate II in Justice Services. Of the nine graduates, five will commence the Trainee Correctional Officer Training Course in August 2017.

Corrections' Future is delivered by a partnership between Department for Correctional Services, Department of State Development and TAFE SA. The program will continue to assist other Aboriginal jobseekers in the coming months.

<sup>14</sup>Office for the Public Sector, *Workforce Information Report 2014-15 and 2013-14*.

<sup>15</sup>2017 *State of the Sector* survey.

Achievement of these new targets is an SMC priority project, and is sponsored by the Chief Executive of the Department of the Premier and Cabinet. As the lead agency, OPS is delivering new strategies and initiatives that will effectively help agencies recruit, retain and develop Aboriginal employees, and equip Aboriginal jobseekers and employees with the skills and confidence to build a successful career in the public sector. These strategies and initiatives include:

- the development of an Aboriginal Employment Register that agencies can use to target Aboriginal jobseekers for vacancies
- an Aboriginal Mentoring Program to support the retention and development of Aboriginal employees
- leadership development opportunities for Aboriginal employees through the Leadership Academy
- a Work Health and Safety Framework for Cultural Safety across agencies.

Each whole-of-government initiative being rolled out by OPS is intended to be broad enough to be used across the public sector while at the same time meeting the specific needs of agencies.

## **YOUTH EMPLOYMENT**

The public sector is the ideal training ground for young people. No other employer in the state rivals the public sector in offering the challenging work and learning opportunities that young people need to kick start their careers.

I am therefore particularly proud of *Jobs4Youth*, an initiative to increase the employment of young people in the public sector as trainees or graduates. It aims to place 200 trainees and graduates annually from 2014 to 2018 (a total target of 800).

Participants in the program are employed within an agency for 12 months and undertake a study component and mentoring sessions.

Agencies are required to convert at least 50 per cent of their agency placements to ongoing roles.

OPS supports trainees and graduates in their study commitment, providing extra training sessions including jobs search techniques and interview skills, sponsoring attendance to special events such as the Intrapreneurship annual forum, and mentoring young people throughout the 12 month period.

Supervisors are also assisted by OPS with targeted supervisor training sessions throughout the year and individual support for issues that may arise with the placement.

During the reporting period, 254 trainees and graduates were placed. It is anticipated that the overall target of 800 trainees and graduates will be achieved by the time *Jobs4Youth* program is completed in 2018.<sup>16</sup>

A new, unique initiative, *Flexibility for the Future*, was also launched by the Premier during the reporting period, which aims to employ more trainees and graduates. Further detail on this is reported below under the Flexibility theme.

## **EMPLOYEES WITH 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 employment of people with a disability in the public sector. 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 recommended a target of 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

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<sup>16</sup> This target was met in September 2017.

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.

## FLEXIBILITY

Supporting employees to manage their work-life balance is a critical factor in boosting their productivity, motivation and job satisfaction. We have policies in place that provide for a range of work options to attract and retain employees. During the reporting period, a new initiative was introduced to encourage more uptake of flexible working arrangements by all employees at all stages of their career, particularly men.

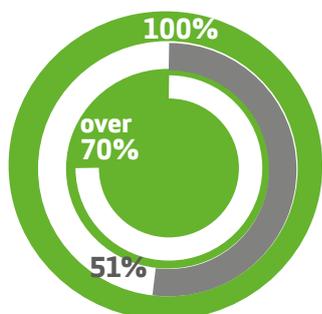
### FLEXIBILITY FOR THE FUTURE

The State Government approved the *Flexibility for the Future* initiative in December 2016.

Everyone has the right to request flexible work arrangements. *Flexibility for the Future* is a voluntary initiative that asks managers and employees to explore how flexible working arrangements can benefit them and the workplace for an agreed period of time. When considering the request, managers must ask themselves, "if not, why not?"

By increasing the number of public sector employees who are voluntarily working part time, the savings will then be used to employ more trainees and graduates for a period of up to 12 months. During this time they can undertake a study component provided by TAFE SA. This initiative benefits employees, creates new jobs and does not increase the net cost to Government.

The program aims to increase the part time rate to 30 per cent across agencies. Key resources will be developed to support and inform public sector employees and managers on how to successfully implement the initiative. These resources will include the *Flexibility for the Future* toolkit, frequently asked questions, Workforce Planning Guide, examples of case studies, Premier's Direction, update to the *Commissioner for Public Sector Employment – Determination 3.1* and Flexible Work arrangements guideline.<sup>17</sup>

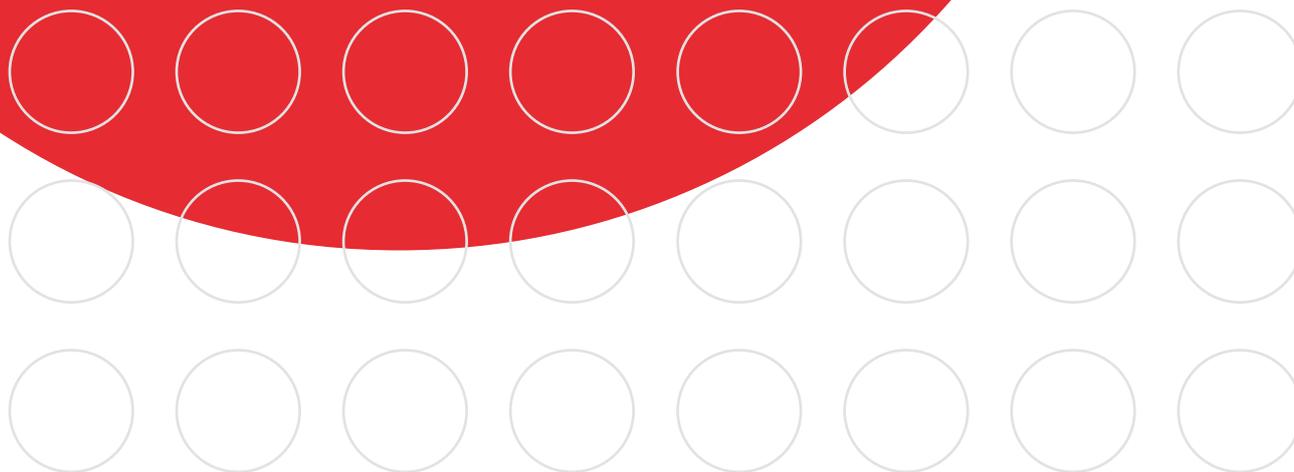


Within the Department for Education and Child Development, 51 per cent of all employees are part time. More than 70 per cent of the non-teaching workforce works part time.

<sup>17</sup>The Premier's Direction became operational on 26 June 2017, and the updated Determination 3.1 and the combined Determination/Guideline on Flexible Workplaces came into force on 1 July 2017. The other resources were released on 3 July 2017.

# CHAPTER 2:

## Code of Ethics



**Ethical decision-making must be at the heart of Government. This is recognised in the Act, which requires me to publish the Code of Ethics for the South Australian public sector (referred to as the Code of Conduct in the legislation). The updated Code came into effect on 13 July 2015. Included in the Code are the Public Sector Values – the foundation for the culture and vision that every public sector employee shares.**

In my survey of agencies, 95.9 per cent reported they provided employees with education and training in relation to the Code, the Public Sector Values and ethical decision-making.<sup>18</sup> This is slightly down from 97 per cent recorded last year, as a result of more agencies completing the *State of the Sector* survey this year and a small increase in agencies answering no to this question (one agency in 2016 and two in 2017). Encouragingly, 69.4 per cent of agencies reported that it was mandatory for their employees to complete the online training package, compared to 56 per cent last year.<sup>19</sup>



**95.9**  
per cent of agencies  
educated and trained  
staff in relation to the  
Code of Ethics, the Public  
Sector Values and ethical  
decision-making.

<sup>18</sup>2017 *State of the Sector* survey.  
<sup>19</sup>2017 *State of the Sector* survey.

# OUR VALUES



## 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

## PURPOSE AND VALUES

Since the Code was updated in 2015, OPS has released educational materials to help employees understand their obligations. These have included posters about the Code and the Public Sector Values, the *Our Purpose* video and a new whole-of-government website to welcome and induct new employees (<https://induction.sa.gov.au/>).

Further work to help all employees understand and apply the Public Sector Values will be undertaken over the next two years by a new cultural change program, 'Our Values', established by OPS.

Scoping of the program and consultation with agencies is currently underway to identify how the Public Sector Values can be better integrated into key areas of business such as strategy, performance management, recruitment and selection, induction and on-boarding, and rewards and recognition.

Next year, I expect to be able to report further on Our Values activities.

## INVESTIGATIONS INTO BREACHES OF THE CODE OF ETHICS

Reporting and investigating breaches of the Code of Ethics is an important element in ensuring the integrity of the public sector. In 2016-17, agencies reported 735 investigations into breaches of the Code of Ethics. This is 126 more than last year. The increase in investigations over the past year can be attributed in part to a concerted effort across the public sector to:

- lift employee awareness of the updated Code of Ethics and the Public Sector Values
- improve accountability measures including employee performance management and development in agencies
- increase the number of agencies reporting on this question in the 2017 *State of the Sector* survey.

Agencies reported that a breach was found in 328 investigations and no breach in 112 investigations. Of the 328 instances where a breach was found, the majority of cases involved a breach of the following professional conduct standards in the Code of Ethics:

- professional and courteous behaviour (62 per cent)
- use of government / public resources (11 per cent)
- handling official information (8 per cent).
- remaining individual professional conduct standards (8 per cent)<sup>20</sup>
- breach of multiple professional conduct standards (11 per cent).

Two hundred and ninety-five investigations had not been finalised by 30 June 2017. In 38 per cent of un-finalised cases, the investigation had been underway for more than six months.<sup>21</sup> This year, more agencies were able to report the start date of their un-finalised investigations than last year, resulting in a better understanding of investigations across the sector.

The OPS, in collaboration with the Crown Solicitor's Office and agencies, is looking into how investigations and disciplinary processes can be shortened, whilst affording legal and natural justice protections to employees.



# 735

investigations of breaches of the Code of Conduct in 2016-17.

A breach found in 328 investigations.

<sup>20</sup> Includes the following professional conduct standards: conflicts of interest, criminal offences, outside employment, public comment, acceptance of gifts and benefits, and reporting unethical behaviour.

<sup>21</sup> Excludes nine un-finalised investigations that did not have a start date identified.

# CHAPTER 3:

## Commissioner's Reports

### PREMIER'S DIRECTIONS

The Premier may under section 10(1) of the Act give directions to public sector agencies about the implementation of specified whole-of-government objectives and the sharing of information and collaboration required for that purpose.

As at 30 June 2017, the following Premier's directions were issued:

Title	Purpose
Recruitment	Outlines the minimum standards that relevant South Australian public sector agencies are obligated to implement in their recruitment systems
Public Sector Mobility Strategy	Outlines minimum standards of relevant South Australian public sector agencies in prioritising consideration of the Department for Communities and Social Inclusion (DCSI) employees affected by organisational change resulting from the implementation of the National Disability Insurance Scheme and Commonwealth Aged Care Reforms, after work injured employees and employees declared excess to requirements
Restraints on Re-engagement of Former Executive Employees and Other Public Office Holders in Certain Circumstances	Outlines obligations of relevant South Australian public sector agencies when engaging a person previously employed on an executive basis under a fixed term contract or appointed to public office and whose employment was terminated or who was removed from office, entitling them to a termination payment
Induction	Outlines the minimum standards that relevant South Australian public sector agencies are obligated to implement in their induction systems

<b>Employee Exit Feedback</b>	<b>Outlines the minimum standards that relevant South Australian public sector agencies are obligated to implement in their employee exit feedback systems</b>
<b>Performance management and development</b>	<b>Outlines the minimum standards that relevant South Australian public sector agencies are obligated to implement in their performance management systems</b>
<b>Flexibility for the Future</b>	<b>Outlines the minimum standards that relevant South Australian public sector agencies are obligated to implement to increase the opportunities for existing and future public sector employees to access flexible working arrangements and invest in the creation of additional new positions for trainees and graduates</b>

Table 3: Current Premier's Directions

## COMMISSIONER'S DETERMINATIONS

Pursuant to section 16(1) of 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 2016-17, I issued no new determinations. However, I updated determinations on:

- Employment Conditions – Hours of Work, Overtime and Leave
- Employment Conditions – Remuneration – Allowances and Reimbursements
- Management of Excess Employees – Redeployment, Retraining and Redundancy
- Recovery of Overpayments (which is also a Commissioner's guideline).

As at 30 June 2017, the following eight determinations are in force:

<b>1</b>	<b>Merit, Engagement, Assignment of Duties and Transfer of Non-Executive Employees</b>
<b>2</b>	<b>Excess Employees – Income Maintenance</b>
<b>3.1</b>	<b>Employment Conditions – Hours of Work, Overtime and Leave</b>
<b>3.2</b>	<b>Employment Conditions – Remuneration – Allowances and Reimbursements</b>
<b>4</b>	<b>Qualifications for Designated Whistleblower Contact Officers</b>
<b>5</b>	<b>Classification and Remuneration of Employees</b>
<b>6</b>	<b>Recovery of Overpayments (which is also a guideline)</b>
<b>7</b>	<b>Management of Excess Employees - Redeployment, Retraining and Redundancy</b>
<b>8</b>	<b>Flexible Workplaces (which is also a guideline)</b>

Table 4: Current Commissioner's Determinations

Additionally, *Commissioner's Standard 3.3: Responsive and Safe Employment Conditions – Employment Relations* is under review and will be replaced by a Commissioner's determination and guideline in 2017-18. Commissioner's standards issued under the *Public Sector Management Act 1995* remain valid until they are rescinded and replaced with determinations issued under the *Public Sector Act 2009*. All Commissioner's standards except *Standard 3.3 – Responsive and Safe Employment Conditions – Employment Relations* have now been superseded.

## COMMISSIONER'S GUIDELINES

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

During 2016-17, I issued new guidelines on:

- domestic and family violence
- volunteers
- induction
- employee exit feedback
- performance management and development.

As at 30 June 2017, the following guidelines are in force (note the two determinations that are also guidelines in Table 3 above):

<b>Review of Employment Decisions</b>
<b>Management of Unsatisfactory Performance (including Misconduct)</b>
<b>Gifts and Benefits</b>
<b>Management of Excess Employees</b>
<b>Women in Leadership in the Public Sector</b>
<b>Requests by Members of Parliament for Briefings</b>
<b>Extent of Obligation of Employees to Report They have been Charged with a Criminal Offence</b>
<b>Power to Require Medical Examination</b>
<b>Changes to Workforce Composition and Managing Excess Weekly Paid Employees</b>
<b>Redeployment, Retraining and Redundancy Weekly Paid</b>
<b>Domestic and Family Violence</b>
<b>Volunteers</b>
<b>Induction</b>
<b>Employee Exit Feedback</b>
<b>Performance Management and Development</b>

Table 5: Current Commissioner's Guidelines

Additionally, work was underway during the reporting period to develop new guidelines on recruitment and the public sector employee mobility strategy. These new guidelines will be issued in 2017-18.<sup>22</sup>

<sup>22</sup>The recruitment and employee mobility guidelines were both released on 6 July 2017.

As Commissioner for Public Sector Employment, I will ensure my office will continue to advocate and support the principles of and compliance with my guidelines, determinations and the obligations under the Premier’s Directions to public sector agencies.

## WHISTLEBLOWER DISCLOSURES

Regulation 11 of the *Public Sector Regulations 2010* 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 2016-17.

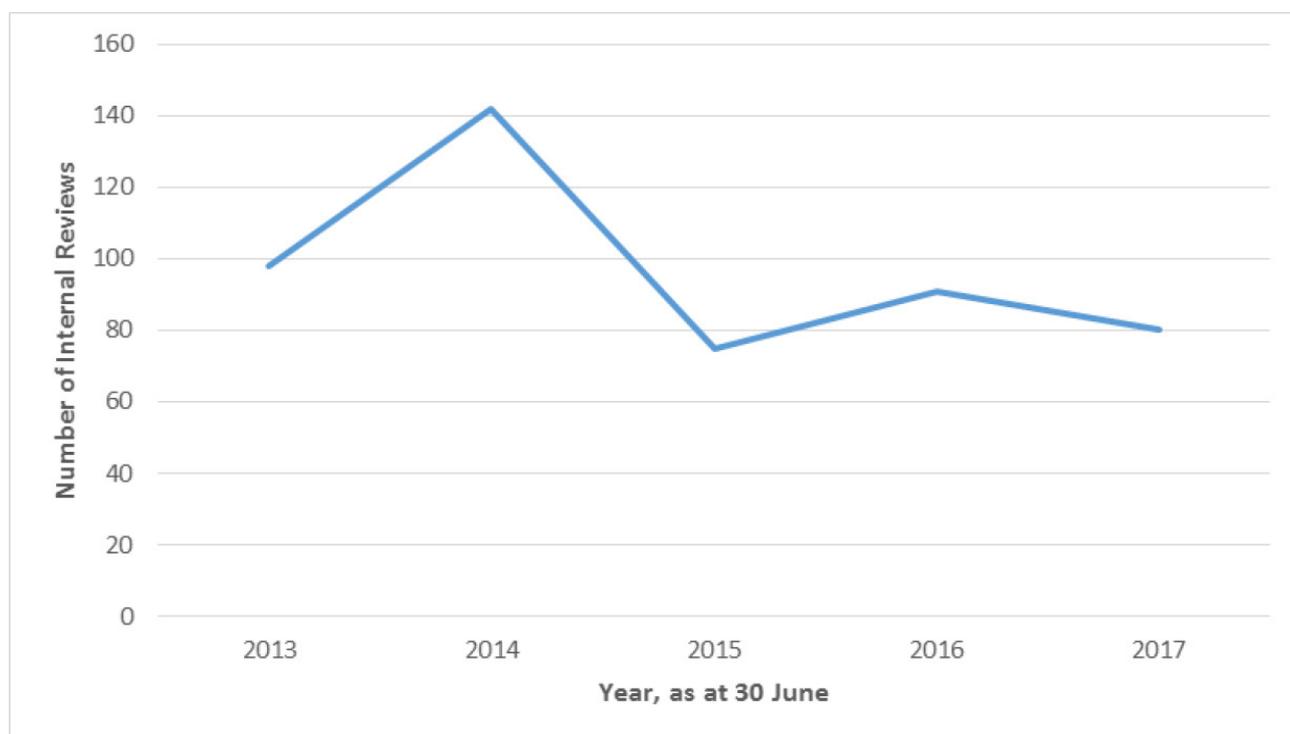
## REVIEWS OF EMPLOYMENT DECISIONS

### INTERNAL REVIEW

Under the Act, 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 2016-17, agencies reported 80 such applications, down from 91 last year. The three main issues were selection process (26.3 per cent), reclassification (15 per cent) and disciplinary action (8.8 per cent). Most internal reviews began within 21 days (86.3 per cent). At 30 June 2017, 70 of the 80 reviews had been completed.

The five-year trend is below.



Graph 1: Number of Internal Reviews, 2013-17 (Source: State of the Sector reports)

## EXTERNAL REVIEW

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

During 2016-17, 46 applications for external review were lodged:

- five applications were withdrawn by the employee
- the Commission found it had no jurisdiction to hear 19 applications.

The remaining 22 resulted in 20 hearings with two applications still to be heard as at 30 June 2017. In 16 hearings the Commission affirmed the employment decision of the relevant public sector agency and in four hearings did not affirm the decision under review. In those cases, the Commission made recommendations to address issues arising from the review.

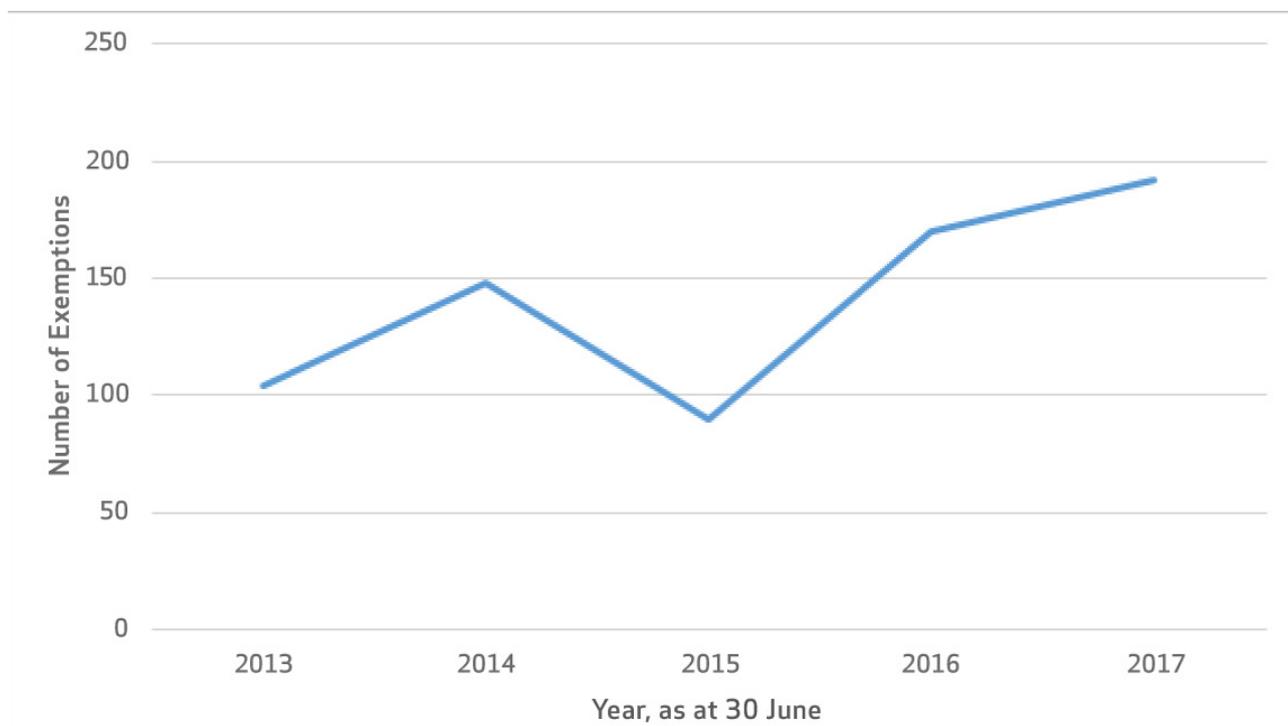
From 1 July 2017, all new matters that would have been considered by the Commission will be lodged instead with the South Australian Employment Tribunal. The Commission will finalise any active matters received prior to 1 July.

## 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 2016-17, agencies reported 192 exemptions to merit-based selection processes. Last year, there were 170 exemptions reported. Reasons that agencies provided in the survey as to why exemptions were necessary included: short term roles, convert temporary appointments to ongoing status or to secure specialist skills – these are entirely consistent with the intent of the Regulation.

The five-year trend is below. Given the increase, I will remind agencies of their obligations in relation to the principles of merit, and I will seek clarification from agencies as to why there has been an increase in appointment processes that rely on Regulation 17(1)(i).



Graph 2: Exemptions to Merit-Based Selection Processes, 2013-17 (Source: State of the Sector reports)

## **SAFETY AND WELLBEING**

It is a major achievement that workplace injury claims have continued a downward trend, reducing by 19 per cent over the last five financial years (from 4200 in 2011-12 to 3413 in 2016-17). The rate of significant injuries (defined as involving the loss of a week or more of work time) fell from a high of 21.9 per 1000 full time equivalent (FTE) in March 2014 to 15.58 in March 2017. Serious musculoskeletal injuries fell from 13.34 to 9.51 per 1000 FTE and for psychological injury from 5.26 to 3.55 per 1000 FTE over the same period.

The Audit and Verification System (AVS) assesses agency effectiveness in managing their significant safety risks and delivering return to work services to injured workers. During the year, AVS audits were conducted for the Environment Protection Authority, Courts Administration Authority, Department of the Premier and Cabinet, Department of State Development, TAFE SA and Adelaide Venue Management.

Twenty four agencies have participated in the AVS to June 2017, generating over 320 corrective actions of which 86 per cent have been implemented. Due to the AVS' focus on risk management, corrective actions are likely to have a direct and positive impact on the number of incidents and injuries. More than 90 per cent of agency feedback on the AVS program has been positive, especially around the opportunity to co-design audits to meet agency needs and the focus on practical interventions to enhance safety systems and improve outcomes.

Based on the success of the AVS program, the public sector is implementing an innovative new risk management model. This will apply sophisticated safety data analytics and agency self-assessment to better understand and manage agency and whole-of-government safety risk.



### **CASE STUDY: The Modern Workplace in the Department of the Premier and Cabinet**

The Modern Workplace project is building better workplaces for the Department of the Premier and Cabinet (DPC) and improving the way the department conducts its business.

Modern workplaces encourage flexibility, mobility and are designed around accessibility requirements. Workers are encouraged to select appropriate work areas for their needs - collaboration, formal and informal meetings or quiet rooms for teleconferencing and quiet focus work - whilst mobile technology enables employees to choose where and when they work, improving work/life balance and productivity.

The agile working environment allows employees to adjust workstations to suit their ergonomic requirements, providing sit-stand workstations that encourage posture changes during the work day. Digital connectivity at all workspaces helps prevent the postural strain that can result from prolonged use of tablets and laptops. Wellbeing facilities are provided to ensure health and hygiene.

The project engaged work health and safety expertise right from the design and planning phase, ensuring that risks are managed and employees are supported as they move from conventional to modern work environments. Feedback from pre- and post-implementation surveys is used to enhance the program as it is progressively implemented across DPC.

## RETURN TO WORK SCHEME

### TOTAL CLAIMS EXPENDITURE

During 2016-17, total work injury claims expenditure was \$102.3 million, compared with \$133.7 million in the previous year. The 23.5 per cent reduction was largely attributable to reduced income support and redemption payments.

Expenditure	2016-17 \$m	2015-16 \$m	Variation \$m +/-	Per cent Change +/-
Income Maintenance	45.1	46.5	-1.4	-3.0
Lump Sum - Non-Economic Loss	10.6	17.5	-6.9	-39.4
Redemption of Income Support	10.1	31.3	-21.2	-67.7
Redemption of Medical Expenses	2.0	1.7	0.3	17.6
Others (e.g. medical treatment, rehabilitation and legal costs)	34.4	37.0	-2.6	-7.0
<b>Total Claims Expenditure</b>	<b>102.3</b>	<b>133.7</b>	<b>-31.4</b>	<b>-23.5</b>

Table 6: Workers' Compensation Claims Expenditure (Source: Office for the Public Sector)

### PROVISION FOR ESTIMATED OUTSTANDING LIABILITIES

Independent actuaries have performed valuations of the outstanding liability as at 30 June 2017 for all public sector self-insured agencies. This provides an estimate of the amount required to meet future payments for claims that were incurred up to 30 June 2017. These costs are budget funded within an agency's appropriation and accounted for in the forward estimates.

Approximately 65 per cent of the estimated liabilities for the public sector relate to Seriously Injured (SI) claims (excluding SI claims from SA Water and Minda Incorporated which commissioned their own valuations).

A summary of the estimated outstanding liability for the past three years is as follows:

Date as at:	Liability Provision#	
	Gross (\$million)	Net* (\$million)
30 June 2017	351.4	346.3
30 June 2016	376.1	372.0
30 June 2015	380.4	375.6

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

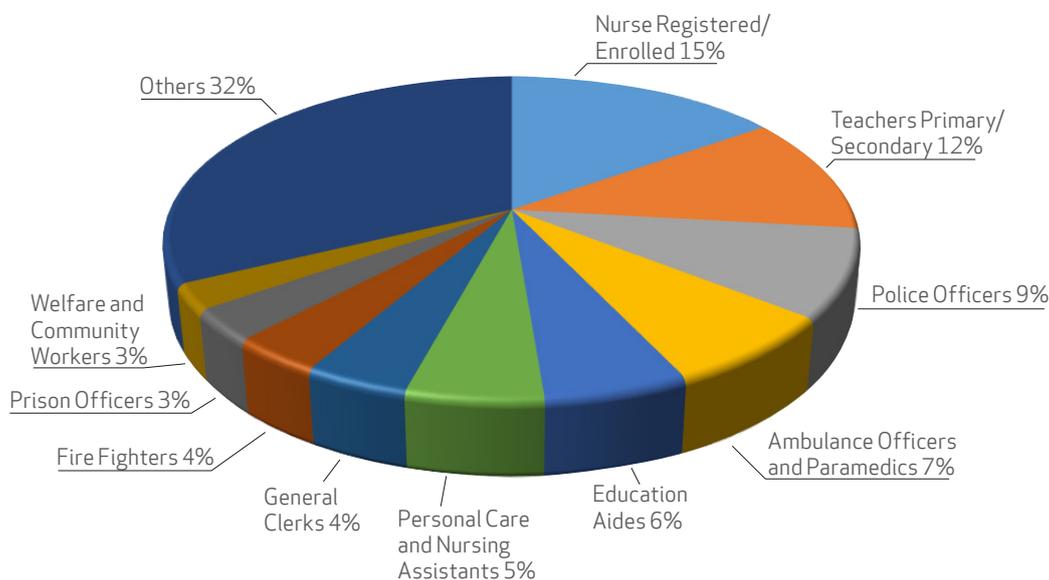
\* After 3rd party recoveries

Table 7: Summary of Estimated Outstanding Liability [Source: Office for the Public Sector]

## OCCUPATIONS WITH THE GREATEST NUMBER OF CLAIMS

The occupation with the greatest number of claims in 2016-17 was nursing, accounting for 15 per cent of new claims. The next largest groups were teachers at 12 per cent followed by police officers at nine per cent.

The top 10 occupations accounted for 68 per cent of all new claims in 2016-17.



Graph 3: New Claims for 2016-17 by Occupation (Source: Office for the Public Sector)

## 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, 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 within the public sector. OPS also provides industrial relations advice, support and representation to agencies, including advocacy at the South Australian Employment Tribunal in relation to disputes and monetary claims.

During 2016-17, 12 new enterprise agreements were approved by the Industrial Relations Commission/Fair Work Commission, including the following major agreements:

- Nurses and midwives (covering approximately 17 800 employees)
- TAFE SA education staff (covering approximately about 1300 lecturers and 1300 hourly paid instructors)
- Ambulance service officers (covering approximately about 1200 operational employees)
- Visiting medical specialists (covering approximately 380 employees)
- Trades employees (covering approximately about 200 employees);
- Assistants to Members of Parliament (covering about 190 employees)
- Rail Commissioner employees – train operations (covering approximately 350 employees), tram operations (covering approximately 80 employees) and maintenance (covering approximately 70 employees).

In addition, a number of other enterprise bargaining negotiations were commenced in this period, including for:

- SA Public Sector Wages Parity Enterprise Agreement: Salaried (covering approximately 37 000 employees)
- SA Public Sector Wages Parity Enterprise Agreement: Weekly Paid (covering approximately 6600 employees)
- Salaried Medical Officers (covering approximately 4000 employees)
- SA Metropolitan Firefighters (covering approximately 1100 employees)
- Rail Commissioner Tram Operations (covering approximately 80 employees) and Infrastructure employees (covering approximately 50 employees).

## EXCESS EMPLOYEES

New redeployment arrangements were introduced in the current enterprise agreement covering salaried employees and in my determination, which became operative in March 2015.

The process introduced a new approach to the assessment of declaring employees excess, the right to be offered a voluntary separation package, the case management of employees, the establishment of an inter-agency committee reporting to me and the introduction of a 12 month redeployment period.

The enterprise agreement required that a review be conducted after 12 months, and this was done by the Redeployment, Retraining and Redundancy (RRR) Committee.

A revised *Commissioner's Determination 7: Management of Excess Employees – Redeployment, Retraining and Redundancy* (Determination 7) was published on 7 April 2017. Some of the changes made included:

- formally declared excess employees can access vacancies before they are advertised
- a vacancy must not be advertised where there is an existing excess employee in the same agency and at the same classification
- clarification that it is not mandatory for an excess employee to undertake a formal job evaluation process (including application and interview process) to determine their suitability.

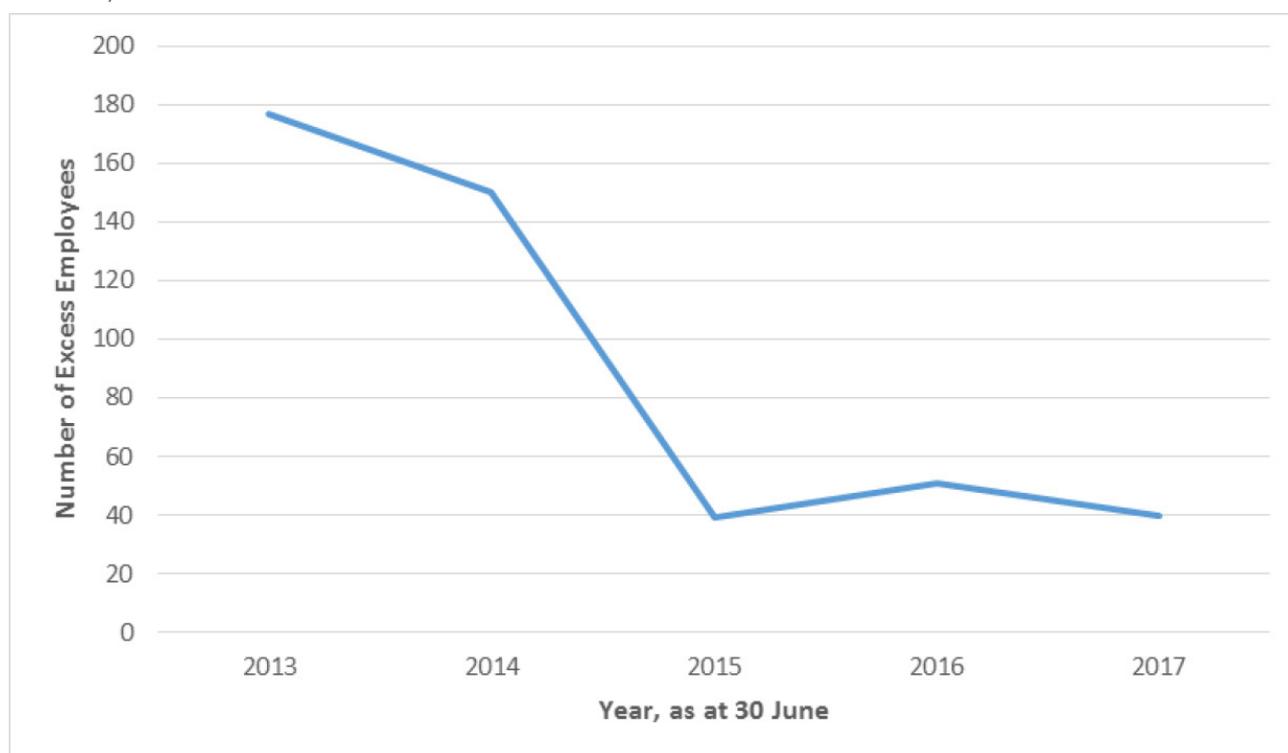
As at 30 June 2017, there were 40 excess employees across the public sector - 18 were employed under the salaried agreement and 22 employed under other agreements.

This represents a decrease compared to the 51 excess employees at June 2016, and 150 excess employees at June 2014 (prior to the revised provisions of Determination 7 in March 2015).

Of these 40 employees, nine are in temporary roles or on leave and 31 are available for immediate placement.

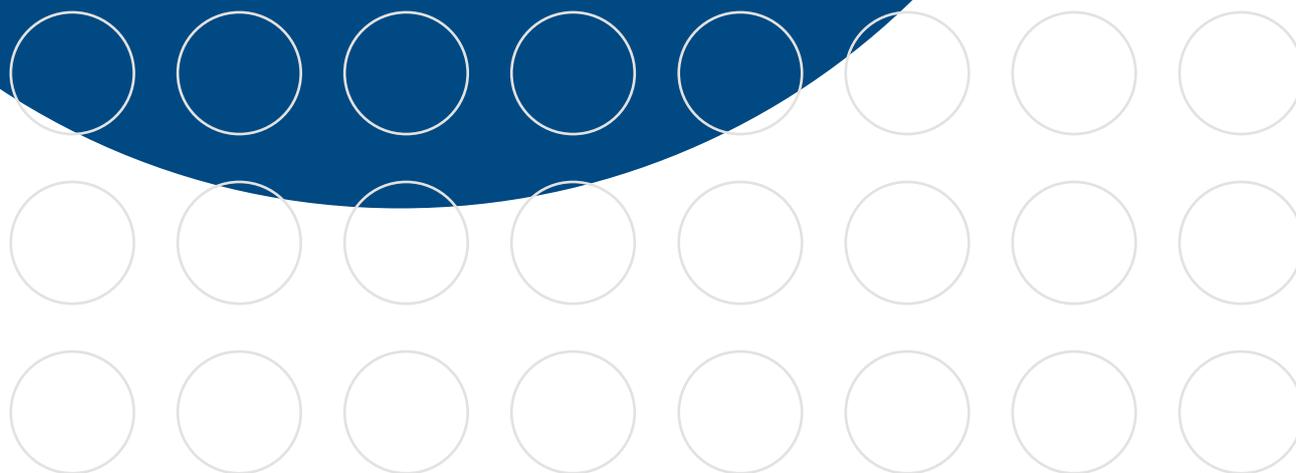
Six have been declared excess for nine months or more.

The five-year trend is below.



Graph 4: Number of Excess Employees, 2013-17 (Source: State of the Sector Reports)

# ATTACHMENT 1: Agencies Surveyed for the *State of the Sector*



**The survey of public sector agencies was carried out in July 2017. The following 49 agencies responded, and all verified their data as correct.**

Adelaide Festival Centre Trust  
Ambulance Service, SA (Included in Health's response)  
Art Galley of SA\*  
Attorney-General's  
Auditor-General's  
Carclew Youth Arts Centre Incorporated\*  
Carrick Hill\*  
Child Protection\*  
Communities and Social Inclusion  
Correctional Services  
Country Fire Service, SA  
Defence SA  
Education and Child Development  
Education Standards Board\*  
Environment Protection Authority  
Environment, Water and Natural Resources  
Essential Services Commission SA  
Film Corporation, SA  
Forestry SA\*  
Funds SA  
Green Industries SA

Health (Including Health and Ageing, Ambulance Service and Health Units)  
History Trust of SA  
Homestart Finance\*  
Housing SA (Included in Communities and Social Inclusion's response)  
Independent Gambling Authority (Included in Attorney-General's response)  
Lifetime Support Authority  
Local Government Grants Commission (Included in Planning, Transport and Infrastructure's response)\*  
Metropolitan Fire Service  
Motor Accident Commission  
Outback Communities Authority (Included in Planning, Transport and Infrastructure's response)\*  
Planning, Transport and Infrastructure  
Police, SA  
Premier and Cabinet  
Primary Industries and Regions  
SA Fire and Emergency Services Commission  
SA Government Financing Authority (Included in Treasury and Finance's response)  
SA Museum\*  
SACE Board of SA  
State Development  
State Emergency Services, SA  
State Library\*  
State Superannuation Office (Super SA) (Included in Treasury and Finance's response)  
TAFE SA  
Teachers Registration Board\*  
Tourism Commission, SA\*  
Treasury and Finance  
Water Corporation, SA  
Workcover Corporation (ReturnToWorkSA)\*

\*Did not participate in the 2016 *State of the Sector survey*

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:

**The Office for the Public Sector**

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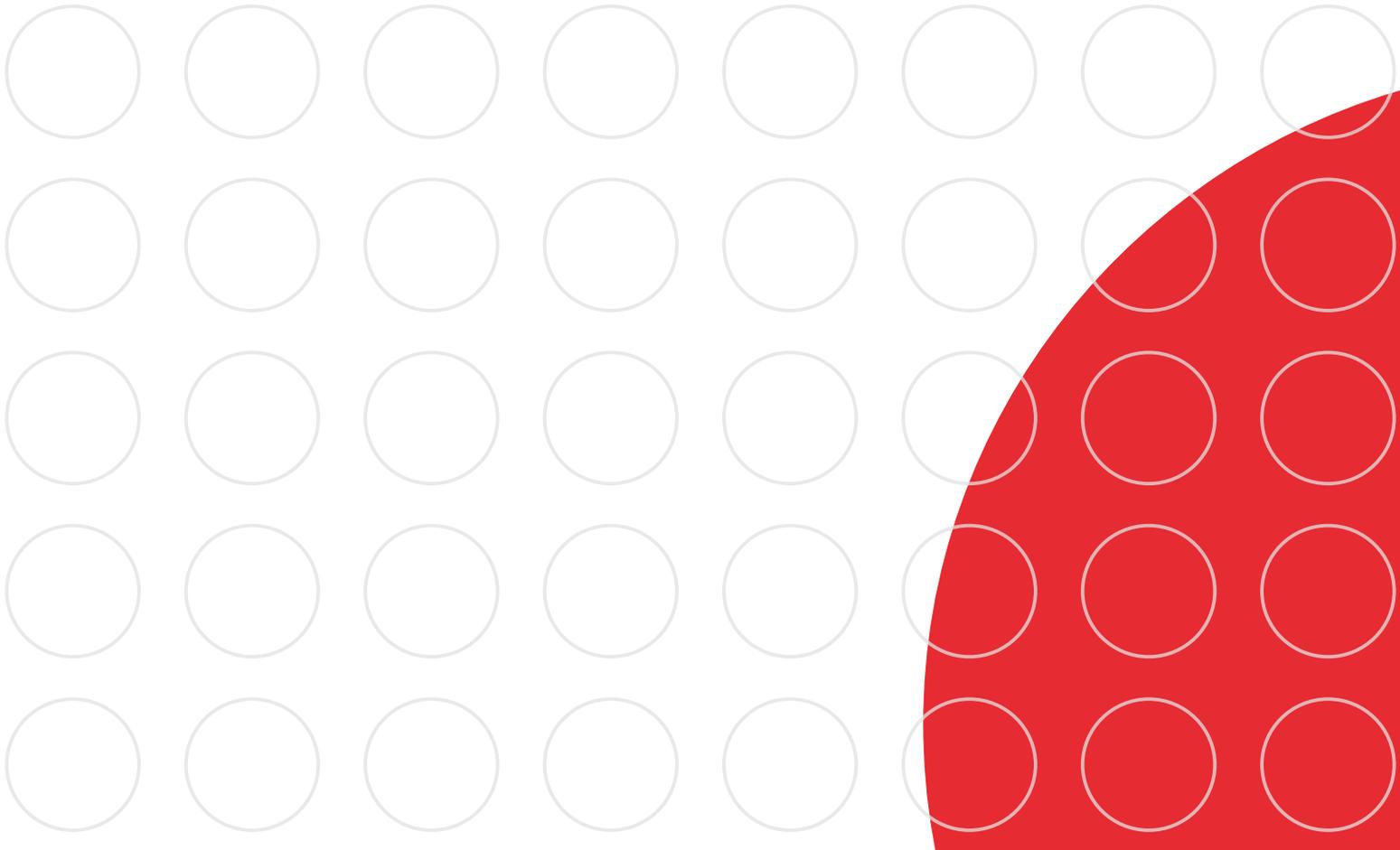
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