

DEPARTMENT OF THE SENATE

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27 MAY 1986

*Commonwealth Report*

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TABLEING SPEECH

MR PRESIDENT

I PRESENT THE 245TH REPORT FROM THE JOINT COMMITTEE OF PUBLIC ACCOUNTS ENTITLED SELECTION AND DEVELOPMENT OF SENIOR MANAGERS IN THE COMMONWEALTH PUBLIC SERVICE - RESPONSE TO REPORT 202 WHICH CONTAINS THE DEPARTMENT OF FINANCE MINUTE ON THE COMMITTEE'S 202ND REPORT AND MOVE THAT IT BE PRINTED.

(WHEN MOTION HAS BEEN AGREED TO)

MR PRESIDENT

I SEEK LEAVE TO MAKE A SHORT STATEMENT.

(WHEN LEAVE HAS BEEN GRANTED)

MR PRESIDENT

DEPARTMENT OF THE SENATE

PAPER No.  
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27 MAY 1986



*Mr. Chairman's Report*

WORK OF THE SENATE

**245**

Joint Committee of  
Public Accounts



# The Selection and Development of Senior Managers in the Commonwealth Public Service— Response

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SELECTION AND DEVELOPMENT OF SENIOR MANAGERS  
IN THE COMMONWEALTH PUBLIC SERVICE -  
RESPONSE TO REPORT 202

245TH REPORT

FINANCE MINUTE ON THE COMMITTEE'S 202ND REPORT

Australian Government Publishing Service  
CANBERRA 1986

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

FIFTEENTH COMMITTEE

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\*Ex-officio member being Chairman,  
House of Representatives Standing Committee  
on Expenditure

#### DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

Subject to sub-section (2), the duties of the Committee are:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

#### PREFACE

Arrangements to ensure that appropriate action is taken in response to comments contained in the Committee's Reports have been in operation since 1952 although they have been reviewed periodically. These were known as Treasury Minute arrangements.

Following the creation of the Department of Finance on 7 December 1976 it was agreed that the arrangements should continue as before but should be known as the Department of Finance Minute.

As they now stand the procedures are:

1. The Report of the Committee is tabled by the Chairman in the Senate and by a Member of the Committee in the House of Representatives. Motions are moved in both Houses of the Parliament that the Report be printed as a Parliamentary Paper.
2. The Chairman of the Committee thereafter forwards a copy of the Report to the responsible Minister and to the Minister for Finance with a request that he give the Report his consideration and inform the Chairman of the action taken to deal with the Committee's conclusions.
3. The reply received, in the form of a Department of Finance Minute, is then examined by the Committee and, together with the conclusions of the Report to which it relates, is submitted as soon as possible as a Report to the Parliament.
4. Should the Committee find during its examination of a Department of Finance Minute that certain recommendations are not fully dealt with or are subject to a further Minute, it holds an exploratory discussion with officers of the Department of Finance prior to the submission of the Minute to the Parliament.
5. In reporting a Minute to the Parliament, the Committee, except in special cases does not usually make any comment other than to note recommendations not fully dealt with or subject to a further Minute.

6. When the Committee next examines the Department concerned the Department of Finance Minute is considered by the Committee if applicable.
7. The Department of Finance furnishes the Committee with a half-yearly report on outstanding Minutes, indicating the progress made in dealing with the Committee's comments.

In accordance with the procedures outlined above, this report documents the Department of Finance Minute which was submitted in response to the Committee's 202nd Report.

For and on behalf of the Committee,

Senator G Georges  
Chairman

M J Talberg  
Secretary  
Joint Committee of Public Accounts  
Parliament House  
Canberra ACT

May 1986

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CHAPTER 1

INTRODUCTION AND COMMITTEE COMMENT

1.1 The Committee's 202nd Report on the Selection and Development of Senior Managers in the Commonwealth Public Service was tabled in Parliament on 28 October 1982. A summary of the Report is presented in Chapter 2.

1.2 The recommendations of the Report together with the Department of Finance Minute relating to the Report appear in Chapter 3.

1.3 In December 1983 the Government issued a policy paper, Reforming the Australian Public Service. The proposed reforms addressed the increasing complexity of government operations and the concomitant increase in managerial ability and accountability. They also reflected the perceived requirement for increased responsiveness by senior public servants to ministerial requirements.

1.4 The reforms outlined in the policy paper were contained in several pieces of legislation, the most significant being the Public Service Reform Act 1985.

1.5 Many of the issues raised in the 202nd Report and many of the recommendations were addressed by this legislation.

1.6 The Public Service Reform Act inter alia provided for:

- appointment of Secretaries for fixed periods
- the establishment of the Senior Executive Service (SES)
- SES vacancies to be open to applicants from outside the Australian Public Service (APS)
- greater mobility within the SES
- regular appraisal of work performance and staff development needs
- establishment of a temporary assignment pool
- no appeals against promotions to the SES
- provision of improved staff development opportunities on the basis of assessments of the needs of individual officers.

1.7 A number of other personnel policy initiatives have also been addressed, specifically:

- the development of equal employment opportunity and industrial democracy initiatives
- the establishment of permanent part-time employment throughout the APS
- more departmental emphasis and resources to be devoted to the development of internal management development programs and management training for senior staff.

1.8 Although the Committee is satisfied with the overall response to the 202nd Report, it felt that a number of the recommendations were not responded to adequately and sought further details from the Public Service Board on these, specifically Recommendations 10, 15, 25 and 31. The further response appears in Chapter 3. Further statistical information was also sought with reference to Recommendation 27.

1.9 The Committee recommended that 'a Committee of Senior Officers be established to identify Second and Third Division Officers of exceptional potential on the basis of nominations by Departments and suggest assignments to enhance their development'. The Public Service Board, whilst accepting the principle of the Recommendation, has varied the mechanism by which the objective could be achieved. The Committee sees merit in this varied mechanism and the response indicates the Board's view that the intent of the Recommendation will be achieved. Nonetheless, the Committee is disappointed that no special arrangements have yet been put in place to identify officers of exceptional potential for promotion. The Committee notes that in response to Recommendations 14 and 15 a pilot staff appraisal program is to be introduced into 6 Departments by the Board. This scheme will seek identify suitable appraisal criteria and it may be that, when fully developed, the proposed scheme could go a long way towards identifying potential promotees.

1.10 The Committee recommended the establishment of a Task Force to investigate selection criteria for a written senior staff appraisal scheme and which would report within 12 months to the Minister Assisting the Prime Minister in Public Service matters (Recommendation 15). The Task Force has not been established and no report has gone to the appropriate Minister. The development and implementation of the Staff Appraisal Scheme is being undertaken by the Senior Executive Staffing Unit which is also yet to report in any form to the Parliament or the Minister. The Committee therefore regards a report as necessary and requires a progress report from the Public Service Board giving an indication of when completion and implementation of the Staff Appraisal Scheme will take place.

1.11 Recommendation 21 recommended that the Public Service Board publishes a guide outlining the skills, knowledge and target performance criteria for senior managers in the Public Service. The Committee looks forward to the guide being presented and passed on to the the Committee immediately it becomes available.

1.12 The establishment of permanent part-time work was an important Recommendation (Recommendation 25). While the delay in implementing this Recommendation is regrettable, the Committee notes that the Public Service Board has now announced that permanent part-time work is now available in Commonwealth Government employment. The Committee required the Public Service Board to make a progress report within 12 months and was most disappointed not to receive such a report. It is still expected.

1.13 Recommendation 27 stated that with a few exceptions no officer should remain as a senior officer of the Board for more than seven years consecutively. The Committee sought updated statistics on the length of time senior officers have spent with the Public Service Board. The Committee noted that the average length of time spent in the Board's office by SES staff had dropped from 17.3 years to 13.8 years. However the average continuous length of service with the Board was 11.1 years, with the average length of service in present position being 2.8 years. Although some improvement is evident, average continuous length of service with the Board is still 4 years in excess of the Committee's recommended length of stay.

1.14 The Committee further required the Public Service Board to provide it within 12 months proposals for involving senior officers in determining and receiving management training for senior staff (Recommendation 31). The Committee has not received these proposals and finds the Response to the Recommendation inadequate and unsatisfactory.

1.15 However, the Committee notes the large number of policy revisions which have established new procedures relating to the selection and development of senior managers. These new procedures should go a long way towards redressing the deterioration in the quality of the personnel in the senior levels of the APS and ensure that the public service is manned by competent and efficient officers.

## CHAPTER 2

### SUMMARY OF REPORT 202

#### Background

2.1 The Committee's 202nd Report on the Selection and Development of Senior Managers in the Commonwealth Public Service was tabled in the Parliament on 28 October 1982. The Finance Minute was sent to the Committee on 9 September 1985.

2.2 The Inquiry addressed problems of Public Service personnel policy, given that the management of the Public Service was not meeting the demands of Government. The structure, rules and procedures of the Public Service were seen to be increasingly ill-adapted to managing efficiently and effectively an organisation of such size and diversity as the Australian Public Service and failed to take account of the complexity of modern government. In particular the major immediate problem was to ensure a sufficient pool of candidates of suitable quality for promotion to Second and senior Third Division vacancies.

#### Objectives

2.3 The objectives of the Inquiry were:

- (1) to foster improved selection and development methods for senior public servants.
- (2) to enhance the productivity and performance of the departments and agencies of the Commonwealth Public Service by improving the standard of senior management.

2.4 The Committee obtained information from the Public Service Board, Commonwealth Departments and a range of Commonwealth instrumentalities on:

- selection and development procedures for potential senior managers;
- internal and external recruiting;
- training and refresher courses for senior managers;
- mobility; and
- suggestions for improving selection and development.

2.5 The Committee sought the views of a cross-section of Department Heads and senior public servants, and heard evidence from union representatives, staff associations, senior women public servants, and academics. In May the Committee held its third Parliamentary Seminar entitled Parliamentary Accountability and Management of the Public Sector: Selection and Development of Senior Public Servants.

2.6 In addition, the Committee examined private sector management selection and training, sought the advice of private sector executives and personnel consultants, and considered recent developments in senior public service staff selection and development practices in Canada, the USA, Britain and other OECD countries.

#### Profile of the Senior Service

2.7 Sir Frederick Wheeler, former Chairman of the Public Service Board, saw the Second Division thus:

'We believe that top administration and management is a distinct, integrated function and that even where a Second Division position has a professional or technical content the choice of appointees should in high degree be on the basis of administrative and managerial abilities.'

2.8 However this Committee found that this description could no longer be applied to the second Division and improved selection and development policies and practices were required.

2.9 Several developments over the last few years could go some way towards improving the quality of senior management. Senior level staff development programs such as the Executive Development Scheme (EDS) and the Interchange Scheme should accelerate the development of potential promotees and increase the supply to the Second Division from within the main feeder pool (i.e. the upper levels of the Third Division) and from other areas.

#### Public Service Management

2.10 The Committee stated that tasks of senior Commonwealth public servants have changed substantially since the 1959 Boyer Report into Public Service Recruitment. Traditionally, senior public servants were expected to assist and serve Ministers. They are now being held increasingly accountable for their capacity to manage and direct and they should see their mandate as attempting to achieve the policy objectives and priorities established by the political process, developing programs to implement these policies, and seeking adequate resources to implement them effectively with due regard to economy and efficiency.

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1. Sir Fredrick Wheeler, Providing for future Management needs in the Commonwealth Service, Australian Journal of Public Administration, Vol.30, No.1, 1971, p.1.

#### Recommendations

2.11 The 37 recommendations specifically addressed the following areas:

- selection of Department Heads
- structure of senior management
- permanency
- external recruitment
- staff appraisals
- senior selection and appeals system
- role of the Public Service Board (PSB) in senior selection
- women in senior management
- on-the-job development
- mobility
- training courses
- development opportunities for senior women
- departmental management development programs
- the PSB and senior staff development

2.12 The Department of Finance Minute incorporating the Public Service Board response to the 37 recommendations follows.

#### CHAPTER 3 DEPARTMENT OF FINANCE MINUTE ON REPORT 202

#### INTRODUCTION

3.1 The Public Service Board has prepared a response to the thirty-seven Recommendations contained in the Report. That response is given below.

3.2 In October 1982, the Joint Committee of Public Accounts (the Committee) reported in its 202nd Report on the selection and development of senior managers in the Australian Public Service. There have been significant reforms of the Australian Public Service in recent times including in those areas covered by the Committee's Report. That Report played an important role in the development of those reforms.

3.3 In December 1983 the Government issued a policy paper, Reforming the Australian Public Service, setting out, as a basis for consultation, a wide range of proposals for the reform of the Australian Public Service.

3.4 The proposals included in the policy paper have now or are being implemented either by legislation or administrative action, and the Board's responses to the recommendations of the Committee take account of these legislative and administrative changes. The main reforms were those introduced by the Public Service Reform Act 1984. For ease of reference a copy of the Act and the policy paper are at Attachments A and B.

3.5 Some general background relating to the Public Service reforms which have now been effected may be helpful. The Public Service Board Annual Report 1983-84 provides a useful overview and copies of the relevant pages of that Report are at Attachment C.

#### RECOMMENDATIONS

##### Recommendation 1

Any new Department Head appointments be made on a fixed-term basis. (2.19)

##### Response

3.6 The Reform Act did not provide for all Secretary appointments to be made for a fixed term although an option is available for persons from outside the Public Service to be appointed to the APS as Secretaries for

fixed periods, with appropriate superannuation arrangements (Section 27 Attachment A). However, consistent with para 2.2.6 of the policy paper a flexible system for the rotation of Secretaries will be put into operation. After a person has held a position of Secretary for around five years the Chairman of the Public Service Board will give consideration to raising with the Secretary and the Minister the possibility of another placement, and report to the Prime Minister on what action would be appropriate under the circumstances. In order to make the rotation system operate effectively the Government has decided to continue the practice of maintaining the salary and status of a Secretary when moved to another position that may have a lower salary determined for it by the Remuneration Tribunal.

#### Recommendation 2

Advantages to 'established candidates' be removed from the Public Service Act 1922. (2.23)

#### Response

3.7 The views of the Committee on this matter were reflected in the policy paper at para 2.2.2 and the provision relating to established candidates has been repealed. The new provisions dealing with the appointment of Secretaries of departments are contained in Sections 35-41 of the Public Service Act (Section 27 Attachment A).

#### Recommendation 3

A Committee of Senior Officials, comprising the Chairman of the Public Service Board and two Department Heads nominated annually by the Minister Assisting the Prime Minister on Public Service Matters, be established to identify Second and Third Division officers of exceptional potential on the basis of nominations by Departments and suggest assignments to enhance their development. This Committee should report annually to an appropriate Cabinet sub-committee responsible for Public Service matters. (2.28)

#### Response

3.8 While a committee as proposed in this recommendation has not been established the Public Service Board notes the Committee's view in para 2.24 that the primary objective of its Inquiry was to ensure the development of an adequate pool of senior managers from which Department Heads may be drawn. The Board agrees with the Committee's perceived need to provide comprehensive career development opportunities both early in a person's career and as they progress through the Service.

3.9 It is primarily the responsibility of departments to provide appropriate staff development for officers below the Senior Executive Service (SES), including officers referred to by the Committee as 'high flyers'.

3.10 The Board does, however, provide a number of staff development opportunities to officers below the SES on a Service-wide basis. These include the Administrative Trainee Scheme, re-introduced in 1985, the Personnel Management Scheme and the Executive Development Scheme all of which provide a mix of classroom training and practical experience by placement in various departmental areas. The Board also offers a range of opportunities for sponsored tertiary level study, including management courses. Details of opportunities available are provided in the Board's Annual Reports.

3.11 The identification of officers of exceptional potential in the SES will be enhanced through the greater involvement by the Public Service Board in the management of the SES. (Details of the Board's involvement are provided in the response to recommendation 8.)

3.12 Provision of improved staff development opportunities is a significant feature of the SES. The policy paper outlined a number of initiatives that are being introduced such as:

- a special development program, called the Senior Executive Management Program, which is designed to assist all new entrants to the SES in the transition to senior level management, and to enhance their effectiveness at that level. The program is also intended to promote esprit de corps and knowledge, and observance of, required standards of Public Service ethics (see also response to Recommendation 30);
- sponsorship of further management and skills training, including Senior Executive Conferences and Occasional Seminars, which are intended to help members of the SES improve their range of management skills and their understanding of the implications of important policy, legislative and administrative developments (see also response to Recommendation 30);
- a staff mobility program and Temporary Assignment program (see for example responses to Recommendations 9, 11, 13, 28 for more details).

#### Recommendation 4

The Second Division be abolished and a Senior Executive Group be created. (2.42)

#### Response

3.13 The Second Division was abolished and the Senior Executive Service created by changes to the Public Service Act which were proclaimed on 1 October 1984.

#### Recommendation 5

Promotion to the Senior Executive Group and within the Group be to a personal grade or level, rather than to specific positions, leaving Department Heads to allocate (and reallocate) specific tasks within a pool of senior executives. (2.44)

#### Response

3.14 Although the Public Service Act provides that promotions will still be made to positions rather than a personal grade or level, in accordance with section 25(2) of the Public Service Act (Attachment D) a Secretary is responsible for the general working of a department and may, in practice, allocate or reallocate specific tasks between senior executive officers in her or his department. The Committee's attention is also drawn to the response to recommendation 6 in relation to this matter.

#### Recommendation 6

These promotions be made on the basis of general management, policy and administrative skills, rather than the ability to do a specific job. (2.44)

#### Response

3.15 This recommendation is now reflected in the Public Service Act. Section 49C of the Public Service Act (Section 31 Attachment A) provides that in selecting a person for promotion to an SES position regard will be had to the relative efficiency of the available officers. The section defines efficiency to mean the suitability to discharge not only the duties of the vacant office but also the duties of SES offices having classifications the same as or equal to the classification of the vacant office. Thus, a person's ability to perform generally at a relevant pay level is an important element in selection.

3.16 The legislation requires that assessments of relative efficiency take into account the purposes for which the SES is established, namely to provide a group of officers who may undertake higher level policy advice, managerial and professional responsibilities and who may be deployed so as best to promote the efficiency of the Service.

#### Recommendation 7

Departments have much greater flexibility to design their top structures to accommodate the strengths and weaknesses of particular senior executives (thus a Department would have freedom to promote an individual to a higher level without necessarily adding to the breadth of his or her responsibilities, and also to reduce the role of an officer with limited abilities). (2.44)

#### Response

3.17 The transfer to Secretaries of Departments of the Public Service Board's power over the creation, abolition and allocation of duties to positions will greatly enhance the ability of Secretaries to design their top structures as they wish, including for reasons relating to the abilities and strengths of officers in the department. This could include reclassification of positions, either upwards or downwards, subject to any resource limitations and salary profile controls determined by the Government and subject to the Board's requirements relating to classification standards. (See also the response to recommendation 8.) The Public Service Act also provides for SES officers to be transferred within or between departments where this is in the interests of the efficiency of the Service and the career development of the officer.

#### Recommendation 8

Current Public Service Board control over top structure will be replaced by limits on the aggregate number of officers at each level in the Senior Executive Group, together with an active role in advising departments on promotion criteria, top structure design and other aspects of senior management. (2.44)

#### Response

3.18 As mentioned in the Board's response to recommendation 7, Secretaries of Departments have been empowered to create and abolish positions, these powers being exercised within numbers and salary profile controls approved by the Government following advice from the Department of Finance. In relation to the Committee's recommendation as it concerns the Board's role in advising departments on promotion criteria, broad promotion criteria are specified in section 49C of the Public Service Act (Section 31 Attachment A).

3.19 As to the Board's role generally, it is intended that the SES be developed and managed as a corporate entity, that is, staff decisions will be taken in the context of the needs of the Public Service as a whole, as well as the short-term interests of particular departments. The Public Service Board is required to take a prominent role in staff selection, development and placement. The Public Service Board is represented on all selection committees and makes final decisions on appointments, promotions and on transfers between departments. It has established a Senior Executive Staffing Unit to provide a focus for the Board's activities relating to the SES. The Unit's main areas of activity to date have been the:

- co-ordination of the transition from the former Second Division to the SES;
- development and promulgation of detailed procedures for advertising vacancies, for appointing, promoting or transferring people and for making some types of redeployments and retirements;
- administration of the selection and placement process;
- establishment of contact with Secretaries and with key staff in their departments and the conduct of information seminars for members of the SES;
- consultation on specific issues with staff associations; and
- delivery and enhancement of staff development programs for the SES.

3.20 In addition, considerable developmental work has been done towards putting into effect the remaining elements of the SES framework.

3.21 Management of the SES requires close consultation and co-operation between the Board and Secretaries of Departments. To facilitate this the Board established in August 1984 a Secretaries' Advisory Committee on senior staffing matters, chaired by the Public Service Board. Membership of the Committee is to be rotated among departments and statutory authorities. The Committee meets with the Board from time to time to discuss senior executive staffing matters.

#### Recommendation 9

Where serious consideration is being given to recruiting an officer from another department to a senior level, Public Service procedures be altered to allow that officer to be seconded for a trial period of six months before being permanently promoted or transferred. (2.44)

#### Response

3.22 This has not been provided for in the reform legislation. There are significant practical difficulties, such as creating long delays in filling both the initial vacancy and the position that would become vacant as a result of the trial placement. Increased mobility including the Temporary Assignment Program, however, will provide more opportunity for officers to prove themselves in a variety of work areas.

3.23 Through the Temporary Assignment Program, SES officers can be made available to participate in short-term, high priority tasks which need to be undertaken in agencies other than their own. The Board expects the Program to become operational during 1985-86.

#### Recommendation 10

Where specialist knowledge is required or where it is necessary to promote talented specialists to avoid losing such skills to the private sector, specialist positions be created with salary levels equivalent to the Senior Executive Group. The holders of those positions would not form part of the Senior Executive Group. (2.45)

#### Response

3.24 The determination of pay rates for specialist groups (for example, medical practitioners, research scientists, and other professional groups) including the senior levels where rates are above the base level of the SES, reflects particular occupational expertise and career structure and recruitment and retention considerations. As such it is not appropriate to equate positions in these groups with senior management levels in the Australian Public Service generally.

#### Further Response

3.25 The rates of pay for senior positions in some specialist groups (for example, medical practitioners, research scientists) already overlap senior management salaries. Such rates are set to reflect particular occupational expertise and career structures and to respond to recruitment and retention considerations. In recognition of their specialist qualifications and duties, senior officers in these structures though in receipt of salary above the base level SES, do not usually form part of the SES.

3.26 In certain cases where it is necessary to acquire the expertise of a particular individual, and there can be no resulting pressure on overall classification standards, a specialist officer may be placed at a higher salary than

that normally attaching to the job. The classification of a position occupied on this basis would be reviewed on vacancy.

#### Recommendation 11

A limited number of high profile temporary assignment projects be created and be available on contract to Second Division officers or to top managers outside the Public Service. (2.48)

#### Response

3.27 The creation of the Temporary Assignment Program will provide a means of implementing this recommendation. As a general comment however the nature of any employment arrangement must depend basically on the nature of the work to be performed.

3.28 More opportunities are being provided for fixed term employment in the senior levels of the Public Service. Section 44 of the Public Service Act (Section 28 Attachment A) specifically provides for fixed term appointments.

#### Recommendation 12

The concept of 'permanency' implicit in the Public Service Act be re-defined:

- (a) so that senior career officers have 'permanency' within the public service but no claim to a specific rank or position indefinitely; and
- (b) the holding of senior rank within the Senior Executive Group depends upon consistent and satisfactory performance of duties together with the needs of the department and the Service. (2.51)

#### Response

3.29 In the day to day management of SES staff it is intended that continuing attention be given to the work performance and staff development needs of senior executives on an individual basis and that the performance of staff be kept under review in the interests of the efficiency and economy of the Service. It is normal management practice for staff who for any reason can no longer be used efficiently in one job or department to be moved to another job or department. At all times the aim is to place people in positions where they can perform efficiently and to the best advantage of the Service with, of course, regard for their own career wishes.

3.30 The reform legislation provided specifically for redeployment and retirement. The Public Service Act now provides for staff, who after reasonable efforts have been made cannot be placed satisfactorily at their existing levels, to be transferred to a position at a lower level or retired from the Service. The criteria which must be met before the Board may conclude that a person should be dealt with in this way are set out in the legislation. A right of appeal is provided to a tribunal, constituted within the Merit Protection and Review Agency. Such an appeal could be made, for example, on grounds that all reasonable efforts have not been made to place the officer, that the decision to reduce or retire is incorrect on the merits or that any lower classification level is incorrect.

#### Recommendation 13

To increase inter-departmental mobility and external appointments and to further encourage upward mobility between career streams on the basis of merit, all Senior Executive positions be openly advertised, and be available for candidates from outside the Public Service. (2.54)

#### Response

3.31 Since the legislation establishing the SES came into effect all SES vacancies are open to candidates from outside the Public Service. All vacancies are advertised in the Australian press and the Public Service Gazette has been redesigned to bring together all vacancies.

#### Recommendation 14

Written staff appraisals be established for officers at and above Class 9 level (or professional/specialist equivalent positions). The form of written appraisal is to be the responsibility of each department or agency, using broad guidelines to be advised by the Public Service Board. (2.60)

#### Response

3.32 The policy paper endorsed this recommendation specifically and Service-wide staff appraisal is to be introduced for the SES. Further details are included in the Board's response to recommendation 15. While the appraisal system will initially concentrate on the SES, it is envisaged that the system will be extended to the SES feeder levels in time.

#### Recommendation 15

The Minister Assisting the Prime Minister in Public Service Matters establish a Task Force of three to

investigate selection criteria appropriate for a written senior staff appraisals scheme. The Chairman of the Task Force should be a senior officer nominated by the Public Service Board, preferably a Department Head supported by an expert from a management consultant firm and a Second Division Officer with extensive experience in both policy and management work. The Task Force should report to the Minister Assisting the Prime Minister in Public Service Matters within twelve months of this Report being tabled in Parliament. (2.60)

**Response**

3.33 The task of developing and implementing the staff appraisal scheme has been given to the Senior Executive Staffing Unit. In developing the scheme the Unit is examining overseas practices in relation to staff appraisal, obtaining expert advice on design of appraisal systems and consulting extensively with Secretaries of Departments, Senior Executive officers and staff associations. Endorsement of the general approach has been sought from the Secretaries' Advisory Committee.

**Further Response**

3.34 As indicated in the Board's response to this recommendation, the task of implementing staff appraisal in the SES is already underway. A consultant has been engaged to advise on an appropriate form of staff appraisal and is currently working on the identification of suitable appraisal criteria. The consultant recommended that the appraisal be introduced initially by way of a pilot study in 6 departments. This approach has been endorsed by a meeting of Secretaries of departments with the PSB, and the Board is currently negotiating with departments for the establishment of pilot schemes.

3.35 The Board will be reporting on progress in its annual report to Parliament. Given that implementation of appraisal is proceeding smoothly, the Board does not see a need for a separate report of the sort envisaged in recommendation 15.

**Recommendations 16 to 20**

16. The establishment of a single committee to hear and determine all appeals against Senior Executive Group promotions. The Chairman should have wide senior management (First and/or Second Division) experience in the Commonwealth Public Service.
17. The Chairman to be appointed for no more than three years. It may be appropriate for senior retired officers to be considered.

18. Each Departmental representative on the Committee for each separate appeal to be a Second Division officer.
19. Each staff representative to be chosen from a panel of Second Division officers.
20. Where either or both the promotee and the appellant(s) is a woman, consideration be given to having a woman as a member of the Promotions Appeals Committee.

**Response**

3.36 Recommendations 16 to 20 relate to the establishment and composition of an appeal committee for SES promotions. The Government stated in its policy paper (para 2.3.19) that "appeals against promotions to or within the SES are no longer necessary". Appeal provisions for the SES ceased on 1 October 1984 when the SES was established.

**Recommendation 21**

The Public Service Board publish a guide which outlines in detail the skills, knowledge and target performance criteria for senior managers in the Public Service against which Department Heads would be expected to assess promotees to the Second Division. This guide should be periodically reviewed. (2.72)

**Response**

3.37 Broad criteria for SES Selection decisions are now set out in section 49C of the Public Service Act (Section 31 Attachment A). As mentioned in the response to recommendation 8 a Senior Executive Staffing Unit has been established within the Board's Office and takes a prominent role in senior staff selection. There is a Board representative on every SES selection panel. Establishment of performance criteria of the kind envisaged by the Committee is being examined as part of the development of staff appraisal. It is also intended that progressive improvement of selection processes in the SES will emphasise, among other things, improved selection criteria.

**Recommendation 22**

The Public Service Board undertake and publish an annual survey of senior officers. (2.74)

#### Response

3.38 A Senior Executive Inventory is being developed to support staff selection, placement and development activities. The Inventory will provide a central record of the qualifications, skills and experience of all members of the SES. It will be extended progressively to staff at levels immediately below the SES.

3.39 The Inventory will be an important information resource for identifying people who might be considered for secondment or temporary transfer to undertake special tasks or for substantive transfer to positions which require special qualifications, skills or experience. It will be useful on occasions when a strong field of applicants has not been attracted by advertising a vacancy, by enabling the Board to put forward additional names of people who may be suitable for the vacancy but who did not apply at the time.

3.40 The initial stage of the Inventory, which provides for a record of biographical and work history information, has been established using information from the Board's Central Record of Personnel. During 1985 members of the SES have been asked to verify and supplement the information.

3.41 Statistics on the SES will be published in the Board's Annual Reports and Annual Statistical Year books. The extent to which other information on the SES will be made publicly available will need to take account of issues including those relating to privacy.

#### Recommendation 23

Within twelve months of this Report being tabled in Parliament, the Public Service Board provide a report to the Public Accounts Committee on progress made on each of the recommendations made by the Equal Employment Opportunity Bureau for improvements in selection and development processes. (2.83)

#### Response

3.42 The Public Service Board responded to this recommendation when it reported on action relating to equal employment opportunity taken both by the Board and in each department in its 1982-83 Annual Report (a copy of the relevant pages of the Report is at Attachment E).

3.43 The Board has implemented a number of staff development initiatives to create a more positive environment for women, including:

- the development of training packages for mixed groups on management and supervision and interpersonal skills to sensitise and educate male managers to working with women;

the development of training packages specifically for women on assertiveness skills and career planning, both key skills needs identified in the 1981 survey of senior women;

further encouraging women to take part in Service-wide management training programs, for example the Executive Development Scheme, by individual letters of invitation to eligible women, facilitating the formation of support and information networks for women in each capital city through seminars and workshops involving senior women officers; and

developing and promoting the inclusion of information on the equal employment opportunity responsibilities of managers in developmental programs for senior staff, for example the Senior Executive Management Program.

3.44 The Equal Employment Opportunity Bureau has continued to provide a consultancy service to departments seeking advice on achieving equal employment opportunity for women and to provide advice and counselling on informal inquiries. It has also continued to investigate formal grievances made by individual women officers.

3.45 Section 22B of the Public Service Act (Section 11 Attachment A), proclaimed on 1 October 1984, requires departments and prescribed authorities to develop, implement and maintain Equal Opportunity Programs to ensure equal employment opportunity for women, Aboriginals, migrants and people with disabilities in the Public Service. Through these programs each department will be required to review its recruitment, promotion and staff development practices to identify and eliminate unfair discrimination and to set reasonable targets to measure their improvement in all these areas. The Public Service Board has set guidelines for these programs and will monitor them and report on this and the effectiveness of these programs through its Annual Reports to Parliament.

#### Recommendation 24

In order to attract more women of senior management potential to the Service consideration be given to advertising a much higher proportion of middle and upper level Third Division jobs outside the Service. (2.85)

#### Response

3.46 The Board recognises the value of advertising middle and upper Third Division jobs outside the Service as it facilitates recruitment of people with particular skills and, at the same time, provides an opportunity for the

reappointment at suitable levels of qualified and efficient former officers (many of whom will be women who have left the Service for family reasons). It is noted, however, that staff associations have, from time to time, expressed reservations about outside advertising of vacancies.

3.47 Positive steps which can be taken to encourage women to respond to vacancy advertising have been listed in Equal Employment Opportunity Programs - Guidelines No. 3 which was published by the EEO Bureau in March 1985 (The relevant section of Guidelines No. 3 is at Attachment F).

#### Recommendation 25

The Public Service Board establish as soon as possible an implementing committee to co-ordinate the actions necessary to extend permanent part-time opportunities throughout the Australian Public Service. The Committee's report on this matter is to be made available to the Public Accounts Committee within twelve months. (2.87)

#### Response

3.48 The reform legislation makes provision for the introduction of permanent part-time employment. The legislation includes a requirement that the Board consult with relevant staff organisations about implementation of the permanent part-time work provisions. In accordance with this requirement the Board has consulted with the ACTU and three of its affiliated unions, ACOA, APSA and POA. The basic framework has been agreed. As implementation will proceed by way of awards of the Conciliation and Arbitration Commission which will cover the conditions of employment of part-time officers and the detailed arrangements it is necessary for awards to be negotiated with individual staff organisations. These negotiations are proceeding. The Board will provide information on permanent part-time employment in its Annual Reports to Parliament.

#### Further Response

3.49 Negotiations with the ACOA about its award have been completed and the draft cleared by the Commission. The formal award will not be made until the related superannuation regulations giving coverage to part-time officers are completed. It is anticipated these regulations will be finalised in April 1986. Discussions are at various stages with APSA, FCU and POA concerning their respective awards.

3.50 The Board will provide information on permanent part-time employment in its annual report.

#### Recommendation 26

The Public Service Board provide guidelines to Departments for improving on-the-job development opportunities for potential Second Division officers. (3.15)

#### Response

3.51 The Board recognises the consequences for Public Service efficiency of inadequate investment in personnel development for staff, particularly management development.

3.52 Consistent with the need for an increased focus on more broadly-based development programs, the Board has taken various initiatives. These include:

- establishment of an interdepartmental working group to advise the Board on action required to upgrade the training of personnel development staff throughout the Service;
- commencement of a regular series of conferences and workshops for managers of the personnel development function within departmental Central Offices;
- in collaboration with departments, the introduction in a number of State capitals of a series of management development programs for middle to senior level managers, together with trial programs to facilitate interdepartmental staff mobility for developmental purposes; and
- the broadening of conditions of eligibility under the Studies Assistance Scheme and a review of the Scheme.

3.53 The Board intends to take further initiatives to assist departments in upgrading personnel development activities.

3.54 To encourage a system of staff placements details of the Executive Development Scheme (EDS) and of the developmental techniques used in it have been advised to departments. Several departments have introduced programs along the lines of EDS for their own staff members.

#### Recommendation 27

With the exception of some specialist positions within the Board, no officer should remain as a senior officer of the Board for more than seven years consecutively. (3.26)

#### Response

3.55 A fundamental aim of the creation of the SES is to ensure that senior officers become more mobile. The objective is to achieve a balance of benefits for the Service as a whole, departments and individual officers. This policy will apply to senior Public Service Board officers and the Board is developing a mobility scheme for its own staff consistent with Service-wide practice. The response to Recommendation 28 covers Service-wide mobility.

#### Recommendation 28

The Public Service Board in consultation with all Department Heads draw up clear guidelines to develop a mobility scheme for senior officers. (3.26)

#### Response

3.56 The Board is currently developing programs to improve mobility of SES officers between departments. The broad aims of these programs will be to:

- strengthen departmental management teams which for one reason or another lack depth in management skills or which need to change the mix of their managers;
- enable priority tasks to be dealt with through the temporary assignment of people with the necessary skills;
- provide opportunities for SES staff to broaden their skills and perspectives and exercise their executive and professional skills in a wider range of fields;
- increase job satisfaction by providing the opportunity for more varied work experience and new challenges;
- foster a corporate identity for the SES and promote greater co-operation between Australian Public Service departments and agencies by ensuring that SES officers have the opportunity to work in more than one organisation; and
- provide opportunities for women and members of designated groups to enhance their career development by gaining a broader range of work experience.

3.57 It is expected that the program will be directed at:

- management initiated mobility, by which Secretaries can nominate staff who would benefit from a broadening of work experience in other agencies or positions in their departments which could be filled by people from other departments; and
- officer initiated mobility, by which SES officers can enhance job satisfaction or broaden their career horizons by seeking transfer to other departments without having to enter a competitive selection process for positions at their own level.

3.58 Mobility within departments is a responsibility of departmental Secretaries. The Board will be seeking opportunities to discuss the levels and nature of intra-departmental mobility with Secretaries.

3.59 The Board has developed procedures for placing SES officers who are unattached or who, for other reasons, have requested assistance with placement or transfer. Early indications are that this sort of activity is very time consuming, involving extensive negotiations with SES officers and departments and searches to locate suitable positions.

3.60 A further area of mobility is the Temporary Assignment Program, through which SES officers can be made available to participate in short-term, high priority tasks which need to be undertaken in agencies other than their own. As stated earlier, the Board expects the program to become fully operational during 1985-86.

3.61 It is not intended that the staff mobility program will prevent senior executives from pursuing more specialised career paths within the SES if they wish to do so. However such staff will be encouraged to develop a broader range of skills, including skills relating to management and policy advising, which will improve their overall performance in their chosen fields and leave open the possibility of pursuing other career options at a later stage.

#### Recommendation 29

The Interchange and Executive Development Scheme programs continue. The Public Service Board should seek ways to promote and facilitate Interchange more effectively and increase the challenge and worth of its work assignments (3.36)

#### Response

3.62 The Interchange Program and the Executive Development Scheme (EDS) will continue. The Board

believes they are working very effectively. A major evaluation of EDS is currently underway with a view to effecting further improvements in this scheme.

3.63 The Chairman of the Board has written to Secretaries of departments encouraging them to take a personal interest in nominating SES and other senior officers to all of the Service-wide development programs, including the Interchange and Executive Development programs. In addition, letters about the Executive Development Scheme are sent to officers on their promotion to positions from which they are eligible to participate in the Scheme. In relation to the Interchange Scheme the Board has recently improved its procedures for selecting Interchange placements, negotiating work placements, monitoring work placements and for the process of re-integrating participants to their departments on the completion of a placement under the Program.

#### Recommendation 30

The following topics be included in Second Division training programs:

- the economy and Commonwealth expenditure;
- employer function of chief executives;
- leadership skills (personal efficiency, ability to set priorities);
- general efficiency of public authorities including industrial relations; and
- technology and modern tools of management.

(3.42)

#### Response

3.64 The topics recommended by the Committee have been included in the Curricula for management coursework for SES programs such as the Senior Executive Management Program (SEMP) and Senior Executive Conferences. A copy of the curricula for a recent SEMP and a list of Senior Executive Conferences and seminars conducted in 1984-85 is at Attachment G. A high priority has been given to staff development as an integral part of the management of the SES. Training and development opportunities for SES officers have been substantially increased following the introduction by the Public Service Board, during the latter part of 1983 and early 1984, of new development programs for these officers. Details are included in the Board's response to recommendation 3.

#### Recommendation 31

Within twelve months the Public Service Board provide the Public Accounts Committee with proposals for involving senior officers in determining and reviewing management training for senior staff. (3.46)

#### Response

3.65 There have been consultations with Secretaries and many members of the SSS on the content of the Senior Executive Management Program and suitable topics for Senior Executive Conferences.

3.66 The Board has commenced a comprehensive survey of staff development needs of members of the SES generally. Staff appraisal will include components designed to collect information on the management skills of members of the SES and to identify development needs and priorities.

#### Further Response

3.67 As indicated in the Board's response to this recommendation, the Board has already taken steps to involve senior officers in determining and reviewing management training for senior staff. Indeed, such involvement has become a normal feature of the design and management of senior executive staff development. It has included consultations with secretaries of departments, heads of management services units within departments, a comprehensive survey of staff development needs of SES members (see Appendix I) and direct consultation with SES members on both general and specific staff development issues.

3.68 In addition, development programs are designed, as far as possible, to be responsive and adaptable to the specific needs of each group of participants.

3.69 Since these steps have already been taken, the Board does not see it necessary to "provide the public accounts committee with proposals".

#### Recommendation 32

The Equal Employment Opportunity Bureau be given full Branch status within the Public Service Board, and the Government be advised to support publicly Equal Opportunity Programs. (3.52)

#### Response

3.70 The head of the Equal Employment Opportunity Bureau in the Board's Office was upgraded from Senior Executive Service Level 1 to Level 2 in August 1983. This position

was further upgraded to SES Level 3 in July 1984. The Bureau head reports directly to the Board. These changes reflect the priority which the Government and the Board attach to promoting EEO in the Service and the increased workload that will flow from the reform legislation. It also serves to emphasise that EEO is relevant to all the Board's responsibilities - not just those relating to personnel management. The Bureau will undertake the responsibility for negotiation with senior departmental management relating to the monitoring of EEO management plans.

3.71 The goals of the Equal Employment Opportunity Bureau are effective implementation of provisions in the Public Service Act relating to EEO Programs (section 22B - see Section 11 Attachment A) and prohibition of discrimination (section 33 - see Section 23 Attachment A). Specifically:

- adoption of measures to enable women and members of designated groups (Aboriginals, migrants and people with disabilities) to compete for promotion and transfers and pursue careers in the Service as effectively as other people;
- elimination of all forms of unjustified discrimination within the Service against the above groups; and
- elimination of unjustified discrimination in appointments, promotions or transfers on the grounds of political affiliation, race, colour, ethnic origin, religion, sexual preference, marital status or age.

3.72 Successful implementation of EEO Programs would be expected to result in:

- an increase in the overall numbers of women and members of designated groups employed (in the Service generally, in particular departments and particular regions or geographic areas);
- an increase in the status of these groups (that is, an increase in the numbers employed at more senior levels in the Service and an increase in recognition of the value of jobs traditionally done by these groups); and
- an increase in the variety of jobs being performed by members of these groups (that is, a reduction in occupational segregation).

#### Recommendation 33

The Public Service Board ensure that Departments are able to devote more resources than at present to introducing and upgrading internal management development programs. (3.54)

#### Response

3.73 Through various forums, the Board encourages departments to upgrade their internal arrangement development program (see for example the response to Recommendation 26). However, the upgrading of internal management development programs is a matter for Secretaries of Departments as part of their responsibilities for the general management of their Department under section 25 of the Public Service Act, having regard to the resources allocated to them by Government.

#### Recommendations 34 to 36

A senior Careers Unit be established as a matter of urgency to manage development and Service-wide mobility of officers in preparation for promotion to the Second Division.

The senior staff of the Careers Unit consist of promotion-to-level positions available for up to five years. No more than one position be occupied by an officer of the Public Service Board and at least one position be occupied by a suitable person from outside the Service. The Senior Careers Unit be available to Department Heads but be attached to the Public Service Board.

The Public Service Board provides this Committee with a progress report on the work of the Unit within twelve months. (3.61)

#### Response

3.74 The Board, through the Senior Executive Staffing Unit, manages in consultation with departments the placement, mobility and development of senior staff. Staff development and mobility programs have been referred to in the responses to several of the above recommendations.

#### Recommendation 37

The Government appoint a Committee of the Parliament or other competent body to undertake a review of the functions of the Public Service Board. (3.64)

Response

3.75 There would seem to be some advantage in letting the proposed reforms be implemented and thoroughly tested before any further review is contemplated.

3.76 To improve its effectiveness in managing its operations the Board's Office was re-organised in July 1984. Further information was provided in the Board's Annual Report 1983-84 (Attachment H). As a next step the Board decided that the development of a program management approach, consistent with the Service-wide Financial Management Improvement Program (FMIP), was the best means of co-ordinating and marshalling its resources. As part of this exercise, during January and February 1985 a small group, led by a management consultant, assisted managers to develop the goals, objectives and program structure to be incorporated in the Board's overall corporate plan.

ATTACHMENT A

Refer to Public Service Reform Act 1984,  
Parliamentary Paper No 63 of 1984.

I. CASTLES  
Secretary  
Department of Finance

## Reforming the Australian Public Service

A statement of the Government's intentions

December 1983

Australian Government Publishing Service  
Canberra 1983

Foreword by the  
Prime Minister of  
Australia  
The Honourable  
R. J. L. Hawke,  
AC, MP.

The Government was elected on a platform which placed a high priority on reform of the machinery of government.

It was the first Federal Government elected with a detailed policy statement in this area.

The Australian Public Service is a crucial element of the machinery of government. It is therefore fitting that, nine months after our election, we should already be in a position to announce our specific policy proposals. Other important machinery of government issues, including the operations of statutory authorities and budget reform, are also receiving intense scrutiny.

The Australian Public Service has served the Government well, and the reform proposals are in no way intended to reflect adversely on it, but rather to ensure that it functions at the highest possible level of efficiency.

I commend the paper to the Australian people as a basis for consultation. I am confident that, after such consultations, it will provide the basis for legislation which will receive wide community support and a large measure of bipartisan endorsement.



R. J. L. HAWKE

**Preface** The reforms to the Australian Public Service outlined in this paper are significant and wide ranging.

The paper is to serve as a basis for consultation so that the Government can be informed of and take into account the views of political parties, staff and their organisations, eminent individuals, learned societies and the community at large before legislation is prepared for introduction in the Autumn Sittings of the Parliament in 1984. Arrangements for these consultations have been set in train.

The proposals reflect the Government's deep commitment to a positive program for the reform of the Australian Public Service. The conclusion of the Coombs' Royal Commission in 1976 that Commonwealth administration needed 'significant adaptation to deal responsibly, effectively and efficiently with the tasks which confront it' is still valid today.

Many of the proposals draw upon the research, analysis and conclusions of the (Coombs) Royal Commission on Australian Government Administration and, more recently, the (Reid) Review of Commonwealth Administration and the (Connolly) report of the Parliamentary Joint Committee of Public Accounts on the selection and development of senior managers. They also benefit from the work done on administrative reform during 1982 by the Parliamentary Labor Party, which found expression in the election platform document 'Labor and Quality of Government'.

The reforms address the main themes of the inquiries—re-assessment of the role of central agencies, stronger and more effective senior management, improvements in the allocation of resources and the development of personnel policies providing an equal opportunity for all Australian citizens to compete for positions in the Service.

The Government is confident that these reforms will give Australians a Public Service that is more efficient, more responsive, more accountable to the elected representatives of the people and more in harmony with the diverse needs of the community it serves.



J. S. DAWKINS

Minister for Finance and Minister Assisting the Prime Minister for Public Service Matters

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## 1. INTRODUCTION

1.1.1 The responsiveness, efficiency and accountability of Commonwealth administration have a major impact on the quality of Australian democracy.

1.1.2 When the Government came to office in March 1983, it did so with a detailed platform for the reform of the machinery of government, the Public Service and other parts of Commonwealth administration. This platform was set out in a document 'Labor and Quality of Government', released by the then Leader of the Opposition and the then shadow Attorney-General on 9 February 1983. The platform was developed out of the work of a task force of members of the Federal Parliamentary Labor Party which during 1982 had examined issues such as Cabinet organisation, Cabinet and Caucus relations, the organisation and management of the Public Service and the accountability of Commonwealth statutory authorities.

1.1.3 In September 1982, the task force circulated a discussion paper. Responses to the paper, and the results of a seminar on it held late in 1982 by the Shadow Cabinet, were taken into account in 'Labor and Quality of Government'.

1.1.4 'Labor and Quality of Government' was informed by public inquiries into aspects of Commonwealth administration starting with the report of the Royal Commission on Australian Government Administration in 1976, and including the Review of Commonwealth Administration, the 202nd Report of the Joint Committee of Public Accounts and the reports of the Senate Standing Committee on Finance and Government Operations on statutory authorities.

1.1.5 Since coming to office, the Government has further developed and refined its views about administrative reform; it now wishes to move to implement these. Before legislation is introduced, however, it wishes to consult with political parties, staff organisations, authors of reports on administrative reform and other interested persons and groups. The purpose of this policy information paper, which sets out the Government's intentions, is to facilitate that consultation.

1.1.6 The objectives of the Government's proposals are to develop an administration that:

- is more responsive and accountable to Ministers and the Parliament
- is more efficient and effective
- gives all Australian citizens an opportunity to compete on merit to join and advance within it, and which provides greater opportunities for disadvantaged groups, and
- has a more streamlined and independent system for protecting the rights of staff.

1.1.7 To meet these objectives the proposals focus on three main areas:

- the senior public service
- central resource allocation and review, and
- personnel policies and methods for handling grievances and appeals.

1.1.8 In the senior public service the Government wishes to have a more flexible system for the appointment of Department Heads and to provide more opportunity for officers at this level to move from one position to another. Below the Department Heads, a Senior Executive Service (SES) will be created in place of the existing Second Division. Competition for positions in this Service will be open to outsiders and the deployment of staff within it will be subject to a greater degree of central direction based, not on narrow departmental interests, but on the interests of the Service as a whole. More attention will be paid to the development and career mobility of members of the SES to see that they have the skills, particularly management skills, and variety of experience required.

1.1.9 The Government will introduce separate legislation to allow Ministers to engage consultants, after approval by Cabinet, for work on projects nominated by the Minister or on duties in a department, with the agreement and under the supervision of the Department Head. The legislation will also enable Ministers, and other Members of Parliament, to employ staff to work in their offices, including electorate offices, on Public Service terms and conditions, unless determined otherwise by the Prime Minister. The engagements and appointments under the legislation will not be to the career public service.

1.1.10 Resource allocation will be improved by a much closer involvement of Ministers in decisions, and a closer association of the determination of the level, mix and distribution of financial and staffing resources. Measures will be adopted to allow the Government better opportunities for considering long-term goals, and mechanisms will be introduced to see that programs are reviewed regularly.

1.1.11 Personnel policies will be supported by a clear statement of merit principles in the Public Service Act. Legislation will require the development and implementation by departments and prescribed authorities of equal employment opportunity and industrial democracy plans which will be monitored by the Public Service Board. Permanent part-time work, with superannuation cover, will be introduced in the Public Service.

1.1.12 A new, independent grievance authority for handling of grievances and appeals will be established. The authority will be independent of the Government, the Public Service Board and departmental management and its members will be chosen from various interested groups, including staff organisations.

1.1.13 For statutory authorities not covered by the Public Service Act, the Government will be taking initiatives to see that government employment policies are implemented in some consistent fashion in them. Other aspects of statutory authority operations are being considered separately.

1.1.14 These reform measures are significant and wide ranging. The Government looks forward to useful and constructive consultations before it moves to introduce legislation in the Autumn Sittings of the Parliament in 1984.

## SUMMARY OF PROPOSALS

### SENIOR ADVISERS AND MANAGERS

<b>Department Heads</b> <i>Appointment and transfer</i>	The Governor-General in Council to be empowered to appoint Department Heads, to transfer them to other positions of Department Head, and to hold them as unattached officers, in accordance with the recommendation of the Prime Minister and following consideration by Cabinet, after the Prime Minister has received a report from the Chairman of the Public Service Board. (paragraphs 2.2.2-2.2.5)
<b>Rotation</b>	A flexible system for the rotation of Department Heads to be adopted whereby, after an officer has been in a position for five years, the Chairman of the Public Service Board will be required to raise with the officer and the Minister the possibility of another placement, with the Chairman reporting to the Prime Minister as appropriate. (paragraph 2.2.6)
<b>Redeployment</b>	Procedures to be adopted whereby a Minister or a Department Head may raise with the Chairman of the Public Service Board the possibility of another placement for the Department Head, with the Chairman making a report to the Prime Minister. (paragraph 2.2.7)
<b>Retirement</b>	To facilitate a policy of rotation of Department Heads between Department Head positions, salary and status to be retained when they are so moved. (paragraph 2.2.8)
<b>Designation</b>	The Public Service Board to be required to redeploy an unattached Department Head. If it is necessary to redeploy to a non-Department Head position, including a statutory or ambassadorial position, the Board, at its discretion, may determine that the officer continue to be treated as a Department Head for purposes of pay, allowances and associated conditions of service. If, in the Board's view, after attempting to redeploy the officer, it is not, nor likely to become, possible to place the officer in a position in which it would be appropriate for Department Head salary and conditions to be maintained indefinitely, the Board would be required to place the officer at the most senior level of the SES (that is, at a level equivalent to a senior Deputy Secretary). At the Board's discretion, and after an income maintenance period not less than that applying to other officers, the officer's salary could be reduced to that of the position in which he or she is placed, but superannuation entitlements would be retained at Department Head level. (paragraph 2.2.10)
<b>Senior Executive Service Creation</b>	The Governor-General to be empowered to retire a Department Head, with the Department Head's agreement, on a recommendation of the Public Service Board, with appropriate separation benefits determined by the Board. (paragraph 2.2.11)
<b>Entry</b>	The designation 'Permanent Head' to be changed to 'Department Head'. (paragraph 2.2.6)
	A Senior Executive Service (SES) to be established in place of the existing Second Division. (paragraph 2.3.3)
	Vacancies in the SES to be advertised in a special section of the Gazette and to be open to people outside the Service on the basis of relative efficiency; outside applications to be sought actively through the press or executive search in Australia or overseas in appropriate circumstances. (paragraphs 2.3.5-2.3.8)

	<p>Entry to the SES from outside the Public Service to be governed by the normal appointment or temporary employment provisions. (paragraph 2.3.5)</p> <p>Fixed term temporary employees in the SES not already members of the Commonwealth Superannuation Scheme to be offered the choice of entering that Scheme, or being covered by a superannuation endowment policy providing separation benefits, as well as any special conditions of service determined by the Public Service Board. (paragraph 2.3.7)</p>		<ul style="list-style-type: none"> <li>the Board to retire declared staff whose performance continues to be unsatisfactory, or surplus staff who cannot be placed</li> <li>officers to have a right of appeal against decisions to transfer to a lower level or to retire, and</li> <li>the Board to determine what benefits are to apply to staff affected by transfer to a lower level or retired, providing that they will not be less than those set out in the relevant determinations of the Public Service Arbitrator (currently Determination 509 of 1977). (paragraphs 2.3.30-2.3.31)</li> </ul>
<i>Transfer</i>	<p>The Public Service Board to be empowered to transfer SES staff between departments after consultation with the person(s) and the Department Heads concerned. Only infrequently as a last resort in the interests of the Service would it use its powers without the agreement of the staff concerned and a Department Head. (paragraphs 2.3.13 and 2.3.16)</p>	<i>Staff appraisal</i>	A staff appraisal system to be established in each department within guidelines determined by the Public Service Board, these guidelines providing a right of staff access to and comment on their individual appraisals. (paragraph 2.3.32)
<i>Promotion</i>	<p>Promotions into or within the SES to be made by the Public Service Board on the recommendation of a Department Head when the Board is satisfied that the person is suitable having regard to likely performance at the level as well as in the specific duties of the particular position. The Board may refuse to promote a person if it believes that the procedures followed were not appropriate, the person recommended is unsuitable, a wider search desirable or, in the interests of the Service, an officer should be transferred to the position. Action by the Board would be taken in consultation with Department Heads and, only infrequently as a last resort in the interests of the Service, would these powers be used without a Department Head's agreement. (paragraph 2.3.19)</p>	<i>Establishment of SESU</i>	A Senior Executive Staffing Unit to be established as part of the Office of the Public Service Board. (paragraphs 2.3.14 and 2.3.34)
	<p>Appeals against provisional promotions into and within the SES to be abolished. (paragraph 2.3.20)</p>	<i>Grievances</i>	A non-statutory position of Senior Executive Adviser to be established in the Public Service Board's Office to examine and advise on grievances concerning SES staffing matters. (paragraph 2.3.36)
<i>Temporary Assignment Pool</i>	<p>A Temporary Assignment Pool, administered by the Public Service Board, to be created to facilitate deployment of staff to short-term tasks. (paragraph 2.3.21)</p>	<i>Control of top structures</i>	Arrangements to be made to ensure that SES profiles can accommodate recruitment, placement, staff development and other requirements advised by the Public Service Board. (paragraph 2.3.37)
<i>Development</i>	<p>Senior staff development programs to be continued and enhanced, and an expanded Senior Executive Fellowship Scheme to be introduced, with funds to be appropriated to the Board. (paragraphs 2.3.22-2.3.27)</p>	<i>Ministerial consultants</i>	Legislation separate from the Public Service Act to allow Ministers to engage consultants for work on projects nominated by the Minister, or on duties in a department with the agreement and under the supervision of the Department Head. It is proposed that: <ul style="list-style-type: none"> <li>Cabinet approve all engagements on a report from a Minister, accompanied in each case by a report from a merit panel whose composition has been approved by the Prime Minister, where relevant including a nominee of the Department Head</li> <li>the consultants be engaged for periods up to three years, but that these engagements be able to be terminated at any time by the engaging authority</li> <li>the terms and conditions of the engagements be determined by the Public Service Board, and the number of engagements be decided by the Prime Minister</li> <li>consultants not members of the Commonwealth Superannuation Scheme to be offered the choice of entering that Scheme or being covered by an endowment superannuation policy which would provide separation benefits</li> <li>where practicable, consultants be engaged at a salary comparable to that in the career service, and</li> <li>these consultants to be a net addition to the resources available to the Minister and/or the Department Head. (paragraphs 2.4.11-2.4.15)</li> </ul>
<i>Senior staffing—consultation and advice</i>	<p>The Public Service Board to be advised on the full range of senior staffing matters by a committee of Department Heads. Consultations to be held as necessary between the Chairman of the Board and the Prime Minister on Government priorities with respect to the deployment of senior staff. (paragraph 2.3.35)</p>	<i>Personal staff of Ministers and other Members of Parliament</i>	The legislation for the engagement of consultants to contain provisions enabling Ministers and other Members of Parliament to employ staff to work in their offices, including electorate offices. Appointments to be on the following basis: <ul style="list-style-type: none"> <li>terms and conditions for employment to be the same as those applying in the Public Service, unless determined otherwise by the Prime Minister</li> </ul>
<i>Redeployment and retirement</i>	<p>SES staff not to be covered by the Commonwealth Employees (Redeployment and Retirement) Act, except for invalidity, but provision be made in legislation for: <ul style="list-style-type: none"> <li>declaration by the Department Head of SES officers as surplus to the requirements of a department or as unsatisfactory performers</li> <li>redeployment of declared staff at the same salary level by the Department Head or Public Service Board as appropriate</li> <li>the Board to transfer to a lower level declared staff whose performance continues to be unsatisfactory, or surplus staff who cannot be placed at their existing level; such staff to have a right to maintain superannuation entitlements at the previous higher level, updated in line with SES salary movements</li> </ul> </p>		

<b>Remuneration</b> <i>Remuneration</i>	<ul style="list-style-type: none"> <li>• tenure to be at the discretion of the Minister or other Member of Parliament, but to be otherwise related to the period for which the Minister or Member holds the office from which the appointment derives</li> <li>• the total number of staff and their allocation between Ministers and other Members and Senators to be determined by the Prime Minister, and</li> <li>• career Public Service staff to continue to be eligible for employment in these positions and to retain promotion and re-integration rights within the Public Service. (paragraph 2.4.16)</li> </ul>	<b>Better management</b> <i>Management improvement plans</i>	Department Heads to produce each year for Ministers a management improvement plan in the context of operational strategies and priorities and focussed on a few key issues. (paragraph 3.4.5)
<b>Remuneration</b> <i>Tribunals Act</i>	Remuneration packages for senior public servants have become uncompetitive with those for people with comparable qualifications and responsibilities in the private sector. The Public Service Board will, therefore, consider further remuneration issues, including for engagement of fixed term employees, so that they can be taken up as consultations proceed on the reforms outlined in this paper. (paragraph 2.5.6)	<b>Consultation with</b> <i>Public Service Board</i>	The Public Service Board to consult annually with Department Heads and Ministers concerning general managerial performance. (paragraph 3.4.5)
<b>Strategy review</b> <i>Ministerial priorities meeting</i>	The Remuneration Tribunals Act to be amended to allow the Tribunal to make determinations at different times for groups within its jurisdiction. (paragraph 2.5.7)	<b>Effectiveness reviews</b>	Programs and activities will be reviewed at appropriately regular intervals. The Budget will continue to provide the primary vehicle for assessing programs and establishing expenditure priorities. But to facilitate a coherent approach to other reviews the Department of the Prime Minister and Cabinet will form a small group to:
			<ul style="list-style-type: none"> <li>• provide a source of advice to departments, authorities and Ministers on the most appropriate method of review, including in particular any review proposal requiring Cabinet endorsement and/or additional staff or funds</li> <li>• comment on proposed terms of reference and the scope of reviews</li> <li>• assist, in consultation with the Senior Executive Staffing Unit of the Public Service Board, in identifying expertise to lead or participate in review teams, and</li> <li>• report regularly to Cabinet on current reviews, progress made, results and implementation, impending reviews and suggested areas for new reviews. (paragraphs 3.5.1–3.5.5)</li> </ul>
<b>Integration of financial and staffing decisions</b> <i>Control of staff numbers</i>	An annual ministerial meeting to be held to review national prospects and Government operations and priorities. Documentation for the meeting to be developed through the Government's normal advisory process, co-ordinated by the Department of the Prime Minister and Cabinet, and also to be provided by Caucus and other appropriate sources. (paragraphs 3.2.1–3.2.5)	<b>Objects of Public Service Act</b>	PERSONNEL POLICIES, GRIEVANCES AND APPEALS A provision to be included in the Public Service Act declaring the objects of the Act and the Government's personnel management objectives. (paragraph 4.1.2)
	The staff ceilings system to be abolished and the allocation of staffing and financial resources integrated by transferring from the Public Service Board to the Department of Finance the responsibility (and personnel) for advising on and administering controls on staff numbers and profiles by salary level. They will be considered and administered along with the associated budget allocations, with the Department of Finance consulting with the Public Service Board on classification and, if relevant, recruitment, placement, development and personal reward matters. (paragraphs 3.3.4–3.3.6)	<b>Merit principles</b>	The Public Service Act to declare that personnel management should be consistent with stated merit principles. (paragraph 4.2.1)
<b>Creation, abolition and classification of positions</b>	Department Heads to be empowered to create, abolish and determine the duties of positions in accordance with Board classification guidelines and within any numbers and financial controls administered by the Department of Finance. (paragraph 3.3.4)	<b>Equal employment opportunity</b>	Departments and prescribed authorities to be required by legislation to develop, maintain and implement equal opportunity management programs and plans to be monitored by the Public Service Board. (paragraphs 4.3.2 and 4.3.5)
	The Public Service Board to be empowered to develop and administer classification standards and procedures, conduct audits of the classification of positions and reclassify positions as a consequence of these audits or of reviews of occupational categories or classification standards. (paragraph 3.3.4)	<b>Permanent part-time employment</b>	Permanent part-time employment, with suitable superannuation cover, to be introduced, subject to detailed discussions with staff organisations. (paragraph 4.4.1)
		<b>Industrial democracy</b>	Departments and prescribed authorities to be required by legislation to develop and implement industrial democracy plans to be monitored by the Public Service Board. (paragraphs 4.5.2–4.5.3)
		<b>Joint selection committees</b>	Joint selection committees, involving participation of staff organisation nominees in promotion selections, and the removal of the right of appeal where the joint selection committee's recommendation is accepted, be permitted in appropriate circumstances. (paragraphs 4.6.1–4.6.3)
		<b>Reports on personnel practices</b>	The Public Service Board to be empowered to require reports from departments on personnel policies and practices and to take follow-up action on such reports. (paragraph 4.7.1)

**New independent grievance authority**

A Commonwealth employees grievance appeals and rights protection authority to be established, independent of the Public Service Board. The statutory authority to have appropriate powers in relation to:

- personal grievances as contemplated by Public Service regulations 33A-33E
- appeals and reviews under sections 50 and 63D, and Part IV of the Public Service Act, Public Service Regulation 116 and section 15 of the Commonwealth Employees (Redeployment and Retirement) Act, in relation to promotion, discipline, re-appointment, temporary transfers, redeployment and retirement, and
- the review of personnel decisions in relation to deferral of increments and granting of leave. (paragraphs 4.8.1-4.8.5)

## 2. Senior advisers and managers

### Introduction

2.1.1 Arrangements at the senior levels of the Public Service are critical to a productive and responsive relationship between Governments and the Service in the formulation, implementation and administration of policies and programs. This has been recognised by successive inquiries. The Royal Commission on Australian Government Administration and the Review of Commonwealth Administration both devoted considerable attention to it. The 202nd Report of the Parliamentary Joint Committee of Public Accounts was concerned entirely with issues related to the selection and development of senior managers. Similarly, a key element in the Government's plans for the reform of the Australian Public Service centres upon Department Heads and their senior managers.

2.1.2 Effective policy formulation, implementation and administration require that Ministers be supported by able, diligent staff whose judgement and skills they respect. The Government's reform proposals for the senior public service focus on:

- ensuring that Ministers, through Cabinet, have the ultimate responsibility for determining who will head departments
- providing Ministers with the ability to engage a limited number of consultants who will work for the Minister on nominated projects or reviews within the Minister's responsibilities or in a department on duties agreed between the Minister and Department Head and under the Department Head's supervision and direction
- developing a career Senior Executive Service (SES) free of political patronage, which places greater emphasis on management ability, appraisal of performance and flexibility of deployment in accordance with government priorities, and
- opening the senior levels to able outsiders and seeking to provide a more attractive remuneration package.

2.1.3 To achieve this will require some adaptation of the personnel system in the Service. Management needs to be able to take a more active role in senior staffing to ensure the best deployment of staff and to see that they have the skills to do their jobs. The Government accepts the implication that more involvement by the central personnel authority in staffing decisions will be necessary. It also accepts that greater management intervention in staffing matters will require a more rigorous and planned approach to the assessment of senior staff, with the results of these assessments being used as an input to decisions on the placement of staff and their development, as well as for determining what action should be taken in the event of poor performance.

2.1.4 The Government sees its proposals as providing a much greater degree of flexibility in senior staffing which will be in the interests of individuals and the Service as a whole. It believes that they will deepen the relationship between Ministers and their senior advisers and managers, and improve the responsiveness of the Public Service to the needs of the elected Government.

**Department Heads**

2.2.1 Under the Minister a Department Head is responsible for the management of the department, the provision of advice to the Minister and the implementation and administration of policy within the department's sphere of activity. Thus, Department Head positions are the focal point of a Government's relationship with its Public Service. Harmonious working relations between Ministers and Department Heads are obviously crucial to the sound development of policy and the administration of government programs.

**Appointment and transfer**

2.2.2 Traditionally, decisions on the appointment of Department Heads have been made by the Prime Minister and his Ministers, although the procedures supporting these decisions have varied. In the Government's view, the current procedures, set out in detail in the Public Service Act, are not satisfactory. By creating distinctions in the tenure the Government can offer to candidates on the basis of the support they have received from officials, the current procedures appear to place inappropriate power in the hands of public servants and to inhibit the appointment of outstanding candidates from outside the Service. In practice, the procedures have not prevented the government of the day from advancing its preferred candidates with full tenure, and have merely proved to be cumbersome and irrelevant. They do not, however, facilitate the search for and appointment of able outsiders. It is intended therefore that these provisions should be repealed.

2.2.3 The Government wants to obtain the services of the best people it possibly can as Department Heads. While it must take the decisions about appointments, it wants to see that these decisions are based in each case upon the most comprehensive advice. It intends therefore that new legislation should require the Chairman of the Public Service Board to provide a report to the Prime Minister before any decisions are taken to appoint a Department Head, unattach an officer from such a position or to transfer a Department Head to another Department Head position. It is expected that when a vacant position is to be filled, reports from the Chairman should generally follow an executive search organised by the Public Service Board inside and outside the Public Service. Given the changes proposed in the Board's role in the management of the senior levels of the Public Service, the Chairman of the Board will be especially well placed to do this. The legislation is similar in intention to that which prevailed from 1922 to 1976, but stronger, to the extent that it requires, rather than merely allows for, a report from the Chairman of the Board.

2.2.4 The Government expects that, as far as possible, the lists of candidates provided by the Chairman will contain an equal number of men and women.

2.2.5 The appointment, unattachment and transfer of Department Heads will be made by the Governor-General in Council, in accordance with the recommendation of the Prime Minister, after consideration by Cabinet.

**Rotation**

2.2.6 The Government intends to adopt a more active policy on the rotation of officers from one position of Department Head to another. The Coombs' Royal Commission on Australian Government Administration, the Reid Committee of Review of Commonwealth Administration and the report of the Joint Committee of Public Accounts on the selection and development of senior managers, all recognised that Department Heads could be left in one position for too long. They suggested that the creativity and vitality of departments could be enhanced by the deliberate movement of staff at senior management levels after a period of say five to seven years in one position. The Government accepts this view and, as a matter of policy, a flexible system for

the rotation of Department Heads will be adopted. After an officer has been in a position for five years the Chairman of the Public Service Board will, as a matter of course, raise with the officer and the Minister the possibility of another placement and report to the Prime Minister as appropriate. Reflecting this, the Government intends to amend the Public Service Act to change the generic title of this group of officers from Permanent Heads to Department Heads. This will not affect the use of the title 'Secretary' in relation to individual positions, which properly symbolises the office holder's subordinate role in relation to the responsible Minister.

2.2.7 Department Heads and Ministers usually are able to maintain an objective and mutually satisfying work relationship. From time to time, however, for reasons of personality or a continuing inability to agree upon the way in which administrative and other issues should be handled, it may become difficult for them to maintain the relationship of mutual respect and trust that is crucial to the sound development of policy and the administration of programs. In these circumstances, it would be wrong to force them to work together for a fixed period. While Ministers have always been able to approach the Prime Minister in these circumstances, and Department Heads the Chairman of the Public Service Board (with a view to his informing the Prime Minister), the Government feels that it is worthwhile underlining the importance of either party being able to approach the Chairman of the Board for advice when they become aware of emerging difficulties. Experience has shown that consultations between the Chairman, the Minister and the Department Head will often resolve the difficulties. If the problems cannot easily be resolved, however, either the Minister or the Department Head may raise with the Chairman of the Board the possibility of another placement for the Department Head. When this is done, the Chairman of the Board will report to the Prime Minister as soon as possible.

2.2.8 To facilitate the policy of rotation between positions, the Government will continue the practice of maintaining the salary and status of Department Heads in the event that they are moved to a Department Head position that may have a lower salary determined for it by the Remuneration Tribunal.

**Redeployment and retirement**

2.2.9 The Government appreciates that, whatever the formal legal position, in a practical sense Department Heads do not have the same security of tenure in their positions as other officers in the Public Service; they can be removed from their positions as much as a result of bad luck or over-riding political necessity to reshape the machinery of government as by poor performance. (Over the period from November 1975 to November 1983, more than twenty officers were removed from Department Head positions.) Sometimes this occurs in a context of public speculation or controversy. While the requirement to have a report from the Chairman of the Public Service Board will reduce the risk of a government acting capriciously or in ignorance of the consequences in unattaching a Department Head, from time to time it will be inevitable that, as has happened in the past, there will be no alternative position immediately available.

2.2.10 The Government believes that Department Heads should not have less protection than other public servants in this situation. It intends, therefore, that the Public Service Board should be required by legislation to attempt to redeploy an unattached Department Head. If redeployment is to a non-Department Head position, including a statutory or ambassadorial position,

the Board, at its discretion, may determine that the officer continue to be treated as a Department Head for purposes of pay, allowances and associated conditions of service. If, in the Board's view, after attempting to redeploy the officer, it is not, nor likely to become, possible to place the officer in a position where it would be appropriate to apply Department Head salary and conditions indefinitely, the Board would be required to place the officer at the most senior level of the SES (that is, at a level equivalent to a senior Deputy Secretary). Where this happens the Board should, at its discretion, and after an income maintenance period not less than that applying to other public servants, be able to reduce the officer's salary to that of the position in which he or she is placed. Officers would be able to retain superannuation entitlements at their Department Head salary rate, as that rate is updated *from time to time*. Officers would become members of the SES (whether or not they had been career public servants prior to appointment as a Department Head). While the officers would be eligible for consideration for further positions of Department Head, once redeployment action had been completed by placement in the SES they would have no right of preference over other members of the SES for these appointments.

2.2.11 In some circumstances, an unattached Department Head might prefer to be retired from the Service, providing agreement can be reached on a suitable separation package. There are currently no provisions under which Department Heads may be voluntarily retired early with appropriate benefits. The Government intends to rectify this by giving the Governor-General a power to retire a Department Head, with the Department Head's agreement, on a recommendation of the Public Service Board. The Board would be empowered to determine an appropriate separation package.

**Discipline** 2.2.12 No changes are proposed affecting the tenure of Department Heads so far as discipline, invalidity or incapacity are concerned.

2.2.13 The Government believes that these changes to the method of selection, the policy for rotation and the mechanisms for redeployment of Department Heads will provide it with the flexibility it should have to fill these key positions. At the same time, they will ensure that the Government is fully advised on the available candidates, and that Department Heads will be protected by the statutory obligations placed on the Public Service Board from unfair dismissal from the Service.

**Senior Executive Service** 2.3.1 Below the Department Head, the critical group of senior advisers and managers is currently constituted as the Second Division of the Australian Public Service. This group comprises the 34 women and 1320 men who hold positions of Deputy Secretary, who fill high level advisory positions, or who control the divisions, branches and bureaux which make up the Service.

2.3.2 Recent reviews of the Public Service have recommended that special measures be taken to improve the performance of senior management. These include:

- the formation of a senior executive category or group
- more open competition for positions including from outside the Service, with more involvement of the Public Service Board in the selection, development and placement of staff
- more emphasis on the development of managerial skills
- introduction of formal staff appraisals
- greater mobility of senior managers in accordance with Service needs, and

- more flexibility for Department Heads in the allocation and use of senior staff resources.

The Government has decided upon reforms in each of these areas.

2.3.3 The existing Second Division of the Public Service will be reshaped into a unified group to be called the Senior Executive Service (SES), in which arrangements for staff selection, development, mobility, promotion and tenure of position will be designed specifically to meet the requirements at senior levels.

2.3.4 The SES is not intended to be an elitist, protected group. Places in it will be open to competition from outside the Public Service. The standards of performance required will be high. Staff will be required to move jobs more frequently, and with less say in where they are placed, both to respond to government priorities and as an element of personal development; and they will have to accept redeployment or retirement as normal, rather than exceptional, methods of dealing with unsatisfactory performers.

2.3.5 People can enter the existing Second Division basically in three ways:

- promotion by a Department Head after a selection process which may, but need not, include Public Service Board representation; the promotion is subject to appeal, and the Board has a reserve power to cancel a provisional promotion
- appointment from outside the Service by the Board on the recommendation of a Department Head, after a selection process which includes a Public Service Board representative on the interviewing committee—few positions have been identified in the past as open to external applicants, or
- temporary employment (for example, for a fixed term) after selection by a department and with the approval of the Board.

2.3.6 People will be able to enter the SES in similar ways, although the Government intends that entry will be more competitive and that high standards will be applied consistently across the Service. Two significant changes will be made.

2.3.7 First, all SES vacancies will be open to competition from outside the Service. Vacancies will be grouped together in a special section of the *Commonwealth Government Gazette*, published each week. Anyone from outside the Service who is suitably qualified will be able to apply. It would be too costly, in terms of the assessment of applications and the time taken to complete staffing action, to advertise all vacancies widely. However, in selected cases, particularly when it is clear that the internal field is not strong, every effort will be made to bring in new people of top quality. This may be done through advertisement in the press (in Australia and overseas) and by using private sector 'executive search' services. To facilitate the entry of talented outsiders, the temporary employment provisions of the Public Service Act will be used to provide opportunity for fixed term engagements. These staff, if they are not already members of the Commonwealth Superannuation Scheme will be offered a choice of joining that Scheme or being covered by a superannuation endowment policy which will provide separation benefits. As well, the Public Service Board has been requested to examine relocation assistance and other conditions of service that would assist in attracting high quality people from outside the Service.

2.3.8 Second, the Public Service Board will be given greater powers and responsibilities to ensure that promotions reflect these high Service-wide standards.

*Staff mobility*

2.3.9 There is a clear need to increase the mobility of staff in the senior ranks of the Public Service. Many departments have taken some measures to move their senior people, either through planned rotation programs or by making senior positions in regional offices term postings. Top structure reorganisations can also provide an opportunity to move people to different jobs. But, by themselves, these measures do not go far enough. There needs to be more mobility between departments at senior levels, between policy and managerial jobs and between the central agencies and other departments.

2.3.10 Existing systems for filling vacant positions rely on people offering themselves for promotion or transfer in open competition based on merit. Understandably, people are more interested in promotion than transfer and tend to seek promotion in the areas where they have the strongest claims in the very short run. When selecting staff, departments tend, again understandably, to give more weight to the specific requirements of the vacant positions in question and to past experience directly relevant to those requirements, than to the sorts of skills and qualities that will be useful in the Service at large in the longer term. These tendencies are reinforced by the promotions appeal system which focuses primarily on the qualities relevant to the particular position. This conflict between the short-term interests of departments and the longer-term interests of the Service as a whole has implications, of course, for the quality of staff selected and their personal development as well as for their mobility. It tends to produce a system in which officers are self-streamed into either a policy or managerial career and into specialities within each. In general, those filling the most senior positions in departments have come from the policy rather than management stream. As a result, it is alleged, many of the most senior officers in the Service have less interest in and experience and knowledge of management than would be typical at the same level in the private sector or in other areas of public employment. Conversely, program managers at times develop a narrowly institutional view of the world, without a sufficiently critical awareness of the broader policies and aims of the Government. The Government intends to tackle these problems in three ways.

2.3.11 First, as a consequence of recent but as yet unproclaimed legislation, and proposed legislation, people in the SES will not have guaranteed tenure in any particular position. They may expect to retain the salary level they have reached, providing their work continues to be at an acceptable standard. However, they will have to accept as normal transfer to other positions at the same level, but not necessarily in the same department. This is in the interests of both the Government, since it will result in a more systematic and thoughtful matching of people and jobs, and of SES members themselves, since most can expect a more varied work experience and greater opportunity to broaden and display their executive and professional skills.

2.3.12 Second, the Government intends that, in selecting a person to fill any SES vacancy, more emphasis will normally be given to general management and policy skills and less to experience relevant to specific duties. In other words, a person's ability to perform generally at the relevant pay level will be

an important element in selection, rather than the emphasis being on possession of specialist knowledge gained from being in the area where the vacancy exists. There are, of course, many jobs where specialised or professional knowledge is important. There will be room for the general approach to be modified in cases where particular qualities or specialised knowledge are essential to the tasks to be undertaken or where selection of a person with particular qualities or specialised knowledge is necessary to provide a balanced management team. Of course, even here, a candidate who could bring these highly specialised skills in addition to generalist management and policy skills, would be preferred to the narrow specialist.

2.3.13 Third, the Government intends that the Public Service Board, in consultation with Department Heads, will develop and manage a vigorous staff mobility program in the SES. The objectives of the program will be to ensure that senior staff are allocated in accordance with Government priorities and the need to maintain a high level of staff mobility between departments, taking into account:

- the needs of departments for particular types of staff
- the requirements of career and replacement planning
- the staff development needs and priorities of individuals
- work performance, and
- the length of time each person has been in his or her current job.

2.3.14 To support these arrangements, organisational and institutional changes will be necessary. A Senior Executive Staffing Unit will be established in the Office of the Public Service Board as a focus for the central coordination of senior staffing matters. A committee of Department Heads will be established to advise the Board on the full range of senior staffing issues, and there will be consultations as necessary between the Chairman of the Board and the Prime Minister on government priorities and their implications for the deployment of staff. A staff appraisal system will be developed within guidelines determined by the Board; this will provide more comprehensive information than is now available for decisions about staffing. Finally, equal employment opportunity programs tailored to the special characteristics of the SES will be given a high priority.

2.3.15 If the SES is to be developed as a coherent service, these arrangements need to be backed by stronger Public Service Board powers over the promotion and transfer of senior executives. At the same time, Department Heads must retain the primary management role, and the Board will need to be meticulous in consultations with them.

*Transfers*

2.3.16 The legislation for the transfer of staff between departments needs to be amended. At present the Board has power to transfer a person temporarily from one department to another, but substantive transfers are made by Department Heads, subject to Board approval. In the past it has been necessary for the two Department Heads to reach agreement before a transfer could be made. Needless to say, the losing Department Heads have been reluctant on occasions to give up valued staff on transfer. A recent amendment to the Public Service Act, when proclaimed, will give the Board power to arbitrate in cases where the Department Heads are unable to reach agreement. However, the Government believes that, if the full benefits of a mobility program in the SES are to be achieved, the Public Service Board needs stronger

powers. The Government intends therefore to introduce legislation to give the Board a clear power to transfer senior staff from one department to another. The power would be used where a person was selected in open competition as the best officer to fill an advertised vacancy, or to transfer a person as part of the planned mobility program. In each case, the Board would be required first to consult the 'gaining' and 'losing' Department Heads and the person concerned. As far as possible, it would try to reach agreement among all parties, but agreement would not be essential for a transfer to go ahead. This would occur only as a last resort, and when the Board had reached a considered view that the transfer was in the interests of the Service as a whole.

#### *Promotions*

2.3.17 At present, promotions are made by Department Heads. The Public Service Board may be represented on selection committees, and in some cases has an opportunity to help departments to build stronger fields by adding names of people who might be considered as candidates. The Board has a reserve power—rarely exercised at senior levels—to cancel a provisional promotion. All promotions are made on a provisional basis, and are subject to appeal; they are confirmed if no appeals are lodged or if appeals are unsuccessful.

2.3.18 It has been said already that, wherever practicable, promotions into or within the SES should be made on an assessment of likely performance at a level rather than of a specific set of duties and that, in general, more thorough searches should be undertaken before vacancies are filled. Promotion decisions should not be taken in isolation, but rather in the context of Service-wide, senior personnel management objectives.

2.3.19 The Government believes, therefore, that the Public Service Board must play a more prominent role in promotion decisions for senior positions. Legislation will be amended to give the Board power to approve all promotions into and within the SES. The steps involved in making a promotion will be:

- When a vacancy occurs at any SES pay level in a department, the Department Head will first consider whether the opportunity should be taken to rotate any staff already at that pay level.
- If this is not to be done, the position will be advertised. Suitably qualified people from outside the Public Service will be able to apply. In some cases, a thorough search for applicants from outside will be made. The Board will be given an opportunity to nominate, from its records, people who might be added to the field after consultation with them.
- The Department Head will convene a selection panel, which will include a representative of the Board.
- After considering the selection committee's report, the Department Head will make a recommendation to the Board. If it agrees that the person is suitable, it will make the promotion. The Board could decline to make the promotion if it considered that procedures followed had not been appropriate, the person recommended was unsuitable, a wider search desirable, or if, in the interests of the Service, an officer should be transferred to the position.

In providing these powers to the Board, the Government will underline its intention that they should be used sensitively, both with respect to the interests of individuals concerned and to the primary management role of Department Heads. The Public Service Board would always use them in consultation with

Department Heads. Only as a last resort, and in the interests of the Service, would these powers be used without the Department Head's agreement.

2.3.20 The Government believes that these arrangements strike the best balance between the immediate management responsibilities of Department Heads and careful attention to the longer term staffing needs of the SES as a whole. *Competition for positions in the SES will be much keener, it will be based on more comprehensive information, including that provided from the staff appraisal system, and it will involve close consultation between the Public Service Board and Department Heads at all stages.* At present, appeals may be lodged against provisional promotions in the Second Division, and decisions on these are made by the Public Service Board after it has had a report from a promotions appeal committee. Given the degree of involvement now proposed for the Board in promotions, such appeal arrangements would not be appropriate. Indeed, given the care, thoroughness and objectivity of the new system, and the collegial nature of the assessments made, the Government agrees with the view of the Review of Commonwealth Administration that appeals against promotions to or within the SES are no longer necessary. Therefore, Board decisions on promotions will not be contestable on their merits, although new special arrangements, described below, will be made for the handling of personal grievances of SES members.

#### *Temporary Assignment Pool*

2.3.21 The Public Service Board will establish a central 'temporary assignment pool' of people in the SES who are available for deployment to short-term tasks anywhere in the Service. Officers will be eligible to apply to enter the pool on transfer, or could be nominated for transfer by the Board or their Department Head. There might also be some opportunities for outstanding individuals from outside to enter the Service through appointment to the pool. The Board will exercise a tight control over those entering the pool and will aim to develop a balance of skills and experience relevant to the tasks likely to be identified by Department Heads. The pool will include people of outstanding promise who would benefit from an accelerated development program. It might be used as a means for making good use of some highly specialised staff whose services are in demand in a number of areas. It might also be used to assist people whose careers need to be re-oriented, or whose performance is flagging, providing they could benefit from a limited period in a temporary assignment program. The temporary assignments will include high profile tasks like participation in reviews of policy or management and task force activities, and the provision of short-term assistance to departments facing particular management problems. The assignments will normally be of 12 to 18 months duration.

#### *Staff development*

2.3.22 The reports of the Joint Committee of Public Accounts and the Review of Commonwealth Administration both gave clear warning of the need for greater efforts to train and develop senior executives. The Public Service Board has taken some significant initiatives in this area in 1983. Improvements the Government is seeking in staff mobility are, in part, designed to give senior executives broader skills and practical experience, and thereby to contribute to their development.

2.3.23 Both the staff mobility and staff development programs will be designed to promote equal employment opportunity at senior levels.

2.3.24 The Interchange Program and the Executive Development Scheme will continue, and the Board is looking for ways to improve their effectiveness.

2.3.25 New entrants to the SES will be expected to attend a special training course that will seek to broaden their understanding in areas such as:

- the economy and Commonwealth expenditure
- efficiency in public administration
- the role of a senior executive as manager and as adviser to Government
- industrial relations and participative management
- equal employment opportunity, and
- management techniques and leadership skills.

2.3.26 Senior officers will be encouraged and assisted to undertake further formal training relevant to the needs of the SES, including postgraduate studies and attendance at residential management courses.

2.3.27 An expanded Senior Executive Fellowship Scheme will be introduced. This will enable experienced senior officers to undertake overseas visits, normally of up to three months duration, to participate in 'state of the art' activities of broad concern to their departments and the Service, or to undertake short courses of study at overseas institutions. The objective will be to provide opportunities for these officers to update and extend their skills and knowledge and to develop new ideas and perspectives. The funds necessary to meet the travel and any educational expenses will be appropriated to the Public Service Board.

#### *Unsatisfactory performers and surplus staff*

2.3.28 Neither the Government nor the community can afford to keep in key positions senior executives who are not performing satisfactorily. At the same time, the Government recognises that poor performance at senior executive levels is generally a very sensitive matter, and is often caused by circumstances beyond a person's direct control. Improved selection and placement of SES staff should help to minimise the number of poor performers; nevertheless, an effective mechanism is needed for dealing with those cases that arise.

2.3.29 Where staff become surplus to the requirements of a department, the SES mobility programs will make it easier to relocate them, but here again there needs to be an effective mechanism for dealing with people who cannot be found suitable, continuing work at their existing salary level.

2.3.30 The procedures of the Commonwealth Employees (Redeployment and Retirement) Act are cumbersome and time consuming, and in some respects are not well attuned to the particular sensitivities and requirements at senior levels. That Act will continue to apply to the SES in respect of invalidity or medical unfitness for work, but a new set of procedures will be introduced for SES staff who are surplus to requirements or whose performance continues to be unsatisfactory.

2.3.31 In broad terms, the new measures involve:

- an appraisal of all staff at least annually
- a more systematic approach to counselling staff on their work performance and career development
- the declaration of an SES officer as surplus to the requirements of a department or as an unsatisfactory performer, by the Department Head
- the redeployment of a declared officer, if possible at the same salary level, by the Department Head (within a department) or the Public Service

Board (to another department), as appropriate; in the case of unsatisfactory performers the objective of redeployment would be to find more suitable work at the same level

- the transfer by the Board to a position at lower salary level of a declared unsatisfactory performer whose work performance continues to be unsatisfactory or of a declared surplus officer who, after a reasonable period, cannot be placed in a suitable position at his or her existing salary level
- an appropriate right of appeal against transfer to a lower level
- the retention of superannuation entitlements at the previous higher level, updated in line with SES salary movements, for an officer transferred to a lower level
- the retirement by the Public Service Board of a declared surplus officer who the Board concludes cannot reasonably be placed at a lower level or a declared unsatisfactory performer whose performance at a lower salary level continues to be unsatisfactory
- an appropriate right of appeal against a decision by the Board to retire an officer, and
- the determination by the Board of appropriate benefits on transfer to a lower salary level or compulsory retirement from the Service; these benefits not to be less generous than those set out in the relevant determinations of the Public Service Arbitrator (currently Determination 509 of 1977).

#### *Staff appraisal*

2.3.32 Department Heads and the Public Service Board will only be able to take a more active part in the placement and development of senior staff if reliable information about their performance, qualifications, experience and abilities is available. Therefore, in line with recommendations of the Review of Commonwealth Administration and the report of the Joint Committee of Public Accounts, departments will be required to develop and introduce staff appraisal schemes in accordance with general guidelines issued by the Board. Appraisal will be of the individual's performance against objectives or criteria determined in advance. The guidelines will provide for protection of the rights of individuals (including a right to comment on appraisals and rigorous control over access to them) and will try to ensure that there is sufficient uniformity to facilitate a Service-wide approach.

2.3.33 It is intended that the appraisal system would cover all staff in the SES and, on a voluntary basis, those ranks immediately below the SES. The information would be used for staff placement and counselling, and the planning of staff development. It would include in each case a statement of the career interests and staff development priorities of the person concerned.

#### *Senior Executive Staffing Unit*

2.3.34 Implementation of these proposals, and continued co-ordination of the selection, development and placement of senior executives, will add significantly to the work of the Public Service Board. As has been mentioned, a Senior Executive Staffing Unit will be established in the Board's Office to provide a focus for these new activities. This Unit will:

- keep a central record of the qualifications, skills and experience of all SES staff and, on a voluntary basis, those in the immediate feeder levels
- co-ordinate implementation of a suitable appraisal scheme for SES staff
- develop programs of staff development and mobility designed to promote equal employment opportunity at senior levels, to see that there is a

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- keep a central record of the qualifications, skills and experience of all SES staff and, on a voluntary basis, those in the immediate feeder levels
- co-ordinate implementation of a suitable appraisal scheme for SES staff
- develop programs of staff development and mobility designed to promote equal employment opportunity at senior levels, to see that there is a

sufficient supply of high calibre people to meet the needs of the Service as a whole, and to ensure that people are placed where they are most needed

- participate, or be represented, in all staff selections to ensure that the highest standards are maintained
- maintain a pool of staff who can be assigned to short-term tasks for staff development purposes or to meet urgent needs, and
- advise on the redeployment or retirement of SES staff whose performance continues to be unsatisfactory.

2.3.35 The work of the Board and its Senior Executive Staffing Unit will be assisted by a representative committee of Department Heads, who will advise the Board on the full range of senior staffing matters. In addition, from time to time there will be consultations between the Board and the Prime Minister to ensure that the Board is kept informed of any government priorities with respect to the development and deployment of senior staff resources.

#### *Handling of grievances*

2.3.36 The Government recognises that there are often particular sensitivities in the handling of grievances concerning senior staff and that such people are often reluctant to resort to the normal avenues of appeal or complaint. It is proposed that a non-statutory position of Senior Executive Adviser be established in the Public Service Board's Office. The Senior Executive Adviser will be able to examine any complaint on personnel matters in the SES, including staff appraisal, promotion and staff placement decisions and other issues, including working relations with a Department Head. The Senior Executive Adviser will not have power to overturn decisions, but will seek to resolve disputes through investigation, mediation and counselling. Except in relation to promotion appeals, normal grievance avenues will continue to be available.

#### *Control of top structures*

2.3.37 Department Heads need as much flexibility as possible to change their top level organisation and the allocation of tasks to senior managers to keep their departments responsive to changes in work requirements. This flexibility will be ensured by giving Department Heads the power to create, abolish and determine the duties of positions. There will still be a need for some central controls over the use by departments of senior staff, since they are a scarce resource and changes in the numbers and levels of positions often reflect major policy or program decisions. These controls will take the form of limits on the numbers of staff that may be employed in each department at the various salary levels of the SES. These limits will be set as part of the human resource budget and be administered by the Department of Finance. The numbers and profile limits (that is, the proportion of staff allowed at a series of salary levels) will normally be reviewed during the budget cycle along with profiles for the department as a whole, and hence will be directly subject to judgements by Ministers on the basis of priorities. However, provision will be made so that the Department of Finance may consult the Board about:

- the difficulty and responsibility of individual jobs
- any need to adjust profiles to allow staff to be moved between departments (for example, when there is no current vacancy at the pay level of a person's rank), and
- within appropriate limits, the recognition of an outstanding contribution a person is making to his or her current job (in such cases, of course, the pay level for the job would be reviewed once the person moves on).

The Board may take the initiative, where necessary outside the Budget context, if the numbers, profile or financial controls administered by the Department of Finance are relevant to any SES issue the Board wishes to pursue.

2.3.38 Within the financial and approved staff profile limits, Department Heads will be free to abolish or create positions or to redefine the duties of positions, as needed, without reference to the Board or to the Department of Finance. Department Heads will be able to transfer a person in the SES into any other position in their departments at the same salary level.

#### *Employment of staff by Ministers and other Members of Parliament*

2.4.1 There is a strong tradition in Australia that Ministers should not be involved in the recruitment, promotion, transfer or dismissal of career public servants. This tradition has been sufficiently powerful for it to affect even the employment of personal support staff by Ministers and other Parliamentarians. These staff are formally employed by the Department of the Special Minister of State, a temporary employees under the Public Service Act, even though Ministers and Parliamentarians make the effective decisions about who will be hired and fired.

2.4.2 The tradition was developed through the great administrative reform movements of the 19th century in response to the widespread political patronage, nepotism and institutionalised bribery then involved in the filling of senior administrative posts.

2.4.3 The career service, staffed by officers selected on merit with an ethic of impartial service to the Government of the day, is a model which, in the Government's view, has served Australia well and will continue to do so. The nature of government, and the administration supporting it, however, has changed vastly in the last century. The machinery of government is much more complex. For Ministers, the interactions with and expectations of the electorate are more demanding and diverse. The departments of state have become large and powerful institutions in their own right. Ministers have had to place increasing reliance on the advice and support of their senior career officials. In general, these career officials strive to provide this support and advice within the framework of their understanding of a government's fundamental objectives—but the very need to provide advice on this basis to successive Ministers who might have quite different objectives tends to ensure that senior officials are either skilled but dispassionate individuals with 'centrist' views or, less usually, dedicated to advancing, often with some doggedness, policies they believe to be technically correct, and thus in some sense above politics. These characteristics of individual senior advisers interact with the institutional ethos of their departments, which is normally built around their dominant role, professional background or principal clientele.

2.4.4 There appears to be a general agreement among political parties, and among those who have reviewed the Service in recent times, that the balance of power and influence has tipped too far in favour of permanent rather than elected office holders.

2.4.5 The Report in September 1983 of the Liberal Party Committee of Review said that ... the task of any incoming government in giving direction to the modern public service, and remaining through its term of office in effective political control of the public service, has placed almost impossible burdens on Ministers'.

2.4.6 In 'Labor and Quality of Government' the Australian Labor Party said '... that greater opportunity must be provided for appointment of officers with special expertise, either on secondment or contract, to create a more open and responsive service'.

2.4.7 The Review of Commonwealth Administration also pointed to the difficulties that the pressures of electorate and other demands placed on the 'appropriate participation of Ministers in the administration of their departments'.

2.4.8 The Royal Commission on Australian Government Administration concluded that 'The present characteristics of the "career service" enable the administration to function to some degree as a self contained group exercising significant power generally in the interests of the status quo but without effectively being accountable for its exercise'.

2.4.9 While there is a common concern about the need to redress the balance in administration in the direction of enhanced political control, there has not been the same unanimity of view on the best techniques to achieve this:

- The Liberal Party Committee of Review proposed 'an Office of Strategic Priorities appointed from outside the Public Service from the Government's own political staff'. It suggested 'substantially increased support from personally appointed staff' and that 'in general Ministers in filling their senior staff positions, should appoint political staff of demonstrated capacity, rather than apolitical staff'.
- The document 'Labor and Quality of Government' saw a need for a Special Division of the Public Service consisting of Department Head positions and up to 5 per cent of positions in the Second Division, with the appointments to this Division being made by Cabinet on the recommendation of Ministers.
- The Review of Commonwealth Administration argued for increased 'political' assistance to Ministers by parliamentary colleagues, special advisers in ministerial private offices, and some revisions of parliamentary sittings.
- The Royal Commission on Australian Government Administration said that 'the grading of ministerial private secretaries should be made sufficiently wide to allow the employment of persons capable of research and advisory functions'. The Commission went on to say that where a Minister wishes to have advisers at senior levels, even if appointed for a limited term, they 'should be integrated with the staff of the department'. On the same theme, the Commission said 'In cases where there is a special need for "political" input it may be accommodated through task forces ... (or) ... it may be desirable to appoint a person with special expertise as a consultant to either a department or a Minister or both' and 'In cases where the minister wishes to engage a person or persons to make inquiry on a specific subject requiring special experience or expertise, his needs may in some instances be better served if the person is engaged through the department as a consultant or temporary employee. This procedure would seem to be particularly appropriate where the task is well defined and the adviser would not be expected to be "on call" in the Minister's office. It would also be advantageous where the adviser would, by the nature of his assignment, find it necessary to work within the department and in collaboration with departmental officers'.

The common thread to these proposals is that ministerial—that is democratic—control will be bolstered only if larger numbers of politically committed people can have a close involvement in the development and implementation of policy.

2.4.10 Each of these reports, however, has also stressed the importance of retaining at the core of public administration an efficient, impartial career service. The Government endorses that and accordingly intends to introduce reforms that, while they will provide assistance to Ministers, will not involve Ministers in making appointments and promotions within the career service.

#### *Ministerial consultants*

2.4.11 The Government believes that simply to have large numbers of politically appointed employees answering directly to Ministers is likely to increase rather than reduce ministerial overload, erect barriers in the relationship between the Minister and a department and, over time, run the risk of producing a duplicate, political bureaucracy. However, the Government is determined that Ministers should have an enhanced level of assistance on key projects from able people who share its values and objectives or who can bring to Government relevant specialised or technically advanced skills. Accordingly, the Government proposes to introduce arrangements whereby Ministers will be able to engage a limited number of consultants for work on nominated projects or reviews within the Minister's responsibilities, or on duties agreed between the Minister and the Department Head and under the Department Head's supervision and direction.

2.4.12 The Government is keenly aware of the need to avoid any actions that may in reality or appearance compromise the independence of the appointment and promotion processes in the Public Service. Therefore, Ministers will continue to be excluded from these processes and the independence of the Public Service Board and Department Heads in making these decisions will not be affected.

2.4.13 On the other hand, the Government has been advised that the simple use of contract arrangements to engage ministerial consultants (a practice pursued by the previous Government) raises some legal concerns. This is because courts, the Auditor-General or parliamentary committees might have classified the contracts on which these specialists were engaged as contracts of employment rather than for the provision of specific services. Ministers, and for that matter Department Heads, have never had a formal legal power to enter such contracts—the Public Service Act providing the only general employment power. The Government believes, however, that the use of the existing provisions of the Public Service Act by or on behalf of Ministers for these purposes could be seen as politicisation of the career service. Accordingly, it believes it more appropriate that Ministers should have a power to engage consultants under a new Act unrelated to the appointment and promotion provisions of the Public Service Act. More specifically, the new arrangements will have the following distinguishing features:

- Cabinet will approve all engagements on a report from a Minister that in each case will be accompanied by a report from a merit panel whose composition has been approved by the Prime Minister, and which would include a nominee of the Department Head where the consultant is to work under the Department Head's supervision and direction

- consultants will be engaged for periods of up to three years, but the engagements will be able to be terminated at any time by the Minister, with appropriate separation benefits in each case
- the number of consultants so engaged will be strictly limited and they will not be included as part of the staff budget of a department—that is, they will be a net addition to the senior resources available to the Minister and/or Department Head
- the terms and conditions of engagement for the consultants will be determined by the Public Service Board, while the number Ministers will be allowed will be decided by the Prime Minister, and
- the consultants, if not already members of the Commonwealth Superannuation Scheme, will be offered the choice of entering the Scheme or being covered by an endowment superannuation policy which would provide benefits on completion or termination.

2.4.14 The strict separation between the appointment and promotion procedures used by the Public Service Board and Department Heads and the powers of a Minister to engage consultants aims at ensuring that the former cannot have its independence threatened or politicised by the latter. Nor will the rights and legitimate expectations of career officials be prejudiced. At the same time, the opportunity will be provided for a small number of ministerially selected consultants to work on projects and in departments with career officials in the formulation and implementation of government policies.

2.4.15 As in so much of government administration the proper working of these new arrangements will depend to a large extent on the ability of Ministers and Department Heads to come to sensible and orderly agreements in each case. The Government is confident that they can lead to a more constructive and understanding relationship between Ministers and the Public Service. The scheme is flexible; it avoids the potential for divisiveness inherent in any great expansion of personal advisers working in Ministers' offices and it does not affect in any way the normal appointment and promotion processes in the Public Service. The scope it provides for combining the analytical talents and experience of career public servants with the special skills, commitment and creative imagination of good outsiders, must strengthen the Government's policy development capability. The legislative provisions envisaged would also be directly appropriate to appointment of ministerially selected staff as envisaged by the Liberal Party Committee of Review.

*Personal staff of  
Ministers and other  
MPs*

2.4.16 The Government intends to provide in the new Act a power for Ministers and other Members of Parliament to employ their office and electorate staff. The terms and conditions of employment for these staff will be the same as those applying in the Public Service, unless determined otherwise by the Prime Minister, and the total number of staff and their allocation among Ministers and other Members will also be determined by the Prime Minister. The tenure of these personal staff will be at the discretion of the Minister or Member, but will otherwise be related to the period for which the Minister or Member holds the office from which the appointment derives. Career public servants will continue to be eligible for these positions. Staff appointed by Ministers and other Parliamentarians from the Public Service will be able to continue to apply for positions in the career Public Service without, subject to the agreement of the department in which the position is located, being constrained to take them up. They will be regarded as being on

leave without pay and when they wish to return they will be re-integrated at the level they have been able to achieve by virtue of their right to continue to compete for promotion. These arrangements are set out in 'tier one' of Part IV of the Public Service Act and currently apply to staff moving to statutory authorities.

*Remuneration for  
Department Heads  
and Senior  
Executive Service  
staff*

2.5.1 Remuneration for Department Heads and senior staff in the Public Service always raises difficult issues.

2.5.2 There are often strong views in the community about what senior public officials should be paid. Remuneration levels for these top officials are a matter of public record, unlike those of their counterparts in the private sector. There is an expectation that, when there is a need for restraint and moderation in wage demands, those receiving top salaries should set a good example. However, this normally means that public sector top salaries are constrained much more than those in the private sector.

*Compression of  
senior salaries*

2.5.3 Compared with the private sector there is a significant compression in real rewards in the senior levels of the Service. This has obvious implications for the willingness of those already in the career service to expose themselves to the more arduous and demanding life of the senior public service. It is particularly relevant in the context of reform proposals providing for closer and more regular assessment of senior public servants' performance, more practical methods for dealing with poor performers, and reduced autonomy in career choice.

*Private sector  
comparisons*

2.5.4 In the last ten years there has been a considerable erosion in senior public service remuneration compared with that in the private sector. The Commonwealth has never pretended that it could or should offer senior career civil servants remuneration packages at levels directly comparable with those provided at senior levels in the private sector. However, the extent to which the differentials in favour of the private sector have increased, particularly in post-tax income, will act as a significant constraint on the Government's objective of building the quality of the senior levels of the Service by selective outside recruitment. In current circumstances, it is extremely difficult to recruit people of quality from the private sector to senior jobs in the Public Service, especially when a shift to Canberra is involved. Not surprisingly, in recent years, private firms have had little difficulty in recruiting senior public servants. Put simply, to a significant extent, the community gets the public service it is prepared to pay for.

*Private sector  
fringe benefits*

2.5.5 It is particularly apparent from the surveys of private management consultants that there has also been a major increase in the incidence of fringe benefits in senior private sector employment. The Board has estimated, from this survey information, based on a comparison of benchmark positions, that even when superannuation is taken into account on the Public Service side alone—and at senior executive levels it is not clear that public sector superannuation is superior to that provided by private employers—there is still a very significant remuneration gap between comparable levels in the Public Service and the private sector. This gap is wider the higher the level of position considered, particularly if the tax liability implications of private sector remuneration packages are taken into account.

2.5.6 Remuneration issues will have some bearing on the success of the general reform measures the Government intends to introduce in the senior

levels of the Public Service. The Public Service Board has been asked to consider further some allowances and conditions of service so that they can be taken up as consultations on the general reforms progress. In looking at these issues, the Government will, of course, have to give proper weight to its taxation policies and its support for the Conciliation and Arbitration Commission's Principles of Wage Determination.

2.5.7 The Government intends to amend the Remuneration Tribunals Act to allow that Tribunal to consider the salaries of Department Heads and statutory office holders separately from other groups within its jurisdiction. *This was recommended by the Royal Commission on Australian Government Administration.* It will allow the salaries of these senior officials to be considered at an appropriate time in an atmosphere less affected by issues relevant to the salaries of Members of Parliament.

### 3. Resource allocation and priorities

#### Introduction

3.1.1 Management is the process of setting objectives, organising resources to attain them and evaluating the results for the purposes of determining future action. The proposals outlined here aim at improving Government's management capacity by:

- providing it with improved opportunities for considering longer term goals
- streamlining the central system for organising human and financial resources to accommodate greater ministerial involvement and management flexibility
- requiring Department Heads to develop management improvement plans, and
- introducing a mechanism to ensure that programs are reviewed regularly in the most appropriate way.

#### Strategy review

3.2.1 Ministerial overload has been a persistent theme of recent reviews of government administration in Australia and overseas. One of the consequences of overload for Ministers, individually and collectively, is the lack of opportunity to form a clear picture of the nation's performance across a broad front and hence of the large issues and critical choices likely to be facing them. Ministers will never have the time to focus on these strategic considerations unless it is deliberately provided for in the Cabinet timetable.

3.2.2 Accordingly, the Government proposes to institute a regular, at least annual, meeting of Ministers to allow a collegiate examination of national prospects and Government priorities and operations away from the immediate pressures and distractions of office, without the participation of officials and other advisers, and preferably away from Canberra. Governments in a number of other countries have used techniques like this; for example, the annual Canadian Cabinet 'retreat', the British Cabinet's weekends at Chequers and the use in the United States of the Camp David facility for strategy meetings of Cabinet. A ministerial strategy conference would be designed to allow the Ministry as a whole to consolidate a picture of achievements against platform, to identify major existing or forecast problem areas and to analyse how the Government might overcome these problems. In particular, it will focus attention on the relevance of the Government's overall programs to such issues, and it will enable non-Cabinet Ministers to participate in structured discussions with their colleagues on the central national issues. If necessary, the meeting will point the way for new paths, and may result in the commissioning of program reviews.

3.2.3 To assist Ministers in their discussions, papers will be prepared highlighting major issues and options. There is, of course, already a wide range of advice available to the Government from a variety of sources and through formal and informal channels. The Government sees no need to add to these at this stage by the formation of any new bureaucratic structures. Accordingly, the Department of the Prime Minister and Cabinet will co-ordinate contributions from Commonwealth agencies. But it would be expected that papers could also be provided direct to the strategy conference by Caucus committees and the Party Secretariat.

## Integration of financial and staffing decisions

3.2.4 The meeting will be scheduled toward the end of each calendar year or early in the following New Year, and will be a useful forum for developing broad priorities and initial directions for the subsequent budget processes.

3.2.5 Specific provision for Ministry consideration of broad strategy and priorities is unusual in government in Australia. It is intended therefore that the usefulness of the mechanism now proposed be monitored closely and changes and adaptations be made as needs suggest.

3.3.1 Under previous Governments, ceilings have been employed to control the numbers of staff in the Public Service and certain other areas of Commonwealth employment. Decisions on staff ceilings have been taken by the Prime Minister on reports provided by the Public Service Board. In the Public Service, the number of positions (as distinct from the number of staff) has been controlled by the establishment provisions of the Public Service Act; here, decisions have been taken by the Governor-General on recommendations from the Public Service Board after reports from Department Heads.

3.3.2 The staff ceilings system was highly centralised and imposed at times quite arbitrary limits on the size of the Service and on individual departments and agencies. Not all Ministers and departments were necessarily or usually involved in the final negotiation and determination of ceiling limits.

3.3.3 The Government believes that there should be a much closer involvement of Ministers in decisions about the level, mix and distribution of resources. It believes that this will happen in a more coherent way if there is a greater degree of integration of decisions on financial and personnel resources. The Government wants to maintain a reasonable level of central control and oversight of resources while increasing the flexibility, responsibility and accountability of departmental managers.

3.3.4 Under interim arrangements adopted by the Government staff numbers decisions are taken ministerially, within guidelines established by the Expenditure Review Committee of Cabinet, in a way which allows more consultation with Ministers and departments. The Government now wishes to move further to integrate staffing and other resource negotiations in the normal estimates and new policy proposals processes of the Budget and, at the same time, to provide departments with a greater degree of flexibility in the use of their staff resources. The Government intends that:

- *Department Heads* will create, abolish, and determine the duties of positions. This will enable them to adjust staff levels to meet program needs, providing they remain within financial, total staff number and proportion by salary level, that is, profile limits, to be administered by the Department of Finance.
- The *Department of Finance* will be responsible for advising on and administering staff numbers and profile controls so that they may be considered and administered along with the associated budget allocations.
- The *Public Service Board* will be responsible for the design of classification structures for occupational groups and for the determination of related pay rates. The Board will continue to prepare classification standards, develop procedures and guidelines, audit departments' classification decisions on a selective basis and, if necessary, reclassify

## Human resource budget process

positions. The Board will have a power also to reclassify positions across the Service as a result of general reviews of occupational categories or classification standards.

3.3.5 Departments will submit their bids for staff numbers, profile by salary level, and the associated funding for continuing programs and new activities, along with their program and administrative bids, to the Department of Finance. Staff bids will need to be justified by reference to program activities, indicators of workload, productivity and compliance with the Board's classification guidelines. Departments will be expected to consult staff organisations regularly in relation to staff numbers. In discussions between the Department of Finance and departments, and subsequently among Ministers, the aim will be, wherever practical, to link program, financial and staffing issues. It is only by doing this that the arbitrary nature of the previous ceiling systems, under which staff numbers were sometimes reduced without regard to the reduction of functions or new programs introduced without consideration of their staffing implications, can be eliminated. The resulting decisions, however, will be aggregated to the maximum extent for each department to emphasise the broadest numbers and profile controls consistent with an acceptable risk of budget over-run and future budget lock-in. This progressive aggregation of staffing decisions taken as the budget is compiled will enable the Expenditure Review Committee, and subsequently Cabinet, to maintain an overview of the impact of their decisions on staff numbers and profiles for departments, groups of departments, and the Service as a whole.

3.3.6 It is not intended that the Budget should be the means through which classification standards will be protected. This will be the responsibility of the Public Service Board, with the emphasis progressively being placed on guidance to departments, agreement on procedures and audit of decisions, rather than on establishment profiles or approval of departmental decisions on individual positions. The Department of Finance will, nevertheless, have the expertise to analyse departments' bids for staff numbers and salary profiles against the Board's classification policies. The Department will be able to call on the Board for advice if this appears necessary. The advice sought would relate to classification, or, if relevant, recruitment, placement, development and personal reward issues. (It will not be necessary for Department Heads to approach the Public Service Board on questions of staff numbers and profiles.) Similarly, and particularly in relation to the Senior Executive Service, the Public Service Board may take the initiative (if necessary outside the budget process) to raise these matters with the Department of Finance if the numbers, profile or financial controls administered by that Department are relevant to any SES issue the Board wishes to pursue. Apart from its audit responsibilities and its consequent power to reclassify positions, the Board will not be involved in decisions on the classification of individual positions.

## Better management

3.4.1 For Department Heads, greater management flexibility will bring with it a need for greater responsibility and accountability. While the Department of Finance can be expected to test bids for resources vigorously and the Board will conduct audits of departments' classification decisions, there is a need for more positive action to ensure better management performance.

3.4.2 There will be an increased emphasis on the Public Service Board's general responsibility to provide mobility programs, training courses and educational opportunities to improve management skills in the Service.

*Financial  
management  
improvement  
program*

3.4.3 Action has been taken to develop the Review of Commonwealth Administration recommendation for a financial management improvement program. The Public Service Board and the Department of Finance have been working for some months to plan how such a program can best be introduced into departments and authorities. That planning includes identifying how senior executives can manage resources using modern techniques and systems and with a heightened awareness of the financial, budgetary and economic implications relevant to their activities. Managers will co-ordinate resource plans, estimates and budgets in line with overall departmental and Service-wide policies. The program will assist with other changes to budget development and presentation which require greater attention by managers to the use of their resources.

3.4.4 The functional presentation of Budget information and the publication of the forward estimates are changes that have been made. The impending development of program budgets is a further step in a process that will show how resources are used to achieve identifiable ends and thus allow the assessment of management performance.

*Increased  
ministerial  
role—management  
improvement plans*

3.4.5 Greater ministerial involvement in decisions on resource allocation should be seen as an element of increased ministerial responsibility for departmental operations. Ministers will need to be informed on how these decisions are followed through. The Review of Commonwealth Administration proposed that Department Heads should each year prepare a management improvement plan for consideration by the Minister. The Review also recommended that the Public Service Board consult annually with each Minister and department on these matters. The Government intends to implement these recommendations but notes that management improvement plans, rather than necessarily being bulky 'corporate plans' covering all aspects of each department's activities, might better focus on a few strategic issues.

*Program budgeting*

3.4.6 The management improvement plans and the proposed integration of staffing and financial decisions would complement an increased emphasis in the budget system on program budgeting. In turn, the establishment of data bases for program budgeting would assist in program control, resource productivity assessment, priority setting and management reporting. Any introduction of program budgeting and the systematic reporting by departments to their Minister will, of course, be properly co-ordinated.

*Effectiveness  
reviews*

3.5.1 It is a continuing responsibility of departmental managers to monitor and assess the effectiveness of programs. Departments and Ministers are assisted by an array of program review mechanisms, each appropriate for different purposes and differing with respect to their emphasis on policy, administration and expenditure reduction. Budget reviews and examination of new program proposals by the Expenditure Review Committee of Cabinet will continue to be the most important way in which programs are assessed and expenditure priorities established. External inquiries, joint management reviews and efficiency audits will also continue to be carried out. The measures outlined below will strengthen Ministers' role in reviews and bring more order to their programming.

3.5.2. A particular innovation has been the use of the Expenditure Review Committee to conduct comprehensive assessments of the effectiveness of continuing programs outside the budget context. This enables Ministers to

focus on what may be large or complex issues without the immediate timetable pressures of the budget period. These reviews will concentrate on finding the most effective ways of meeting the Government's underlying objectives. Care will be taken to see that the responsible Minister is deeply involved in and committed to the review. The joint management reviews conducted by the Public Service Board, in conjunction with departments, will continue to provide opportunities for upgrading the management of departments and the management and efficiency of programs. The Government is looking at the needs of the Auditor-General's Office for its program of audits that seek to analyse the efficiency with which government policies are implemented.

3.5.3 It is the Government's intention that these review mechanisms should be actively used, that programs and activities should be subject to regular assessment and that program managers should plan accordingly.

3.5.4 To see that these reviews are co-ordinated and to supplement the Expenditure Review Committee's effectiveness review procedures, the Government intends to require that any review requiring Cabinet endorsement for its establishment and/or additional staff or funds must be referred to the Department of the Prime Minister and Cabinet so that it can:

- advise Ministers, departments and authorities on the most appropriate form of review
- comment on the proposed terms of reference and the scope of reviews
- assist, in consultation with the Public Service Board's Senior Executive Staffing Unit, in identifying expertise to lead or participate in review teams (the proposed SES Temporary Assignment Pool could provide high quality staff to assist departments in internal reviews), and
- regularly report to Cabinet on current reviews, progress made, implementation of findings, impending reviews and suggested areas for new reviews.

Departments and authorities would be encouraged, of course, to seek the advice of the Department of the Prime Minister and Cabinet even where additional resources were not required.

3.5.5 In the Government's view, all of these initiatives will contribute to a more purposeful and efficient administration. They will remove the arbitrary and ad hoc nature of previous methods of controlling staff resources, better organise the processes of review and foster a greater ministerial involvement in the development, management and evaluation of the Government's programs. They do not require, however, the establishment of any large new bureaucratic structures and can be readily modified in the light of experience. The Government is determined that strategy review and resource allocation processes should reduce the burden on Ministers and simplify their tasks. If the approaches do not achieve this the Government will move quickly to adjust them to see that they produce the results that are desired.

## 4. Personnel policies, grievances and appeals

**Introduction** 4.1.1 The Government is committed to a Public Service which, with full regard for the public interest and the effective conduct of public business, is managed in a way that:

- precludes discrimination on the grounds of political affiliation, race, ethnic origin, religion, sex, marital status, age, disability or sexual preference
- recognises the privacy and other legal rights of individuals
- promotes equality of employment opportunity, and
- recognises the right of staff to participate, including through registered staff organisations, in decisions which affect them at work.

This will not, of course, prevent justified and reasonable distinctions being made where necessary, for example, the minimum age requirement for the recruitment of Air Traffic Controllers required under International Civil Aviation Organisation regulations, or as part of equal opportunity action for disadvantaged groups.

4.1.2 To provide a set of standards against which personnel policies and practices can be measured and to provide a greater awareness of these standards the Government intends that they should be included in a declaratory statement in the Public Service Act.

4.1.3 The Government's plans for improving personnel management in the Public Service focus principally on three areas:

- a clear statement of the merit principles by which people are selected for entry to the Public Service or for advancement within it, and the provision of a more independent system for protecting the rights of individuals and groups
- equality of employment opportunity that gives all Australian citizens the chance to compete equally, on merit, for entry to the Public Service and assists those within it to compete equally, on merit, for advancement, and
- more participative forms of management and organisation of work to improve both the quality of decisions and the job satisfaction of staff.

The Government also intends to introduce permanent part-time work in the Public Service.

**Merit principles** 4.2.1 The Public Service Act does not define the merit principles governing the recruitment, advancement and placement of staff, although it does make clear that entry to the Public Service is to be by open competition and that promotion is to be on the basis of relative efficiency. A clear statement of merit principles will be included in the Public Service Act as a basis for developing and administering personnel policies. These principles are:

- recruitment will be open to all Australian citizens
- selection and advancement will be on the basis of relative efficiency

- there will be, wherever possible, open competition which fairly assesses relevant ability, knowledge and skills and assures equality of opportunity
- all employees will receive fair and equitable treatment
- all employees will be expected to maintain high standards of integrity and conduct, and
- employees will be protected against reprisal for lodging an appeal or complaint in accordance with any legal rights.

### Equality of opportunity

4.3.1 The Government is firmly committed to a policy of equal employment opportunity throughout the community generally. In its own area of responsibility as an employer, it intends to set an example. In particular, the Government is committed to policies that will lead to greater employment of groups traditionally under-represented in the Australian Public Service—women, Aboriginals, migrants and the disabled. This policy is seen as strengthening the merit principle, as it is aimed at removing those barriers which disadvantage some groups in merit competition. It will not inhibit the designation of positions as having special requirements (for example, some positions in the Department of Aboriginal Affairs require an ability to communicate effectively with Aboriginals and a knowledge and understanding of their culture). The Public Service Board will be expected to play a more vigorous central role in pursuing these policies.

4.3.2 In addition to its determination to eliminate discrimination (paragraphs 4.1.1 and 4.1.2 above), the Government intends to legislate to place a positive obligation on departments to develop and implement equal opportunity management programs for disadvantaged groups.

4.3.3 It is intended that the legislation will apply to some statutory authorities, not staffed under the Public Service Act, to be prescribed for that purpose. This will facilitate the application of the Government's equal employment opportunity policies in these authorities.

4.3.4 Each equal opportunity management program would include:

- review of personnel practices within the agency (including recruitment techniques, selection criteria, training and staff development programs, promotion and transfer policies and patterns, and conditions of service) with a view to identifying and correcting any discriminatory provisions or practices
- development of action-oriented plans designed to meet equal opportunity objectives, including
  - elimination of identified sources of discrimination
  - implementation of special measures designed by the Public Service Board to reduce inequalities, for example, special skill training, language training for migrants, and aids for the disabled, and
  - setting numerical targets, where this can reasonably be done, against which the success of the program can be measured
- consultation with staff organisations on the development and implementation of these plans
- communication of the plans to staff
- collection and recording of relevant information, and
- development of means of evaluating the results of the program.

4.3.5 Responsibility for implementation of equal opportunity management programs will be placed with people at senior levels within the agencies. The Public Service Board will promulgate guidelines for the development, implementation and evaluation and will monitor programs in each agency.

**Permanent part-time employment**

4.4.1 Associated with its policies on equal employment opportunity, the Government intends to introduce permanent part-time employment with superannuation cover in the Australian Public Service.

4.4.2 Permanent part-time employment will be provided when it is in the department's interests. It will not be a right or a condition of service; however, it will give departments wider scope to develop a more dependable and regular supply of needed skills. It will enable them to retain the investment in initial training of staff whose domestic or other responsibilities make it difficult for them to continue in full-time employment, at least for a period of their career, and who now find it necessary to resign.

4.4.3 From the staffs' point of view, permanent part-time employment will help to meet the special needs of people such as those returning to duty after illness or maternity leave, those wishing to combine a career with family responsibilities, or those approaching retirement. Permanent part-time employment will provide career continuity and will enable staff to return to full-time employment should their circumstances change, without the need to compete again on merit for appointment. It also will assist staff to return to full-time employment at a level close to or the same as their former full-time level in the Service.

4.4.4 The Government recognises the concern of the ACTU that part-time work should not be created at the expense of full-time jobs. It has asked the Ministers for Finance and Employment and Industrial Relations to develop firm proposals for permanent part-time employment in the Australian Public Service, and in doing so to take into account the views of, among others, the staff organisation peak councils. The Ministers have been asked to develop these proposals with a view to the introduction of the necessary legislation in the 1984 Autumn Sittings.

**Industrial democracy**

4.5.1 The Government believes that public administration will be more efficient if it is based on more open and democratic systems of organisation and management than those which have traditionally prevailed in public services. A more participative approach to management will improve decision making by ensuring full opportunities for the staff who will be affected to make their views known and to have them properly considered. An administration more responsive to the needs of staff will enjoy improved morale and performance, while at the same time enriching the working lives of men and women who are part of the Government's workforce.

4.5.2 There are, of course, special issues to be faced with industrial democracy in the Public Service. Constitutionally, except as otherwise might be provided by the Parliament, Ministers, either individually or collectively, are responsible for the decisions of the executive government. Further, the Public Service Act and other legislation places specific management responsibilities on Department Heads and the Public Service Board that they cannot abrogate. Without detracting from these constitutional and legislative responsibilities the Government is nevertheless determined to pursue the promotion of industrial democracy. To this end, the Government intends to

amend the Public Service Act to require each department and prescribed authority to develop, maintain and implement an industrial democracy action plan which will be monitored by the Public Service Board.

**4.5.3 Promotion of industrial democracy will also involve:**

- positive requirements for appropriate forms of employee participation at suitable decision points
- guidelines for staff participation in the development of industrial democracy plans within agencies
- identification and removal of obstacles inherent in legislation, guidelines, circulars, determinations, work practices and other aspects of the structure of government employment, and
- pilot projects to help identify the benefits and difficulties of industrial democracy in practice.

4.5.4 Without wishing to limit its scope, implementation of industrial democracy policies will be concentrated initially in the following areas:

- the organisation of work at all levels
- financial and human resource planning
- occupational safety and health
- introduction of new technology
- variation in terms and conditions of employment, and
- review processes, both within and across agencies.

4.5.5 The Public Service Board and the Department of Employment and Industrial Relations (which has responsibility for the broader introduction of industrial democracy in the community) will conduct a survey of current employee participation in management in all Government departments and authorities to provide baseline data.

4.5.6 An Industrial Democracy Unit has been established in the Office of the Public Service Board. It will provide advice and assistance to departments on the introduction of more participatory management and will conduct education and training activities to increase awareness of industrial democracy concepts and practices. The Industrial Democracy Unit, in conjunction with the Joint Council, is reviewing the Public Service Act and Regulations and existing personnel and management procedures to identify ways in which any barriers to the introduction of more participatory management might be removed, and to suggest other ways in which industrial democracy might be promoted. Clearly, the introduction of industrial democracy will require detailed discussion of many issues, including staff representation, access to information and the extent, if any, of the administrative support they should receive. The Government will be consulting with staff organisations on these issues.

**Joint selection committees**

4.6.1 Consistent with its policies on industrial democracy, the Government will introduce legislation for joint selection committees, that is, committees including a staff organisation representative, to enable their use in selecting people for promotion. Appropriately, this concept was developed through the Joint Council some years ago but not implemented at that time. Joint selection committees will provide an opportunity for participation in an area of very significant interest to staff. The committees will, as well, speed up the filling of vacant positions.

4.6.2 When a number of vacancies at the same level have to be filled in a large work area, the task of considering the claims of all applicants is very time consuming. In addition, it is common for large numbers of multiple appeals to be lodged against the provisional promotions. In effect, the selection task has to be done twice. In these and other circumstances, joint selection committees can reduce delays while giving protection to the rights of staff.

4.6.3 Within guidelines, and with the agreement of the appropriate staff organisation, a Department Head will be able to choose to use a joint selection committee. The vacancies will be advertised as ones subject to assessment by a joint selection committee. The joint selection committee will have three members: an independent chairman, one nominated by the Department Head and one staff nominee selected following consultation with the staff organisation. If the Department Head accepts the recommendation of a joint selection committee, the promotions made by the Department Head as a result will not be subject to appeal. If a Department Head promotes an officer not recommended by a joint selection committee, then that promotion would be subject to appeal in the normal way.

#### Reports on personnel management

4.7.1 So that the implementation of the Government's personnel policies can be monitored, the Public Service Board will be empowered to require reports on personnel policies and practices from departments and authorities covered by the Public Service Act and to take appropriate follow-up action in each case.

#### A new grievance authority

4.8.1 At present the Public Service Board makes a wide range of personnel management rules for the Public Service and at the same time adjudicates on grievances arising from their administration, sometimes when it or its delegates are the initial decision makers. These two functions do not fit comfortably together. Therefore, an important element of the Government's plans for reform of personnel management in the Public Service is the establishment of a new, independent statutory authority responsible for handling grievances and appeals of public servants now heard under the aegis of the Public Service Board. This will remove any potential for conflict between the role of the Board as an appeal body and its role as principal employing authority.

4.8.2 The new grievance authority, comprising an independent chairman and members reflecting other appropriate interests, including staff organisations and management, will have powers in relation to:

- personal grievances as contemplated by Public Service Regulations 33A-33E
- appeals or reviews under sections 50 and 63D, and Part IV, of the Public Service Act, Public Service Regulation 116 and section 15 of the Commonwealth Employees (Redeployment and Retirement) Act in relation to promotion, discipline, reappointment, temporary transfers, redeployment and retirement, and
- review of personnel decisions in relation to specific matters currently provided in the Public Service Act and Regulations, such as under section 31 and Regulation 61U in relation to deferral of increments and the granting of leave.

4.8.3 Existing rights under the Administrative Decisions (Judicial Review) Act (for example, the right to seek a written statement of reasons for decision) will not be affected. Similarly, while discrimination could be an element of

complaint in any of these grievances or appeal procedures, Commonwealth employees will not be precluded from making application to the Human Rights Commission in relation to such complaints as it can deal with; administrative arrangements will be developed to ensure the most expeditious and effective treatment of such complaints as between the Commission and the new authority.

4.8.4 Further consultation will be necessary before the structure and working arrangements of the grievance authority are determined. There would be advantages in the existing Promotions Appeal Committees, Discipline Appeal Boards, Redeployment and Retirement Appeal Tribunals and Re-appointments Review Committees continuing as tripartite committees, that is, an independent chairman and staff and departmental nominees. They would, however, be under the general management of the grievance authority, which would nominate the chairman on each occasion.

4.8.5 Notwithstanding the advantages of the tripartite structure of these various committees, there may, given the membership and structure of the new grievance authority, be some scope for streamlining what are now fairly complex procedures. This could be achieved by hearings before a single official, holding appointment as 'Hearings Officer', whose decision would be subject to disallowance by the authority. While there are limitations with this approach, the Government believes it is worth further exploration.

#### Consultations

4.9.1 The issues discussed in this chapter affect all staff in the Public Service more directly than matters raised in other parts of the paper. They are also of very great interest to staff organisations. For these reasons, the detailed implementation of the various personnel policy and management initiatives will figure prominently in the consultations with the staff organisations.

ATTACHMENT C

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## Reforms to the Australian Public Service

During the past year the legislative framework within which the Australian Public Service operates has been significantly reformed. The legislative reforms are a clear expression of the Government's intent in this area and, as they are implemented, they are likely to result in other changes in the way in which the Public Service operates.

The changes are aimed broadly at increasing the responsiveness of the Public Service to ministerial leadership, improving the efficiency of the Service and promoting equity in administration. Much of the attention given to the proposals has focussed on changes in the organisation and staffing of the senior levels of the Service. However, the reforms also will have far-reaching effects on the working environment. The work that is proceeding on equal employment opportunity programs, industrial democracy and permanent part-time employment will improve the working lives of many staff.

In addition to the details that appear immediately below, further information on the reforms is contained in the appendix item 'The Public Service Reforms — An Overview'.

### Background

In December 1983 the Government issued a policy paper, *Reforming the Australian Public Service*, setting out a wide range of proposals for the Australian Public Service. The decisions outlined in the paper were based upon reports made to the Government by a task force chaired by the Minister Assisting the Prime Minister for Public Service Matters. The Chairman of the Board was a member of the task force.

The preparation of the policy proposals had been foreshadowed in papers and reports prepared by Government members when in Opposition. Attention also was paid to major reports on Commonwealth administration over the past ten years; the Coombs Royal Commission on Australian Government Administration in 1976, the Reid Committee of Review in 1983, and the 202nd report of the Joint Parliamentary Committee of Public Accounts in 1982 on the selection and development of senior managers. Common themes in these reports were the need for a more responsive, efficient and open public service and an improvement in the quality of senior management.

In view of the significance of the changes foreshadowed, the views of departmental management, staff organisations and other interested parties were sought and lengthy discussions and negotiations, to which the Board contributed, were undertaken before final decisions were taken on the legislative amendments proposed.

Although some of the reforms suggested in the policy paper could have been introduced by administrative action, the Government considered that legislation was necessary for most of the reforms so as to facilitate implementation. On 9 May 1984 the Minister Assisting the Prime Minister for Public Service Matters introduced the following Bills in the House of Representatives:

- *Public Service Reform Bill 1984;*
- *Merit Protection (Australian Government Employees) Bill 1984;* and

- *Members of Parliament (Staff) Bill 1984.*

In his Second Reading Speech the Minister Assisting outlined the Government's objectives in the following terms:

First, there is the need for Ministers to supervise more closely the management of their departments and for departments to be more responsive and accountable to their Ministers.

Second, new arrangements need to be made for senior management in the Public Service to ensure a fully productive relationship between it and Governments, and to enable senior managers in the Service to realise their full potential.

Third, processes of resource allocation need to be improved by a closer involvement of Ministers and a greater co-ordination of financial and staffing resource decisions, coupled with better opportunities for the review of programs and their administration.

Fourth, there is a need for more explicit legislative support for more enlightened personnel policies and practices especially equal employment opportunity and industrial democracy, and for more appropriate arrangements to be made for the independent handling of staff grievances and appeals. These will form the basis of a more equitable administration.

Although a number of individuals and organisations disagreed with parts of the Government's proposals — and this should not be unexpected given the large number of changes announced — the overall response was very favourable. The three reform Bills were passed by the Parliament and were given Royal Assent on 25 June.

## Relationship Between Ministers and the Public Service

One of the principal themes of the reforms was the reinforcement of the Westminster System principle of ministerial control of, and responsibility for, the public service. The changes introduced take into account the growth of the public sector and the increasing complexity of its operations over the years.

To an extent the reforms in this area are a reflection of the frequently expressed community concerns that parliamentary democracy is being undermined by a powerful bureaucracy. Of course reality is far more complex, but such popular beliefs do highlight a legitimate concern about the role of the Australian Public Service in our political system.

The Public Service Act 1922 has been amended to clarify the traditional understanding of the relationships between Ministers and Secretaries of Departments. Except where specific powers are vested in a Secretary by statute, the legislation now makes it clear that a Secretary's responsibility for the general working of a department is subject to the Minister's powers under the Constitution.

The provisions of the *Members of Parliament (Staff) Act 1984* permit, among other things, the engagement of ministerial consultants who will, with the agreement of the Secretary of the relevant department, be able to work within departments. Where consultants do work within a department, they will be responsible to the Secretary of that department, but having been chosen directly by a Minister — subject to a merit panel and approval by the Prime Minister — can expect to reinforce the general outlook of the Minister within the department. They will be additional to the normal staff numbers of departments and it is expected that working in combination with departmental officials they will enhance the policy development capabilities of governments. The Board notes that the new provisions do not affect the independence of appointment and promotion processes in the Public Service itself which remain the responsibility of Secretaries of Departments and the Board.

The reforms also facilitate involvement of Ministers in departmental operations in other ways. The move towards Program Budgeting is designed to make it easier for Ministers to involve themselves in the allocation of resources, and administrative mechanisms are being established which will enable Ministers to be informed regularly on how their decisions are being followed through. A significant element in this process will be the

preparation by each Secretary of a management improvement plan for consideration by the Minister. These plans will not attempt to comprehend all aspects of the department's management, but rather concentrate on a few strategic issues. The Board will play an important role in the process by consulting annually with Ministers and their departments on the management improvement plans.

Finally, the transfer of responsibility for advice to the Government on staff numbers from the Board to the Department of Finance, and the move from a system of establishment control by the Board to a system of control based on staff profiles administered by the Minister for Finance, as discussed below, places greater responsibility in the hands of Ministers and is a return to the type of arrangements traditionally associated with the Westminster System.

Overall these changes will make the Public Service more responsive to the needs of Ministers and, through them, the community.

Other amendments to the Public Service Act enable the Governor-General to appoint, transfer or unattach a Secretary of a Department in accordance with a recommendation of the Prime Minister after the Prime Minister has obtained a report from the Chairman of the Public Service Board who will have consulted the relevant Minister. This offers greater flexibility for government in relation to these most important positions.

## Senior Management of the Service

A major element of the Government's plans for the reform of the Public Service centres upon remodelling the former Second Division into a Senior Executive Service to be regulated by distinctive personnel and other arrangements.

In the words of the legislation:

The Senior Executive Service is established in order to provide for a group of officers who may undertake higher level policy advice, managerial and professional responsibilities in departments; and [who] may be deployed by Secretaries within departments, and by the Board between departments, so as best to promote the efficiency of the Australian Public Service.

The new arrangements for the Senior Executive Service have a number of objectives:

- First, the encouragement and development of a corporate identity among senior managers and advisers in the Service. Perhaps more than in any other group, senior staff need to think of themselves in terms of the Service as a whole rather than as members of a particular department or authority. The attitudes of staff are central to the development of a corps of senior managers who are more mobile, flexible and adaptable.
- Second, the development in all senior staff of managerial and policy advisory abilities — *in addition to any specialist skill needed* — consistent with the overall administrative responsibilities which are an integral part of work at this level of the Service.
- Third, the provision of greater opportunities for management intervention in the deployment of senior staff across the Service as a whole. The Board and departments now will be required to see that staff are deployed in a way that best matches the objectives and priorities of the Government and the interests of the Service as a whole, as well as the interests of the individual department and individual officer. Greater emphasis will be placed on the transfer of staff between different work areas and between departments in order to develop the skills and potential of staff and to encourage their flexibility, but in a way that recognises the need for specific professional skills in certain areas.
- Fourth, the development of a more open and competitive senior service by allowing people from outside the Service to apply for all vacancies, and by establishing a more

rigorous and thorough-going system for the consideration of persons for promotion, appointment and transfer.

In order to achieve these objectives, significant developments are taking place in the staffing arrangements for senior management. The creation of a professional, highly-skilled Senior Executive Service will depend to a large extent on the effectiveness of the processes used. While ability to perform efficiently the specialised duties of a vacant position will remain important, the new arrangements will ensure that consideration also is given to management skills generally applicable to senior executive positions and to the talents and strengths of other senior executives in the department concerned.

All vacancies at these levels will be advertised in the *Commonwealth of Australia Gazette* and in the Press. In particular cases when it is clear that the field of applicants may not be strong, more intensive advertising campaigns may be conducted or private sector 'executive search' services used. The opening of the Senior Executive Service to outside applicants is one reflection of the desire to ensure the highest quality staff at the senior levels in the Australian Public Service.

The Board will be represented on all selection committees for senior executive staff. Appointments of outside applicants and promotion of existing officers to the Senior Executive Service will be made by the Board on the recommendation of Secretaries of Departments. In relation to promotions, the Board will have authority to refuse to promote staff on certain specified grounds, but it will be unable to substitute the promotion of another officer. There will be provision for people to be appointed on a fixed-term basis where this is appropriate.

The new arrangements will not provide for appeals against promotions, but there will be adequate protections of the rights of staff through arrangements for staff appraisal, by the participation of the Board in all promotion decisions and the engaging of a Senior Executive Advisor by the Board to counsel senior executive staff. Officers also will have the right to approach the Merit Protection and Review Agency where discrimination or other improper practice is alleged.

The Board is to develop a system of staff appraisal and a central staff inventory. A temporary assignment pool also will be managed by the Board in consultation with Secretaries of Departments. Staff who enter the pool will be given specially chosen work assignments to develop their management skills. The Board also is devoting considerable resources to improving staff development opportunities for senior executives. A number of initiatives in this area are being implemented, including special development programs for new entrants to the Senior Executive Service, sponsorship of further management and skills training and an extension of the Senior Executive Fellowship Scheme.

The actions taken by the Government in this area are indicative of a thorough reassessment of its expectations of how the Service is to administer the Government's policies. The Board does not believe that these actions should be seen as a reflection on the Service and its staff or as an indication that the Service has declined in its ability to serve governments and the community. In fact, the Service now has staff who are better educated and better equipped to tackle the very difficult, wide-ranging and in some ways more complex tasks of government than their predecessors. The Board notes that the Minister Assisting the Prime Minister for Public Service Matters said earlier this year that:

The overwhelming experience of Ministers since taking office has been of efficient, candid and high quality advice and support. Many of us who had never held office before were surprised and impressed at how comprehensive and sensitive that support has been and the dedication of those who provide it.

The changes are more a recognition that in a continually changing political and cultural environment there is a need to review regularly the organisation and performance of the Service. Such a process is essential if the Service is to be capable of adapting to the challenges of the future. The expansion of the role of the Public Service into new areas also

has meant that it is desirable to have a more diversified range of experience among senior officers. The vast majority of senior positions will continue to be filled by career public servants, and the Service will be enhanced if those promoted in future include a high proportion of women and other groups at present under-represented, and if a proportion of senior executives from outside the Service can be attracted to join it.

## Promotion of Equity in the Service

One of the major aspects of the reforms has been the enhancement of programs to promote fairness and equity in the Public Service. These are the obligations placed on departments to implement equal employment opportunity programs, the introduction of permanent part-time employment, the requirement to develop, maintain and implement industrial democracy plans and the establishment of the Merit Protection and Review Agency.

While the Board actively pursued a voluntary approach to equal employment opportunity over the past decade and some progress had been made, the overall results had been disappointing. There was little indication of any general departmental progress towards a planned, results-oriented approach to achieving equality of opportunity. The Government concluded therefore that legislation was necessary to raise equal employment opportunity to the level of a major Australian Public Service management strategy and to achieve real progress.

The *Public Service Reform Act 1984* contains provisions which place a positive obligation on departments to develop and implement equal employment opportunity programs for women and certain designated groups, and to report to the Board on these programs.

The Board anticipates that the greater emphasis to be given to equal employment opportunity programs will have significant advantages for management. Not only will it reflect a more equitable treatment of staff, but it will promote the optimum use of all the human skills available. The Board also is of the view that the Public Service will be better able to meet its obligations to advise and support government when it is more representative of the community.

As part of the reform legislation, the Government announced its intention, associated with its policies on equal employment opportunity, to introduce permanent part-time employment, with superannuation cover, into the Australian Public Service. The necessary provisions to amend the *Public Service Act* to enable permanent part-time employment were included in the reform legislation and regulations will be made under the *Superannuation Act 1976*.

The legislation includes a requirement that the Board consult with staff organisations prior to the introduction of permanent part-time work and negotiations in this respect are proceeding. As part of these consultations, and in recognition of staff organisations' concerns, the Board has agreed to certain restrictions which will apply to the scheme initially.

The Board sees the introduction of permanent part-time employment as providing significantly greater opportunities for staff to combine work with personal commitments, including family responsibilities, and an important practical step in enhancing equal employment opportunity within the Service. In addition, it provides management with greater flexibility where full-time staff are not needed to perform the required work or to overcome situations where recruitment difficulties occur. The Board intends to undertake a review of the operation of the scheme at the end of twelve months operation.

Another important aspect of the Government's policy is the encouragement of industrial democracy in the Public Service. The Government's views were reflected in the policy paper *Reforming the Australian Public Service* as follows:

The Government believes that public administration will be more efficient if it is based on more open and democratic systems of organisation and management than those which have traditionally prevailed in public services. A more participative approach to management will improve decision making by ensuring full opportunities for the staff who will be affected to make their views known and to have them properly considered. An administration more responsive to the needs of staff will enjoy improved morale and performance, while at the same time enriching the working lives of men and women who are part of the Government's workforce.

The Board expects an improvement in industrial relations in the Service with increasing involvement of staff in departmental decision making. Departmental councils will provide a forum for the identification and resolution of potential difficulties before an industrial dispute occurs and will enable the development of a more positive relationship between management and unions than has traditionally been the case.

The amended Public Service Act will require departments and prescribed authorities to develop and maintain industrial democracy plans. Agencies will be required to submit a copy of their industrial democracy plans to the Board, and information on the implementation and operation of plans is to be included in departmental annual reports. The legislation also refers to guidelines on industrial democracy plans to be provided by the Board. These guidelines are being prepared through the Joint Council Sub-committee on Industrial Democracy.

Industrial democracy plans are to be developed in consultation with relevant staff organisations, and with such other persons as the Secretary of the Department considers appropriate. Where departmental councils exist, these could be used as the consultative mechanisms for developing the plans.

The Board is aware that because of differences in functions, size, occupational groupings and geographic dispersal, industrial democracy plans will differ markedly from one organisation to another and that, at least initially, there will be some uncertainty as to what these plans should contain. It is expected that useful plans will develop over time through the process of consultation between management and staff organisation.

In the past the development of personnel policies has been based on an extrapolation of merit principles inherent in Public Service legislation. Specific provisions have been inserted into the Public Service Act which clarify the obligation on managers to act in accordance with the principle of selection and advancement on the basis of merit alone. They also preclude discrimination on a variety of grounds including political affiliation, race, religion or sex. The successful administration of these policies has, in the past, depended to a large extent on exhortation. The Parliament has now provided a more substantial legislative framework for the implementation of personnel policies, and implementation will require co-operation between the Board and departments.

Another element in the promotion of fairness and equity in the Public Service is the creation of the Merit Protection and Review Agency. When this organisation is established later in 1984-85, the Board's role in the adjudication of grievances and the administration of appeals bodies will be transferred to the Agency. The Agency also will investigate complaints about discrimination in employment. These functions now are being performed by the Board, but do not sit comfortably with its responsibilities as the principal employing authority. The Board sees that the performance of these functions by an independent authority will encourage further staff confidence in the handling of their employment grievances.

## The Public Service Reforms — An Overview

In June 1984 Federal Parliament passed three Bills to reform the Australian Public Service. The Bills were given Royal Assent on 25 June 1984.

The Acts, the *Public Service Reform Act 1984*, the *Members of Parliament (Staff) Act 1984*, and the *Merit Protection (Australian Government Employees) Act 1984*, which were directed at the need to improve the effectiveness of the Public Service and its responsiveness to the needs of the Government and the community, addressed many areas of change throughout the Service.

The following outlines the major changes provided for in the legislation. Further details of the reforms are contained in the Major Developments section of this Report.

### Secretaries of Departments

Secretaries of Departments — who were formerly designated in the *Public Service Act 1922* as Permanent Heads — will be appointed, transferred or unattached by the Governor-General on the recommendation of the Prime Minister, after the Prime Minister has received a report from the Chairman of the Public Service Board.

The legislation governing the appointment and placement of Secretaries of Departments is similar in intent to the provisions existing between 1922 and 1976, but stronger, in that it *requires*, rather than merely *allows for*, a report from the Chairman.

An option is available for Secretaries to be appointed for fixed periods, with appropriate superannuation arrangements.

Where a Secretary is unattached, there is a legislative obligation on the Public Service Board to attempt to secure the redeployment of the officer, with the Board being able to determine that pay, allowances and associated conditions of service should continue at the level applicable to a Secretary. If it appears that a suitable position is not available, then the Board is required to place the person at the most senior level in the Senior Executive Service, with a right to retain superannuation entitlements at the appropriate Secretary of Department salary rate, as updated from time to time.

A flexible system for the rotation of Secretaries has been implemented. After a person has held a position of Secretary for five years the Chairman of the Public Service Board will raise with the Secretary and the Minister the possibility of another placement, and report to the Prime Minister on what action would be appropriate under the circumstances. In order to make the rotation system operate effectively the Government will continue the practice of maintaining the salary and status of a Secretary when moved to another position that may have a lower salary determined for it by the Remuneration Tribunal.

The Public Service Act has been amended to clarify the traditional understanding of the relationship between Ministers and Secretaries of Departments in relation to their responsibilities for the administration of departments. Except where specific powers are vested in a Secretary by statute, legislation will now make it clear that a Secretary's responsibilities for the general working of a department is subject to the Minister's powers under the Constitution.

## Senior Executive Service

The Senior Executive Service (SES) has been established to replace the former Second Division of the Public Service. It includes staff who carry the more important policy advising and managerial responsibilities; it also includes some high level professional staff. The SES will be more open and competitive than the former Second Division, and a high priority will be given to careful selection, development and placement of staff.

It is intended that the SES be developed and managed as a corporate entity, that is, important staff decisions will be taken in the context of the needs of the Public Service as a whole, not just the short-term interests of particular departments. The Public Service Board is therefore to take a prominent role in staff selection, development and placement. It has established a special Senior Executive Staffing Unit (SESU) whose main functions are:

- to establish and maintain a central record of the qualifications, skills and experience of all SES staff and staff in the immediate feeder groups;
- to advise the Board and departments on all SES staffing matters and assist in selections for appointment, transfer or promotion;
- to implement programs for improving staff development, mobility and equal employment opportunity in the SES; and
- to provide advice and counselling to SES staff as required through the non-statutory position of Senior Executive Advisor.

Management of the SES requires close consultation and co-operation between the Board and Secretaries of Departments. To facilitate this the Board has established a Secretaries' Advisory Committee on senior staffing matters.

### Entry to the Senior Executive Service

The SES includes all serving officers of the former Second Division. All vacancies, except those to be filled by rotation/transfer of staff at existing salary levels, will be advertised. The advertisements will be grouped together in a special section of the *Commonwealth of Australia Gazette* for ease of reference. All SES vacancies are open to appropriately qualified people from outside the Service. If a person from outside the Service is selected, the normal conditions for appointment to the Public Service apply, although there is provision for people to be appointed on a fixed-term basis where this is more appropriate. Appointments to the SES will be made by the Public Service Board on the recommendation of Secretaries of Departments.

The Board is looking at ways to improve relocation assistance for senior executives taking up duty. People appointed for fixed terms will be offered the choice of joining the Commonwealth Superannuation Scheme or being covered by an appropriate superannuation endowment policy.

### Staff Mobility

Greater mobility among staff in the SES is to be encouraged. Being prepared to move jobs as required, subject to certain guidelines, is regarded as being part and parcel of making a career in the SES. Any assessments of staff for promotion are required to take into account, along with relative efficiency for the particular duties, ability to undertake policy and management work generally and the overall combination or balance of experience, training, qualifications and personal qualities among senior officers in a department.

The Board is to develop and implement a program to increase the mobility of senior executives through lateral transfers. Features of the program will include:

- Issue of guidelines for promoting mobility within departments as one element of the broader program.

- Regular appraisal of the work performance and staff development needs of all staff. Relevant information will be held as part of the SESU's inventory of senior staff. The appraisal scheme will be developed in consultation with staff organisations and will provide appropriate protections of the rights of staff.
- Use of the central staff inventory described above to identify people who may have qualifications and skills for any vacant position, who have expressed interest in transfer or whose career development might benefit from transfer.
- Establishment of a temporary assignment pool, that is, a small group of positions in the Board staffed for limited periods by promotion, transfer or secondment. The pool will be managed by the Board in consultation with the Secretaries of Departments. Staff who enter the pool will be given a series of work assignments of varying length. The pool will be a valuable staff development aid, including for officers of outstanding potential and others whose careers need to be re-oriented or whose performance would benefit from a period of rapid job rotation. The assignments will be nominated by departments and undertaken in departments under normal management arrangements.

Secretaries of Departments are able to transfer an officer from one job to another within a department. The Board has the power to transfer an officer between departments after consulting the person and the gaining and losing Secretaries concerned, including where a person applies, and is selected for, transfer to an advertised vacancy. Any decision to transfer an officer within a department or between departments will be made having regard to the efficient operation of the Service, the career development of the officer and the views of the officer. The last requirement gives officers the right to have any relevant personal circumstances taken into account.

It is not intended that the staff mobility program will prevent senior executives from pursuing more specialised career paths within the SES if they wish to do so. However, such staff will be encouraged to develop a broader range of skills, including in management and policy advising, which will improve their overall performance in their chosen fields and leave open the possibility of pursuing other career options at a later stage.

### Promotion

In order to ensure that staff selections are made in a Service-wide context and after a thorough search to find the most suitable person, the legislation provides for new arrangements to apply to SES promotions. Power to promote a person rests with the Board; after a vacancy has been advertised, applicants have been assessed and the Board has received a recommendation from the Secretary of a Department. The selection committee will undertake its assessments in consultation with the SESU, and will include a representative of the Board; often a member of the SESU. The Board will have the power to make a promotion as recommended by the Secretary of a Department or to decide not to make it on specified grounds. It will not have power to substitute the promotion of a different person. The specified grounds for not making a promotion are that the person recommended is unsuitable, that the procedures followed were not adequate, that the vacancy should be further advertised or that an officer should be transferred to the position in the interests of the Service.

In relation to transfers, the Board and Secretaries of Departments will be expected to work together in close co-operation.

The new arrangements do not provide for appeals against promotions, since the Government believes that such appeals would be inconsistent with the general framework being established for managing senior staff. There are, however, adequate protections of the rights of staff, through arrangements for staff appraisal, the close participation of the Board in all promotion decisions, the establishment of the Senior Executive Advisor

position to counsel staff and the right to approach the Merit Protection and Review Agency in any cases where discrimination or other improper practice is alleged.

The Board continues to have the power to permit an officer to decline a promotion or transfer without prejudice to rights of future promotion or transfer.

### **Staff Development**

Provision of improved staff development opportunities on the basis of assessments of the needs of individual officers is a significant feature of the the SES. The policy paper *Reforming the Australian Public Service* outlined a number of initiatives that are now being taken including:

- a special development program, called the Senior Executive Management Program, for new entrants to the SES;
- sponsorship of further management and skills training, including Senior Executive Conferences and Occasional Seminars;
- extension of the Senior Executive Fellowship Scheme providing for 'state of the art' overseas visits programs, participation in short courses or work experience programs with overseas organisations; and
- the staff mobility program and temporary assignment pool also will be important elements in the overall staff development program.

### **Unsatisfactory Performers and Surplus Staff**

The arrangements outlined above for day to day management of SES staff are designed to ensure that continuing attention is given to the work performance and staff development needs of senior executives on an individual basis and that the disposition of staff is kept under review in the interests of efficiency and economy of the Service. It is to be normal management practice for staff who do not perform satisfactorily in a particular job or who become surplus to the requirements of departments to be moved to other jobs as part of the staff mobility program. No stigma will be attached to people moved in this way. At all times the aim will be to place people in positions where they can perform efficiently and to the best advantage of the Service with, of course, regard for their own career wishes.

The reform legislation provides for staff, who after all reasonable efforts have been made, cannot be placed satisfactorily at their existing levels, to be transferred to a position at a level lower, or retired from the Service. The criteria which must be met before the Board may conclude that a person should be dealt with in this way are set out in the legislation. The legislation also provides a right of appeal to a tribunal, constituted under the Merit Protection and Review Agency, on grounds that all reasonable efforts have not been made to place the officer, that the decision to reduce or retire is incorrect on the merits or that any lower classification level is incorrect.

Where, in the interests of the Service, a person agrees to retire voluntarily, the Board will be able to determine any additional benefit that are appropriate in the circumstances.

These arrangements are intended to provide a more appropriate way of dealing with senior staff who can no longer be used properly at their existing levels. There will be no change to the existing procedures for redeploying or retiring staff on the grounds of invalidity or medical incapacity for work.

### **Ministerial Consultants**

It is intended to raise the level of assistance available to Ministers on key projects from people who share the Government's values and objectives, or who can bring to Government relevant specialised or technically advanced skills.

The Members of Parliament (Staff) Act provides for Ministers to engage, by contract, a limited number of persons or companies to work as consultants on nominated duties directly for a Minister or under the direction of the Secretary on duties agreed between the Minister and the Secretary.

The engagement of ministerial consultants is not a new concept. Governments in the past have taken on consultants either by the use of simple contract arrangements or by the use of the temporary employment provisions of the Public Service Act. The legislation removes any doubt about the legal basis of such engagements.

Each engagement requires the Prime Minister's approval on a recommendation from the Minister concerned. The Minister's recommendation will be accompanied by a report from a merit panel.

Consultants may be engaged for periods of up to three years, but tenure will be at the discretion of the Minister and dependent on the Minister continuing in the portfolio in which the engagement was made. Consultants will have no tenure in the Public Service. Where they are placed in departments, they will be regarded as supernumeraries. They will not exercise delegated powers.

Where appropriate, superannuation cover will be available through membership of the Commonwealth Superannuation Scheme or by provision of a superannuation endowment policy. Other terms and conditions, including in the case of career public servants, for re-entry to the Public Service on completion of the engagement, will be determined by the Public Service Board.

### **Personal Staff of Ministers and Other Members of Parliament**

The Members of Parliament (Staff) Act allows Ministers, other Members of Parliament and office holders to employ their own staff.

In the past, such staff were engaged under the temporary employment provisions of the Public Service Act and decisions about their engagement were formally taken by the Department of the Special Minister of State.

Under the new arrangements, the number and allocation of staff for Ministers and other Members continues to be determined by the Government on the recommendation of the Remuneration Tribunal. Terms and conditions of employment are now based on those applying to public servants, but the Prime Minister has the power to vary them to take into account the special circumstances of the group. Staff have the same access to arbitration as other Commonwealth employees.

The tenure of staff members is at the discretion of the relevant Minister or Member, but the legislation provides for the employment to terminate automatically where the Minister or Member ceases to hold office or loses the entitlement to staff. There is provision for the Prime Minister to approve continuation of employment for a period, for example, to permit a winding down period or for other special circumstances.

Officers of the Public Service who take up employment under these arrangements have the right to apply for positions within the Public Service without having to take up any position they may win on merit, in order to establish the minimum level at which they may be re-integrated to the Service on completion of their employment. They also have access to a Re-integration Assessment Committee, which decides the actual level at which they may be returned to the Service.

## Personal Staff of the Governor-General

The *Governor-General Act 1974* also has been amended so that provisions similar to those outlined above for the personal staff of Ministers, Members and Senators apply to the staff of the Governor-General.

## Remuneration

The policy paper *Reforming the Australian Public Service* referred to the significant and widening gap between remuneration in the senior levels of the public and private sectors and the difficulties, particularly at this time, in taking any action that would alleviate this problem.

So far as the reform legislation is concerned two changes have been made:

- first, all fixed-term appointees as Secretaries of Departments and to the Senior Executive Service, and all ministerial consultants and staff of Ministers, Senators and Members are able to take out a superannuation endowment policy providing for benefits on completion or termination as an alternative to the standard superannuation cover available under the Commonwealth Superannuation Scheme; and
- second, the *Remuneration Tribunals Act 1973* has been amended to allow the Tribunal to review the salaries of the groups within its jurisdiction at different times.

## Resource Allocation

An important change in the management of staffing resources was a legislative amendment to devolve to Secretaries power to create and abolish positions. These decisions formerly were taken by the Governor-General on a recommendation from the Public Service Board. Secretaries can also reclassify positions.

The Board continues to be responsible for the design of occupational groups, including the development of classification standards and guidelines and the determination of related pay rates. The Board has power to direct a department to reclassify a position.

As a result of the legislative changes the Department of Finance now advises the Government on, and administers, human resource budgets, which provide for a greater integration of financial and staffing decisions than was previously the case and allows for greater participation of Ministers and Secretaries of Departments in the final decisions about the numbers of staff for their departments.

Resource allocation has been improved by the implementation of a Financial Management Improvement Program which promotes the use of modern techniques and systems and heightens the awareness of senior managers of the financial, budgetary and economic implications of their activities.

Greater opportunities also have been provided for Ministers to be involved in departmental operations by the use of management improvement plans to be prepared by departments and to be used as a basis for discussions between Ministers and their departments.

## Personnel Management

### Merit Principles

A clear statement of merit principles is now included in the Public Service Act as a basis for developing and administering personnel policies. While the Act already made clear that

entry to the Public Service was by open competition and that promotion was to be on the basis of relative efficiency, these criteria have been made more explicit.

The Act now provides that:

- persons who are eligible for appointment to the Service are to be given, as far as practicable, reasonable opportunity to apply for appointment;
- appointment is to be on the basis of an assessment of the relative suitability of applicants, having regard to the nature of the duties to be performed and the abilities, qualifications, experience and other attributes of applicants that are relevant to those duties; and
- appointments, transfers and promotions are to be made in a way that precludes patronage and favouritism or any unjustified discrimination, including on the grounds of political affiliation, race, colour, ethnic origin, social origin, religion, sex, sexual preference, marital status, pregnancy, age or physical or mental disability.

### Equal Employment Opportunity

The Public Service Act has been amended to place a positive obligation on departments to develop and implement equal employment opportunity programs for women and designated disadvantaged groups. Departments are required to develop, in accordance with guidelines issued by the Board, programs which include the examination of employment practices to identify any which unjustifiably discriminate against women or persons in designated groups and which set out a plan of action for eliminating such practices. The programs are required to specify their objectives and proposed procedures, and include quantitative and other indicators by which their effectiveness can be assessed. They include details of the allocation of resources to give effect to the programs.

Departments are required to take action to give effect to equal employment opportunity programs. The Board has the power to require reports from departments and to make recommendations on action that should be taken to improve the effectiveness of the programs. A Secretary who does not accept a recommendation of the Board will be required to give reasons to the Minister for not accepting it.

The legislation includes provision for equal employment opportunity programs to be extended to other areas of Commonwealth employment by regulation, after consultation with the authorities concerned and appropriate staff organisations.

### Permanent Part-time Employment

In association with its equal employment opportunity policies, the Government has made provision for permanent part-time employment, with superannuation cover, in the Australian Public Service.

In the past the Public Service Act provided for employment of part-time staff on a temporary basis only. The provisions of the *Commonwealth Superannuation Act 1976* only applied to full-time employees.

Permanent part-time employment gives greater flexibility to management in the efficient organisation of work. It also assists permanent staff who wish to maintain career continuity but who, for various reasons, are unable, for periods, to work on a normal full-time basis.

The main features of the scheme are:

- permanent part-time employment will be provided, at the initiative of either management or staff, when it is in a department's interests, because:
  - the nature or extent of the work or difficult recruitment market is such that employment of staff on a part-time basis is desirable, or
  - staff wish to work part-time for personal reasons under arrangements acceptable to a department;

- in developing any proposals for the introduction or extension of part-time employment, management will endeavour not to convert positions from full-time to part-time;
- there will be no pressure on full-time staff to convert to part-time work;
- the same principles as apply to the staffing of full-time positions in relation to advertising, transfer, promotion and appointment apply in staffing part-time positions; and
- there is to be appropriate superannuation cover provided, and rates of pay and most conditions of service for part-timers will be the same as apply to full-time officers, on a pro-rata basis.

Staff organisations are to be consulted on the administration of part-time employment.

The question of permanent part-time employment in authorities not staffed under the Public Service Act, or not in statutory relationship with the Public Service Board, will be pursued as appropriate by the Minister for Employment and Industrial Relations.

### **Industrial Democracy**

*Departments are required to develop and implement industrial democracy plans as a means of achieving a more participative approach to management and ensuring that staff have appropriate opportunities to be consulted on decisions which affect them in their work.*

Plans will be developed in consultation with staff and within guidelines issued by the Board. The Board has the power to recommend to departments any action which could or should be taken to improve the effectiveness of the plans. A Secretary who does not accept a recommendation of the Board will be required to give reasons to the Minister for not accepting it.

The legislation includes provision for industrial democracy programs to be extended to other areas of Commonwealth employment by regulation, after consultation with the authorities concerned and appropriate staff organisations.

### **Joint Selection Committees**

Consistent with the policies on industrial democracy, the legislation includes provision for joint committees — that is, including a staff organisation representative — to select people for promotion. Joint selection committees provide an opportunity for participation in an area of very significant interest to staff and will speed up the filling of vacant positions, particularly in cases where a number of vacancies at the same level have to be filled in a large work area.

Within guidelines, and with the agreement of the relevant staff organisation(s), a Secretary may choose to use a joint selection committee for a particular vacancy. The vacancy will be advertised as one subject to assessment by a joint selection committee. The committee will have three members: an independent chairman, one nominee of the Secretary and one staff nominee of the appropriate staff organisation.

If the Secretary accepts the recommendation of the committee, promotions made as a result will not be subject to appeal. If a Secretary promotes an officer not recommended by a joint selection committee, then that promotion would be subject to appeal in the normal way.

### **Nationality Requirement for the Public Service**

The Public Service Act has been amended to provide that, in general, appointees to the Australian Public Service must be Australian citizens, rather than British subjects as in the past. There will continue to be no nationality requirement for employees. Appropriate

action will also be taken to amend nationality requirements in other areas of Commonwealth employment.

### **Personnel Management Reports**

In order to help the Board promote better personnel management in the Service, the Public Service Act includes a specific power for the Board to require departments to provide a report on any aspect of personnel management in the department. After considering the report, the Board will be able to make recommendations to the department on action that could or should be taken to improve personnel management. A Secretary who does not accept a recommendation of the Board will be required to give reasons to the Minister for not accepting it.

### **Merit Protection and Review Agency**

The Public Service Board makes a wide range of personnel management rules for the Australian Public Service and at the same time adjudicates on grievances arising from their administration, sometimes when it or its delegates are the initial decision makers. These two functions do not sit comfortably together. Therefore, a new, independent statutory authority has been legislated for to handle the grievances of public servants which were dealt with under the aegis of the Board. The various statutory appeal and review committees which deal with, for example, promotion and discipline appeals, also come under the auspices of the Agency.

The Merit Protection and Review Agency will comprise a full-time Director and up to four other members, two of whom also may be full-time. At least one full-time member will be appointed after consultation with unions. The Agency's responsibilities include:

- the overseeing and administration of various statutory appeal and review committees — Promotion Appeal Committees, Disciplinary Appeal Committees, Redeployment and Retirement Appeal Committees, Re-appointment Review Committees, and Re-integration Assessment Committees;
- reviewing particular decisions where a right of review of those decisions is provided in the terms and conditions of employment of staff;
- the investigation of grievances;
- conducting investigations at the request of the Minister responsible for the Agency, or of the Board; and
- providing advice to staff in relation to their grievance and appeal rights.

An important element of the Merit Protection (Australian Government Employees) Act is that it includes provisions to enable the various appeal, review, and grievance avenues to be extended to areas of Commonwealth employment outside the Service. In particular, it will be possible for Promotion Appeal Committees and Disciplinary Appeal Committees to be made available for appeals from the staff of statutory authorities. Additionally, the terms and conditions of staff in statutory authorities will be able to provide access to the Merit Protection and Review Agency to enable the Agency to hear appeals on the merits of particular employment decisions and also to investigate actions complained of by staff.

Initially the jurisdiction of the Agency will be limited to the Public Service but over time, and after consultation with the various statutory authorities and relevant staff organisations, it is expected that the Agency's services will be available throughout the wider area of Commonwealth employment.

ATTACHMENT D

Public Service Act 1922

25 (2) The Secretary of a Department shall, under the Minister, be responsible for its general working, and for all the business thereof, and shall advise the Minister in all matters relating to the Department.

ATTACHMENT E

Public Service Board Annual Report 1982-83

pp 82-87

# Equal Employment Opportunity

The Board has continued to encourage in departments a voluntary program approach to equal employment opportunity while working to improve mechanisms for the resolution and redress of complaints of discrimination. The Board's programs are directed towards ensuring that management in the Service accepts responsibility for the introduction and monitoring of measures to promote equality of opportunity for staff.

The Board's Equal Employment Opportunity (EEO) Bureau assists departments in devising and implementing their own programs for disadvantaged groups as part of the development of normal departmental objectives in personnel management. Subject to the procedures required by the *Public Service Act 1922* the EEO Bureau also investigates and resolves complaints alleging discrimination in the Service.

During the latter half of 1982-83 there was an increased volume of requests from departments for advice concerning the development of equal employment opportunity units and management plans. The EEO Bureau was involved extensively in implementing Service-wide the Government's policies on equal employment opportunity for women and minority groups. These included affirmative action for Aboriginals and proposed anti-discrimination legislation and other measures directed towards equal employment opportunity for women.

## Women

At the request of the Joint Committee of Public Accounts (JCPA) the Bureau prepared a submission, 'Selection and Development of Women in Senior Positions in the Australian Public Service', to assist the Committee in its inquiry into the selection and development of senior managers.

In November 1982 the Board approved several new measures aimed at increasing the number of women in senior jobs. It is the view of the Board that, despite the removal of formal restrictions, on average, women face more difficulties than men in attaining senior levels in the Service. The action approved by the Board is aimed at:

- raising awareness of EEO issues among senior male and female managers,
- improving staff development activities for women,
- widening the range of jobs occupied by women,
- increasing the involvement of women in the selection process, and
- obtaining firm commitment from senior departmental management to EEO programs.

Altogether the proposals approved by the Board form a plan to facilitate the entry of women into senior positions. They also address many of the relevant recommendations made by the Review of Commonwealth Administration and the JCPA report 'The Selection and Development of Senior Managers in the Commonwealth Public Service'.

The Board has recognised that effective integration of women into management positions depends on the acceptance of the women by senior male managers as well as on the competence and readiness of the women themselves. The Bureau has therefore given early attention to staff development initiatives.

A staff development package, 'Management and Interpersonal Skills', has been developed by a consultant for use by departments in senior management conferences and

seminars. The package, which is intended to assist senior male managers to relate to and work with women in senior positions, is being adapted by the consultant for use in other Service-wide and departmental staff development programs.

A second consultant has developed a training package on career planning and confidence building for women.

During the year Bureau officers assisted EEO staff in the Board's Regional Offices in the presentation of seminars designed to increase awareness among the more senior women in the Service of measures and strategies to assist their progression to senior management positions.

Facilitating the movement of women into senior positions is only part of the task confronting the Board in furthering equal employment opportunity for women. Of concern to a larger number of women is access to jobs which have in the past tended to be regarded as *for males only or predominantly*. The Board's Regional Offices, in particular those in Melbourne and Sydney, made a determined effort over the course of the year to encourage more young women to apply and to be considered for apprenticeships across the Service.

To encourage management commitment to EEO for women the Board has decided to include highlights of EEO programs in its Annual Reports. As mentioned in the 'Review of Major Developments', the Chairman wrote on 25 March to heads of departments seeking information on achievements and future plans for EEO for female staff. Some highlights of these responses follow:

- The Department of Housing and Construction reported that it had been active in the EEO area since 1979 and was the first department to allocate full-time resources to achieving EEO objectives. The Department attaches a high priority to EEO and established an executive committee called the EEO Policy Committee in December 1981 to manage the formulation of its EEO program and to monitor the program's implementation. This committee is chaired by the Deputy Secretary and has as members the First Assistant Secretaries of the Major Projects No 1 Division, the Management Division and General Works Division in Central Office and the Director of the Victoria/Tasmania Region. The committee meets regularly and reports to the Permanent Head.

In September 1982 the Department adopted a comprehensive EEO program which included targets and timetables for achieving EEO objectives. This implementation of a program and deliberate emphasis on EEO has had an impact on the recruitment of women to traditional male jobs. For instance, ten of the Department's seventy-five first-year apprentices are women. At the base grade professional level, two of the nine Architects and two of the thirteen Engineers recruited in 1983 are women, as are seven of the eighteen Assistant Research Officers.

- The Department of Transport has developed an EEO program for women, including the establishment of a database to provide detailed data on recruitment, staff development and staffing profiles. Progress has been achieved in many areas, most notably in recruitment of women apprentices and professionals. It is also intended that an officer be nominated to be responsible for EEO policy and to work with an EEO policy committee at executive level, to advise the Permanent Head and oversee progress.
- The Department of Defence has re-issued and strengthened statements of policy on EEO for women. The Department also has an EEO program for women which aims to increase the numbers of women in non-traditional areas. The program has brought about an increase in numbers of women in Naval Cadet Architect and Trainee Technical Officer and Draftsman positions.

- The Department of Aviation's Flight Service Report included a report of women's career progress in relevant occupations. Staff Counsellors are to be recruited, whose duties will include conducting and monitoring EEO programs.
- The Department of Immigration and Ethnic Affairs has, as part of its EEO activities, recently introduced a 'women's desk' which will be involved with internal matters as well as with migrant women's activities in other departments. The Department also has a women's advisory group, which has been functioning for several years. To assist the Permanent Head in his consideration of EEO development programs, it has produced a number of reports on matters including career structures of Third Division women as against Fourth Division, permanent part-time work, training for women and sexual harassment.
- The Department of Industry and Commerce Customs Board of Management has considered a paper which canvassed the establishment of a program of formal processes to handle EEO matters. The Board of Management will shortly consider a proposed EEO policy and work plans. There are now women working as Preventive Officers, dog handlers, and instructors, and women have also undertaken training as aircraft observers. These designations were previously staffed only by men.
- The Department of Administrative Services has established a senior level personnel practices and development committee to oversee EEO and other staffing and personnel development matters, and has published a statement of EEO policy.
- The Department of Territories and Local Government has established a committee to report on and make recommendations to ensure that effective EEO policies and programs are developed and implemented. The membership of the committee aims to draw together experience and expertise spanning the wide range of employment within the Department.
- The Department of Home Affairs and Environment is taking action to prepare a departmental policy statement on EEO and a program for its implementation.
- The Department of Defence Support is developing a co-ordinated EEO program, which has been delayed in the past by a history of extensive departmental restructuring and administrative rearrangements.
- The Department of Education and Youth Affairs is proceeding to staff a position of EEO officer. Work will then proceed with the design and implementation of an EEO program.
- The Department of Resources and Energy has recently established a senior position in the personnel management area which is responsible for significant personnel policy initiatives, including EEO matters.
- The Attorney-General's Department has proposed the establishment of a position in the recruitment unit, designated the Staff Welfare and EEO Officer, which will be responsible along with other duties for ensuring that the selection and placement of staff is made in compliance with EEO guidelines.
- The Department of Social Security is paying particular attention to ensuring that women in middle management positions have the opportunity to undertake management development training. For example, three women have participated in the Executive Development Scheme and two women have been awarded scholarships to attend the Australian Graduate School of Management.
- The Department of the Prime Minister and Cabinet has chosen a woman to take part in the exchange arrangement that exists between the Canadian Privy Council Office and the Department. Women have also been seconded to other departments—one woman took part in an industrial relations legislation review,

another was selected to take part in the World Roads Congress Secretariat, Department of Housing and Construction.

- The Department of Foreign Affairs applies uniform criteria in the selection of officers for overseas service. Ways of achieving an even spread of male and female officers in all regions are being actively pursued as the high percentage intake of women officers that has been achieved in the diplomatic, consular and administrative streams is beginning to be reflected at the higher levels.
- The Department of Veterans' Affairs has sponsored women to attend the Graduate School of Business Administration in Melbourne. Nine of the twenty-two apprentices in Repatriation General Hospitals are women.
- The Australian Bureau of Statistics initiated discussion on the topic 'Women in Management' as part of its residential middle management workshops. Later a 'Women in Management' discussion group was set up by women in the Bureau with management support. Selection procedures have been adopted to ensure that where there are women applicants for positions the selection panel includes a woman.

The Joint Council Sub-committee on Women in the Service, chaired by the officer leading the Bureau, was particularly active during the year in examining issues of concern to women in the Service.

The Sub-committee set up a Working Party on Anti-Discrimination Legislation which completed a report on mechanisms necessary for the effective operation of complaint-based sex discrimination legislation in the Service and is undertaking an examination of affirmative action mechanisms.

Other matters considered by the Sub-committee included the Working Party Report on repetition strain injury statistics in the Service, and the results of surveys of application/selection rates in the promotion process, women's involvement in promotions appeal committees and the operation of the 'Guidelines for Resolving Cases of Sexual Harassment'.

## Aborigines

A national campaign was conducted for the third intake under the Clerk (Aboriginal Services) Program. Thirty-six clerks commenced duty in May-June 1983.

In September 1982 the Board approved the introduction of the Clerical Assistant (Aboriginal Services) Program to improve employment opportunities for Aboriginal people in the Service and to fill a need for new staff within the Fourth Division with knowledge and abilities relating to Aboriginal culture. A total of ninety-five clerical assistants commenced duty in May-June 1983.

The Board co-operated with departments in developing a program of course work to assist these Aboriginal Services recruits in their first year.

Of the total of 131 Aboriginal Services recruits, appointments were made as follows:

- twenty-two to the Department of Aboriginal Affairs,
- five to the Department of Education and Youth Affairs,
- twenty-four to the Department of Employment and Industrial Relations,
- two to the Department of Foreign Affairs,
- five to the Department of Housing and Construction,

- five to the Department of Immigration and Ethnic Affairs,
- eight to the Public Service Board, and
- sixty to the Department of Social Security.

This brings to 198 the number of Aboriginal Services recruits since the inception of the Clerk (Aboriginal Services) Program in 1980-81. An evaluation of the success of this Program is being conducted by the EEO Bureau.

The Board approved the sponsorship of twenty-six staff to Aboriginal Task Forces or bridging courses under the 1983 Aboriginal Australian Public Service Staff Sponsorship Program, the highest number of approvals since the scheme was established ten years ago. Sponsorship approval was extended to Traraby Aboriginal College in Sydney, in addition to the South Australian Institute of Technology, Darwin Community College and the Western Australian Institute of Technology. The EEO Bureau is carrying out an evaluation of the Sponsorship Program to see if it has achieved its aim of assisting *Fourth Division Aboriginal staff to compete successfully for entry to the Third Division*.

Following a pilot extension of the Sponsorship Program to university studies in 1982 the Board approved the introduction of the Aboriginal Undergraduate Study Award Scheme (AUSA), in recognition of a Service-wide need for Aboriginal staff with tertiary qualifications to fill senior identified positions in policy and program development areas. Four Aboriginal officers received AUSA Awards in 1983 to study for a Bachelor's degree, bringing to five the number of Award holders.

During 1982-83, 582 National Employment Strategy for Aboriginals (NESA) trainees were accepted for training in the Service. This brought to 2900 the number of Aboriginal trainees accepted since 1978, of whom 783 were placed in employment, the majority in the Australian Public Service. At 30 June 1983, there were 474 NESA trainees in the Service.

The number of Aboriginals employed in the Service has continued to grow. The Board's annual survey of the 'Employment of Aboriginals in the Australian Public Service' revealed that 804 Aboriginals were employed under the Public Service Act at 1 October 1982, an increase of 13.4 per cent over the previous year. At 1 October 1982 Aboriginals comprised 0.53 per cent of total full-time staff employed under the Public Service Act.

Further work was undertaken to identify those positions where the ability to communicate with Aboriginals and a knowledge and understanding of Aboriginal culture is seen as desirable for the efficient performance of the duties of the positions. There are now 876 identified positions in the Service, ranging across ten departments. About 31 per cent of these positions are occupied by Aboriginals.

## Disabled Persons

During the year the final seminar of the Board's program for the International Year of Disabled Persons, 'Employment of People with Emotional Illness in the Australian Public Service', was held in Canberra.

The sound/slide sequence, 'Learning About Disabled Co-Workers', produced by Film Australia for the Bureau, was launched at a meeting of departmental and voluntary organisation representatives in Canberra in December 1982. The sound/slide sequence is a seven part program which aims to inform supervisors and co-workers prior to the placement of a disabled person in the work area.

The Interdepartmental Steering Group on the Employment and Training of the Handicapped in the Australian Public Service completed a report on the Rehabilitation and Reinstatement of Injured Australian Public Service Staff.

In December 1982 the Board approved a proposal for a program of 'Aids for Disabled Australian Public Service Staff'. Funding has been sought under the program for the purchase of work-related aids for disabled staff in the Service.

The Board's continuing special emphasis on recruitment activities for disabled persons resulted in an increase in the number of disabled people assisted by Special Placement Officers (SPO's) and placed in jobs. The SPO's assisted 1559 disabled applicants, of whom 438 were appointed and a further forty-seven placed in temporary employment.

During the year 130 rehabilitees completed their training in departments under the Work Therapy Scheme. Of these forty-nine gained employment in the Service.

Regular distribution commenced of a cassette version of the EEO Bureau's newsletter 'AEQUA'. This is a service to assist visually impaired staff.

## Migrants

The Ethnic Liaison Officer Scheme Working Group No. 3, chaired by the Bureau, completed a report, 'Public Contact Staff Training in Multicultural Australia'. The appendices of the Report have been released for general distribution as 'Multicultural Public Contact Training—A Resource Handbook'. The Handbook has already proved to be very popular with staff development officers.

The Bureau is assisting the Board's Regional Offices with the planning and presentation of seminars for staff development officers on multicultural training for public contact staff.

The Board has agreed to the introduction of a second level of the Linguistic Availability/Performance Allowance for staff who gain accreditation at Level II from the National Accreditation Authority for Translators and Interpreters. The new level came into operation on 7 April 1983.

The Multilingual Information Program has continued to increase the awareness of parents from non-English speaking backgrounds of career opportunities for their children in the Australian Public Service. Thai, Filipino and Indonesian have been added to the initial six language translations of brochures outlining the many jobs the Service offers. Recruitment advertisements will be placed in ethnic newspapers to increase the Program's effectiveness. In addition, the Board is continuing to review its clerical selection and allocation processes to ensure that appropriate weight is given to specific job requirements, including bilingual skill.

The EEO Bureau's newsletter 'AEQUA' is distributed in Arabic, Croatian, Greek, Italian, Serbian, Spanish and Turkish. Material on conditions of employment and apprenticeship opportunities for young women has also been translated into a wide number of languages.

Job advertising

1.2.4 The specific actions listed below could be selected for an EEO Plan to achieve the objective of 'increasing the proportion of applications from eligible women and members of designated groups for appointment and promotion':

- use of an EEO slogan in internal and external advertisements, eg "Department X is an Equal Opportunity Employer";
- distribution of recruitment material to target group members at schools and tertiary institutions;
- presentation of job advertisements so as to encourage applications from all qualified, experienced or eligible applicants;
- distribution of recruitment material and job advertisements to specialist areas of the Commonwealth Employment Service, to draw opportunities to the attention of unemployed group members of target groups;
- placement of advertisements where they are most likely to be read or heard by women and members of the designated groups, eg ethnic radio and newspapers;
- inclusion of pictures of women and members of designated groups in illustrated advertisements;
- elimination of unnecessary or irrelevant qualifications from duty statements so that they are not stated as pre-requisites in job advertisements;
- presentation of the Department as an Equal Opportunity Employer in departmental publications which may influence job applications such as annual reports and information brochures;
- distribution of information about recruitment campaigns to people working in the Department; and
- external advertising action by departments should take full account of the availability of internal applicants from the four target groups. (See the Board's Guidelines on Advertising Outside the Service for Above-BASE Grade Positions in Volume 7 of the Personnel Management Manual. (10))

Selection

1.2.5 The Selection Guidelines in the Public Service Board's Personnel Management Manual (PMM) Volume 7 outline the procedures that should be followed to ensure that selections are properly based and that selection committees comprise persons able to make a fair assessment of the relative merits of candidates. Parts II - V of these Guidelines contain information about the rights and special needs of women and members of designated groups in selection, and EEO Plans which illustrate these. Listed below are a number of specific actions which could be taken and which are common to each group. These specific actions could be chosen to meet the objective of 'increasing the proportions of women and members of designated groups selected'. Such specific actions include:

## ATTACHMENT F

## Equal Employment Opportunity Program

Extracts from Guideline No. 3 - March 1985  
(pp 5, 30, 31)

### Job advertisements

2.7.5 Some departments may have difficulty in attracting applications from women for jobs in the Department generally. In others difficulties may only be experienced with jobs in certain occupations or areas, or at more senior levels. This may illustrate a need to improve the image of the Department as an employer of women generally or the desirability of taking positive steps to encourage women from inside and outside the Department to apply for certain jobs. Specific actions common to all groups are listed at paragraph 1.2.4 but additional actions which may encourage female applicants are listed below:

- eliminate sexism in language, in advertisements and recruitment literature. Use words which have no gender, eg 'person' and 'applicant';
- phrase advertisements to encourage applicants of both sexes eg 'men and women may apply' or the more eye catching 'women and men may apply'. This is particularly important when advertising jobs which are not traditionally done by women;
- ensure that any drawings and photographs used in advertisements or recruitment posters and brochures portray both women and men as workers, and are not in sex stereotyped work roles;
- consider placing job advertisements in magazines frequently read by women and encourage these magazines to write stories about women working in the Department, particularly in non-traditional areas and management;
- advise employment referral agencies such as the CES and Careers Reference Centres that your organisation now has an EEO Program and welcomes applications from women for non-traditional jobs;
- direct recruitment programs to women as well as men when visiting secondary or tertiary educational institutions. Ensure that pictures of women doing a variety of jobs are included in career literature and displays and a woman is available to talk to young women;
- give people in the Department access to information about recruitment campaigns. Young women working in keyboard, Clerical Assistant or Clerical jobs may well be interested in applying for entry to a non-traditional occupation in the Department;
- advise supervisors of the need to include women in informal advice about vacancies arising in the Department;
- when deciding to advertise an above-base job outside the Service remember that there may be women who wish to resume a full-time career but who, because of their background, skills and experience, would not wish to enter the Service through the base grade competitions. Some may have spent a number of years in the APS but resigned for family or other reasons. (The Board's Guidelines on Advertising Outside the Service for Above-Base Grade Positions are found in Volume 7 of the Personnel Management Manual (PMM). (10)) and

When advertising management and senior management jobs, invite suitable women from inside and outside the Department to apply - the Board may be able to assist here.

### Selection

2.7.6 The results of a Department's Information Gathering Phase may suggest a need to review all aspects of the selection process for all or certain jobs in the Department. Paragraph 1.2.5 gives a number of specific actions, common to all groups, for ensuring that the selection process is free from discrimination. Listed below are actions specific to women. They should be read in conjunction with the Selection Guidelines in Volume 7 of the Board's PMM. (24)

- Selection tests should be reviewed to ensure that they do not contain any inadvertent sex bias and are truly predicting job performance. Many written selection tests in use in departments today were drawn up in a period when psychologists were unaware that such tests could in fact have an inherent although unintended bias against women.
- Wherever practicable, at least one woman should be included on each selection committee. If sufficient women are not available for all selections in the Department, the highest priority then should be accorded to selections for positions in areas where women have not traditionally been employed and for senior positions. For this purpose, senior positions in central offices are defined as Clerical/Administrative Class 9 and above and in regional areas as Clerical/Administrative Class 6 and above.
- Women should have the opportunity to chair selection committees.
- Lists of women who are willing to sit on staff selection panels should be compiled. Selection committee work should be spread reasonably among those on the list ensuring that unreasonable demands are not made on the time of some women while others are denied opportunities to take part in the selection process.
- Lists can be extended by contacting EEO/Personnel Officers in other departments and the Public Service Board and by including women who are not currently officers of the Service but who are willing to sit on selection committees.
- Women should be given the opportunity and encouraged to attend staff selection courses.
- Courses on staff selection should contain segments on EEO principles including interviewing women and members of designated groups.
- Work areas should be encouraged to consider nominating women as departmental nominees for Promotions Appeal Committees.
- Women and men applicants should be interviewed using the same objective criteria. Information on interviewing women applicants is contained in Volume 7 of the PMM. The key points are:

SENIOR EXECUTIVE MANAGEMENT PROGRAM  
PROGRAM OUTLINE

PUBLIC SERVICE BOARD

Senior Executive Development Branch  
July 1985

ATTACHMENT G  
(PART 1)

SENIOR EXECUTIVE MANAGEMENT PROGRAM

RESIDENTIAL COURSE - SEMP 8

WEDNESDAY 10 JULY - WEDNESDAY 24 JULY

AUSTRALIAN GRADUATE SCHOOL OF MANAGEMENT  
SYDNEY

A SENIOR EXECUTIVE MANAGEMENT PROGRAM OF  
THE PUBLIC SERVICE BOARD

DIRECTOR OF STUDIES: PROFESSOR PETER BOWDEN  
DIRECTING STAFF: SANDRA PALMER

SEMP 8 - RESIDENTIAL COURSE

Many of these sessions relate to more than one stream. The sessions have been placed in the area of their major focus.

Participant Skills Forum and Participant directed activities can also be used to address streams or sessions where participants have particular needs and interests which may not otherwise be addressed.

STREAM	SESSION
Strategic Planning and Managing Change	Management Projects Change: Evaluation or Revolution Goal Setting Managing Change Corporate Planning Negotiation Skills Promoting Reform in the PS
Responsiveness and Equity	Equity and service delivery Managing attitudinal change Ethics Committees and the Senior Executive
Policy Advising	The policy process
Effective Resource Management	Media Workshop Interpersonal Skills Industrial Relations People Performance and work Practical Management Skills Work Life Planning

ATTACHMENT G (Part 2)

SENIOR EXECUTIVE CONFERENCE AND OCCASIONAL SEMINARS

Six conferences, two workshops and seven seminars were conducted during the year, catering for approximately 800 senior executives. Topics covered and the sponsoring departments were:

- Industrial Democracy (Public Service Board, Canberra)
- The Sex Discrimination Act and Departmental Operations (Public Service Board, Canberra)
- Management of Resources (Finance, Canberra)
- Managing an EEO Program in the Australian Public Service (Public Service Board, Canberra)
- Management Issues Common to Operational and Service Oriented Departments (Veterans' Affairs, Canberra).
- Managing Better Offices (Housing and Construction, Canberra).
- Four conferences on Corporate Planning (Public Service Board, Canberra)
- Two workshops on Presentation Skills (Public Service Board, Canberra and Sydney)
- Health Promotion in the Workplace (Public Service Board, Canberra)
- Securing Business Data Communications (Public Service Board, Canberra)
- Women in Management (Public Service Board, Canberra).

ATTACHMENT H

Public Service Board Annual Report 1983-84

pp 10-12

The Financial Management Improvement Program is being developed to encourage managers to focus more clearly on the objectives of government programs and the resources they use. A primary aim is to orient management perspectives on results, on the real outcomes intended of each program, and on the effectiveness with which they are being achieved. As such, the Program complements moves towards introduction of program budgeting. The launching of the Financial Management Improvement Program as a co-operative venture between the Board and the Department of Finance, with the support of departments, was mentioned briefly in the Board's 1982-83 Annual Report. An Interdepartmental Advisory and Development Committee supports the high-level Steering Committee responsible for managing the Program. Special support units in the Department of Finance and the Board also were set up during the year to assist with the Program's implementation.

A review of other management improvement activities, both past and proposed, will be undertaken with special emphasis to be given to the views of departments themselves. The revised program, when adopted by the Board, will need to fit into the proposed system of departmental management plans. One avenue to be explored is the possible development of 'flatter' organisational structures in which authority, responsibility and accountability are moved downwards and outwards from the centre of organisations. This movement is critical for increasing the opportunity for people to make a more meaningful contribution in the workplace and for achieving improved work structures. In broad terms there are two main ways by which the Board can attempt to realise this objective: to encourage departments to devolve further authority within existing structural arrangements, or to reduce the number of levels in employment structures in order to eliminate unnecessarily long organisational chains. Any combination of the two approaches also might be adopted.

## The Changed Role of the Board

As outlined above, the reform legislation has had a major impact on the role and functions of the Board. Several major functions have been transferred from the Board to other departments and authorities. These include the establishments function and responsibility for advice on staff numbers, promotion and other appeals and for general grievances. At the same time, the Board acquired several new functions, such as the management of the Senior Executive Service and the overseeing of equal employment opportunity programs and industrial democracy plans. It also intends to widen its role in personnel policies and practices, and in the initiation of management improvement and staff development.

In the past, responsibilities relating to establishments and staff numbers have given the Board a considerable degree of influence with departments that has extended beyond these narrow areas. At the same time, however, these responsibilities have, on occasions, been the cause of friction and tension in the Board's relations with departments. Further, the Board's role in advising governments on numbers of staff has been frequently misunderstood. Government decisions on total staff numbers have been represented as Board decisions and the Board's necessarily subordinate and advisory role in this area has no doubt affected the perception of it as an independent personnel authority. The new arrangements will avoid these confusions and perceptions and should enable the Board to develop a more co-operative relationship with departments. They will both allow and require the Board to take a more energetic role in promoting improvement and innovation in the Service as a whole.

The Board now can focus its attention more fully on improving the quality of administration in the Service and improvements in personnel management. A key concern of the Board is to improve the quality of the work experience for people in the Service,

from which both agencies and individuals stand to benefit. There is a wide ambit to the activities that may be undertaken in pursuit of this aim. They include improvements in staff selection, training, types of jobs offered, the physical working environment and an array of avenues through which the quality of working life of staff may be enhanced. The heart of the issue is the design of jobs and their deployment in organisations in ways that can offer their occupants suitable challenges and rewards.

The need for a co-operative relationship with departments is nowhere more clearly needed than in the senior staffing area. It will be essential, if the new responsibilities which the Board will share with Secretaries of Departments for the management and deployment of senior staff are to be met, for relations to be open, frank and collaborative. The legislation creating the Senior Executive Service requires the Board to consult with departments in actions it may take in placing staff, and the Board will pursue this meticulously. The greater degree of joint Board and departmental intervention in the placement of staff in the Senior Executive Service will succeed only on this basis, and after consultation with the individuals who are affected. The Board is confident that departments will respond positively to the new arrangements, even though in some instances the overall interests of the Service and those of a department may not coincide.

## Reorganisation of the Board

The Board was reorganised on 2 July 1984 to meet its changed responsibilities. With some of its regulatory and reactive functions removed, the Board will need to see itself less as an organisation reacting to demands so as to keep the system going, and more as an initiator of desirable change and a promoter of innovation. Furthermore, the proposals and programs that the Board puts forward to departments will have to stand or fall on their own merits. It will need to focus on trying to achieve excellence in what it undertakes.

This in no way detracts from the importance of improvement of continuing functions. Obviously the Board must fulfil its statutory responsibilities in such areas as recruitment, pay, job classification, conditions of employment and industrial relations, and do so in such a way as adds to the Board's credibility as a management organisation.

These concerns are reflected in the new organisation which contains seven primary management groups. These groups have been designed to focus the attention of senior management, and indeed of all Board's staff, on the main objectives the Board will be pursuing in the next few years.

The major groups are:

- Pay and Classification Division — In addition to continuing responsibility for advising the Board on pay matters, this division will have the substantial task of developing and maintaining classification standards and guidelines for departments. Bringing the two functions together reflects the close link between them, implicit in the Government's decision to retain responsibility for position classification in the Board while transferring responsibility for establishments to departments and staff numbers to the Department of Finance.
- Personnel Management Division — This division will be the main focus for the Board's efforts in the next few years to promote better personnel management in departments. Its responsibilities will include staffing and staff development matters, except in relation to the Senior Executive Service. It will seek to identify advances in the field of personnel management that should be adopted in the Service, develop associated policies and practices, and promote their adoption by departments.
- Management Improvement Division — While all areas of the Board contribute to improving the management of the Service, the Management Improvement Division will be the area of the Board's organisation devoted entirely to promoting throughout

the Service management practices that contribute to efficient, effective and accountable administration. The role of the Management Improvement Division is being reconsidered to ensure that it will be able to cater for the needs of the next decade. The Board has taken steps to have the role and charter of the Division reviewed by an outside consultant. It is anticipated that as a result of this review there will emerge a coherent set of principles or themes that will characterise the Board's management improvement activities and assist in communicating the Board's aims in this area.

- Working Environment and Conditions Division — This new grouping recognises the importance of the quality of working life as an emerging issue in public administration and the need for the Board to make a concerted effort in this area. The Division will cover employment conditions, physical working conditions, aspects of occupational health and safety for which the Board has responsibility, promotion of industrial democracy, and any other matters which are primarily concerned with the quality of working life.
- Senior Executive Staffing Unit — This unit will bring together all activities related to management of the Senior Executive Service: appointment, selection for promotion or transfer, mobility, staff development, counselling and retirement. The Unit will absorb some functions and staff located in existing branches of the Board. The status of the position of Director reflects the importance the Government and the Board attach to improving the performance of senior management in the Service. It is intended that the position will normally be filled on a term transfer basis.
- Equal Employment Opportunity Bureau — Establishment of a separate and upgraded Bureau within the Board recognises the priority which the Government and the Board attach to promoting equal employment opportunity in the Service and the increased workload that will flow from the reform legislation. It also serves to emphasise that equal employment opportunity is relevant to all the Board's responsibilities, not just those relating to personnel management. The Bureau will have the responsibility for consulting senior departmental management in relation to the monitoring of equal employment opportunity management plans.
- Corporate Management and Secretariat Division — This division brings together those functions which relate to servicing the Board as a corporate entity: legislation, parliamentary liaison, information, research, management services and the provision of secretariat services to the Board. It will play a leading part in developing the Board's own corporate strategy and the future evolution of the Board's role. The Grievance and Appeals Bureau will cease to exist when the Merit Protection and Review Agency is established. The Bureau's functions will be transferred to the Agency.

The reorganisation described above affects the Board's Central Office only. However, a reorganisation of the Board's Regional Offices is under consideration.

**STAFF APPRAISAL FOR THE SENIOR EXECUTIVE SERVICE**

The Government's intention to establish a staff appraisal system for the SES and the reasons for its introduction were outlined in the 1983 Policy Paper "Reforming the Australian Public Service". The general purpose of staff appraisal was seen in the following terms

'Department Heads and the Public Service Board will only be able to take a more active part in the placement and development of senior staff if reliable information about their performance, qualifications, experience and abilities is available.'

More specifically, staff appraisal was described in the Policy Paper as a means of

- providing systematic feedback and counselling to staff on work performance
- providing a systematic framework for staff career counselling
- providing input to staff placement decisions.

Staff appraisal schemes are already used in a number of departments below SES levels, while a few departments have adopted informal schemes for SES officers.

**Pilot Stage**

The Board believes that staff appraisal for the SES should be implemented in stages. A pilot approach will be developed as a first step. A number of departments/agencies which are interested in participating will be involved in developing and trialling three proposed options and evaluating the overall approach.

The Public Service Board will participate in the pilot study, while the participation of other interested departments is still to be finalised.

A steering committee will be established to provide a focus for the pilot stage. Its core membership will comprise representatives from each participating department. The pilot stage is expected to last 18-24 months.

The pilot studies will be used to test

- development of job objectives or job accountabilities
- workloads involved in each of the three options
- the scope or need for standardisation

- requirements for training of appraisers
- links between appraisal and the selection/placement process
- effectiveness of each option in meeting the Government's objectives in staff appraisal.

**Access to Records**

SES staff appraisal records will be retained in departments. The procedures covering access and handling will be developed in consultation with SES officers with due regard to confidentiality and privacy.

**Use in Placement and Selection**

The issue of what use should be made of appraisal records in selecting people for promotion or transfer will be considered as part of the evaluation of the pilot study. In the meantime, it will be up to individual SES members to decide whether to put forward any appraisal records in support of job applications they make.

**Training**

Training in goal setting, performance appraisal and counselling will be an important part of implementation.

**Core Characteristics**

Appraisal schemes to be piloted will all include the following core characteristics

- a statement of either individual job objectives or job accountabilities established and agreed with the SES officer at the beginning of an appraisal period
  - job objectives are specific statements about expected outcomes and require the identification of specific performance indicators such as deadlines, resource usage, output quantity and quality
  - job accountabilities, on the other hand, are less precise. They describe the types of work done rather than the outputs of a job. They cover the areas of work activity in which the officer is expected to invest time, energy and expertise. Typical examples include strategic management, policy development, program monitoring and control

- a recorded assessment of actual achievements against job objectives or job accountabilities which clearly indicates to the appraisee the degree to which his or her work is considered acceptable
- a recorded assessment of job related personal characteristics (e.g. skills and knowledge) which clearly indicates to the appraisee whether his or her capabilities match expectations.

#### Options

To allow for departments' individual needs, the following three options have been developed for the pilot stage.

#### OPTION 1 : Semi-Structured Performance Discussion

This option meets the minimum criteria established. It requires minimal formal preparation. Its features are

- establishment of a jointly agreed list of job accountabilities at the commencement of the appraisal cycle, to be used as the criteria for assessing the officer's performance
- an annual appraisal meeting to discuss the officer's performance based on the agreed job accountabilities, to provide feedback on job related personal characteristics and to discuss a personal development path
- any interim discussions to review progress outside the annual appraisal meeting to be held at the initiative of either party
- the formal record to be a set of narrative responses to predetermined questions about the officer's performance against each of the job accountabilities, together with any relevant comments on the officer's job related personal characteristics and a personal development plan.

#### OPTION 2 : Ratings of Job Accountabilities

This option incorporates the features of option 1, with the addition that rating scales are to be used for all job accountabilities and job related personal characteristics. Features include

- the rating scale for each job accountability and personal characteristic to provide clear

- definitions or examples of what constitutes different levels of performance
- the development of criteria and standards for the rating scales to be based on job analyses for a representative sample of SES jobs
- the formal appraisal record to comprise ratings of job accountabilities, ratings of job related personal characteristics, a personal development plan and any relevant supporting comments.

#### OPTION 3 : Objective Setting and Achievement

The third option is more structured than the first two in that it requires a greater amount of planning and review of progress against formally stated job objectives. Features include

- performance criteria to be a list of job objectives with supporting action plans developed by the officer, and agreed at a more senior level, at the beginning of the appraisal period
- rating scales for job related personal characteristics to be developed and presented in the same manner as in Option 2
- performance reviews, in which the officer reports progress against action plans and the continuing appropriateness of objectives assessed, to be held regularly (desirably as part of existing work reporting arrangements)
- the formal appraisal record for this option to include assessments of performance against stated job objectives, statements concerning the constraints experienced in attaining the objectives, ratings of job related personal characteristics, a personal development plan and any relevant supporting comments.