Central and State Government Administrations 2020

Industry Developments and Workforce Issues[1]

The Australian Public Service Commission.[2] The Australian Public Service Commission (APSC) is a central agency within the Prime Minister and Cabinet portfolio. The Commission supports two statutory office holders: the Australian Public Service Commissioner and the Merit Protection Commissioner (whose functions are set out in the Public Service Act 1999). It operates under the Public Governance, Performance and Accountability Act 2013. Priorities include modernising the employment framework, shaping the APS workforce, building workforce capability, and promoting integrity. Collection of data is a core function used to inform and shape the structure and management of the APS workforce. An annual APS Employee Census provides views of APS employees on workplace issues such as leadership, learning and development, and job satisfaction.[3]

The Public Sector Commission. The Public Sector Commission (PSC) is a statutory agency which operates under various pieces of legislation to enhance the integrity of public authorities and increase the effectiveness and efficiency of the public sector in Western Australia.[4] Core functions focus on the provision of public sector leadership, assistance and support, and oversight and reporting.[5] In 2018, the Commission underwent an independent review which focused on its capability, functions and structure to ensure it had the ability to meet government reform objectives and future challenges.

The Public Sector. The public sector encompasses Commonwealth and state/territory governments, statutory authorities, and state-owned corporations. In Western Australia, it comprises public sector bodies that come under the jurisdiction of The Public Sector Commissioner as listed in the Public Sector Management (PSM) Act 1994 and includes government departments/agencies, Senior Executive Services (SES) organisations, non-SES organisations and ministerial offices. This report applies to Central and State Government Administration and excludes (where it can) profiling of local governments, public universities and other public authorities such as government trading enterprises, WA Police, electorate offices and state-owned utilities.[6] Although part of the Public Administration and Safety industry, separate industry profiles will be developed for Local Government Administration, Justice and Public Order/Safety Services.

Data Limitations. Public Sector Commission's collection of data is governed by different Acts which determine the areas of reporting jurisdiction and public sector bodies being represented. As such, depending on the Act, some data used in this report comprises a range of broader entities, including public universities, local governments, SES and non-SES organisations. Similarly, information and statistics derived from reports and data sources also tends to represent a broader public sector with Central and State Government Administration being part of the greater whole.

Australian Public Service Reform. Various legislative changes and national strategies have been implemented by the Australian Government to improve public trust, the integrity and transparency of

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[1] Parts of the report are consistent with the 2019 submission.
[2] Australian Government, *Australian Public Service Commission*.
[3] Australian Government, Australian Public Service Commission, *2019 APS Employee Census Data.*
[4] Government of Western Australia, *Public Sector Commission*.
[5] Government of Western Australia, Public Sector Commission, *Annual report 2018/18: Bringing leadership and expertise to WA public sector*.
[6] Government of Western Australia, Public Sector Commission, *State of the Western Australian Government Sector Workforce 2018/19.*

the public sector, including: a new Australian Government Agencies Privacy Code; an International Open Data Charter; and the establishment of Independent Commission Against Corruption (ICAC) bodies across jurisdictions.[7] The Australian Government commissioned an independent review of the Australian Public Service to ensure its operating model, capability, and culture is fit-for-purpose for the coming decades, able to serve the Australian government and people, and support future reform activities.[8] The final report was released in late 2019 and identified recommendations under seven priority areas: Transform for the future; Unite to succeed; Partner for greater impact; Embrace data and digital; Invest in people to strengthen capability; Develop a dynamic responsive organisation and; Empower leaders to make a difference.[9]

Public Sector Reform (Western Australia). The State Government was undertaking a major reform of the public sector reform to strengthen efficiency and accountability, create a collaborative working environment between agencies and drive high-performance in the sector to deliver better services to the community however the program has been deferred indefinitely while the State Government focuses on its response to COVID-19.[10]

Public Sector Workforce. The latest State of the Western Australian Government Workforce Sector 2018/19 report released by the PSC in December 2019 indicates that the Public Sector employs 142,735 people in WA which makes up 70% of those working in the government sector. This is a growth in the workforce of 3.1% over the past five years. The public sector workforce is categorised into eight key occupational groups: teachers; clerical and administrative workers; nurses and midwives; education aides; prison, transit, and security officers; fire and emergency workers; medical practitioners and others. The main areas of workforce growth in the WA public sector continue to be in education and health. With the growth in school student numbers since 2015 mostly in public schools, more teachers and school support staff have been required. Similarly, population and demand for hospital services continued to increase into 2019 which saw increased demand for nurses and medical practitioners. While 76% of public sector employees were employed in the Perth metropolitan areas, employment in regional areas has increased by 4.2% over the past five years. Significant employment growth has occurred in the Peel, Pilbara and Southwest regions; however, the Gascoyne and Great Southern regions have seen a decline. Over the past five years, the number of women employed by the public sector has increased by 3.7% and they now account for 72.8% of the total workforce. However, women are still under-represented in senior leadership positions and while the proportion of women in the SES has risen to 36%, at the current rate, parity for women in the SES would not be achieved until 2035. Further diversity is reflected in employment of people from culturally and linguistically diverse (CALD) backgrounds (13.3%), Aboriginal people (2.7%) and people with disability (1.5%).[11]

Demand. It is anticipated health, education and public safety sectors will continue to grow as WA's population increases. Whilst technical skills to perform job tasks are imperative, government employers in the short to medium term future will be looking beyond this and have indicated that it will be just as important for workers in their organisations to be equipped with key soft skills. These include analytical thinking and innovation, creativity, originality and initiative, critical thinking, complex problem solving, leadership and emotional intelligence. As well as these soft skills, technological innovations, as well as the increasing importance of using data to support outcomes, has meant that digital and data skills are now key requirements in many public sector job roles. ICT developments are particularly having an impact on the skills needs of entry-level positions and early career roles in public sector agencies.[12] According to Hays, a wide range of skills is being sought to fill job vacancies across the nation's public sector, particularly in accountancy and finance, engineering and IT (projects, business change management/transformation and business analysts). Management accountants, finance business analysts, project and systems accountants are all in demand. With the process becoming manual, NDIS is driving demand for accounts payable and receivable. Demand for accounts payable officers and

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[7] SkillsIQ, Public Sector Industry Reference Committee, *2019 Industry Skills Forecast*.
[8] Australian Government, Independent Review of the APS, *website*.
[9] Australian Government, Independent Review of the APS, *Our Public Service Our Future. Independent review of the Australian Public Service*, 13 December 2019.
[10] Government of Western Australia, *Public Sector Reform*, accessed July 2020.
[11] Government of Western Australia, Public Sector Commission, *State of the Western Australian Government Sector Workforce 2018/19.*
[12] SkillsIQ, Public Sector Industry Reference Committee, *2019 Industry Skills Forecast*.

accounts assistants is also being driven by system upgrades to ensure smooth transition of data.[13] Skill shortages in engineering will intensify dramatically once the Metronet and major mining project commence which will lead to a demand in civil engineers.[14] Paralegals are increasingly sought to offer additional support in response to Royal Commission findings and there has also been a significant focus on construction law due to Public Private Partnerships. An increase in the number of Freedom of Information Officer roles across the public sector is the result of more complex and sensitive request received by Government agencies and a shortage of experienced candidates. Both State and federal Governments continue to seek candidates with a commercial law background, including strong contract and procurement experience. [15] In human resources, public sector vacancies exist for internal recruiters with value placed on a candidate's ability to assess and review position descriptions and manage the transition of temporary and contract roles to permanent headcount. Learning and development professionals are also needed, including facilitators, instructional designers, and specialists. Candidates require exposure to eLearning and learning management systems.[16]

Technology. A recent global report on human capital trends anticipates a rapid increase in use of artificial intelligence, cognitive technologies, robotic process automation and robotics, pointing to tomorrow's jobs being more digital, more multidisciplinary and more data/information driven.[17] The trend towards a mixed cloud environment,[18] system integration and automation of routine tasks continues as companies look to improve cloud-based visitor management, streamline cross-operational processes, boost efficiency and cut costs.[19] Increasingly we are seeing a shift towards use of central data management systems, application of Enterprise Resource Planning (ERP) software for common business process management, automated AI customer relationship management platforms and growing reliance on social media channels to maximise client engagement and connectivity. The public sector will rely on such technologies to support reform activities. These will shape how agencies operate, enabling automation of processes, digitisation of data collection, cloud-based processing, data storage and service delivery. The recent Innovation and Science Australia report, *Australia 2030: prosperity through innovation*, concluded the Australian Public Sector must transform to meet the challenges of a digitally enabled economy. This means improving the capacity of the APS to innovate, collaborate, and to use data and technology more effectively.[20] Central to WA's public sector reform, there is a growing focus on system implementation to streamline workflow and business processes, improve agency capability and performance, and strengthen whole-of-government direction and outcomes. A review of systems and structures can drive efficiencies and improve governance, accountability, and transparency for agencies. Sector wide digital reform will improve service delivery, support infrastructure planning, and enhance public sector procurement. A key focus for government, changes to systems and structures will inform decision making and strategic direction, strengthen budget systems, and improve data sharing, ICT performance and cyber security. At a broader level, the WA Government has launched a new State STEM skills strategy to build a globally competitive and innovative workforce for a technological future.[21] Funding supports STEM-based initiatives across WA Schools and the workforce[22], including the Digital and Technology Skills Program to foster digital and technology engagement and skill building amongst people under-represented in STEM, as well as those living in regional and remote communities in WA.

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[13] Hays, Hays Job Report January to June 2020 *Accountancy & Finance.*
[14] Hays, Hays Job Report January to June 2020 *Engineering.*
[15] Hays, Hays Job Report January to June 2020 *Legal.*
[16] Hays, Hays Job Report January to June 2020 *Human Resources.*
[17] Deloitte Insights, 2019 Deloitte Global Human Capital Trends, *Leading the social enterprise: Reinvent with human focus*.
[18] Forbes, *Modern Digital Workplace: 5 Current Trends Making Waves In The Office*, 26 September 2018.
[19] The Receptionist, *7 Trends in Modern Office Management*.
[20] Australian Government, Independent Review of the APS, *website*.
[21] Government of Western Australia, Department of Jobs, Tourism, Science and Innovation, Future Jobs, Future Skills, *website*.
[22] Government of Western Australia, *Future jobs, future skills*.

Industry Workforce Priorities[23]

Growing Capability Requirements. A 2019 global survey of CEOs identified a skills shortage amongst their workers as the third largest threat to their growth.[24] Human skills such as creativity, critical thinking, emotional intelligence, empathy and imagination are critical in balancing technology with person-to-person connection. People need to be able to adapt to a fast-changing work environment, be proactive in finding solutions, resilient to ambiguity and uncertainty. Evolving work demands and skill requirements are creating a new capability frontier beyond a combination of technical and soft skills within a given role. Deloitte point to an emerging formation of *superjobs* which combine responsibilities from multiple traditional jobs and use technology to expand scope of work performed to encompass a number of work domains.[25] The cost constrained public sector environment has put pressure on agencies which are needing to adjust the skills composition of their teams to ensure outcomes are achieved with reduced resources.[26] Increasingly, changing job roles will rely on hybrid skill sets across occupations. Capability deficits have been identified in relation to policy, strategic human resources and industrial relations, ICT, procurement, data analysis and contract management.[27]

Public Sector Capability Profiles. The results of a past study on the public sector workforce found that the public sector is facing potentially critical staff and skills shortages over the next twenty years as large numbers of baby bomber generation employees retire. This problem is most acutely seen in the area of leadership as around half of the current SES cohort are eligible to retire now, with more than 80% reaching retirement age within the next ten years. To compound the problem, the traditional feeder group to the SES, the Level 7-8 cohort, has a similar age profile and so developing future leaders has become an urgent priority. To support this priority, the PSC have developed a Leadership Capability Profile to support consistent, whole-of-government leadership development and help ensure the public sector has the leadership skills and values to meet future challenges.[28] The PSC have also created the Public Sector Capability Profile: Levels 1-6. Both profiles are built around five core competencies to ensure people employed in the sector are able to: shape and manage strategy; achieve results; build productive relationships; exemplify personal integrity and self-awareness and communicate and influence effectively. The profiles create a complete framework to identify the critical capabilities at each level across the WA public sector and provide guidance to anyone involved in the recruitment process.[29]

Skill Needs. Flexibility and adaptability are core skills needed to apply knowledge and broaden capability across emerging technologies and processes. Digitisation of products, platforms and services will increasingly require proficiency in the use of current technologies and systems being adopted across the sector. As the volume of sector-wide, outcome-related data becomes more readily available, it will broaden the scope for measuring and evaluating whole-of-sector performance and outcomes. [30] Increasingly, there will be a need for data skills which rely on the ability to deploy data, distil information, analyse applicability and determine cross-sector relevance. Similarly, workers need to be equipped with soft skills to meet the challenges of changing community expectations, accelerating social and technological change and a workforce expecting more flexibility and mobility. Priority skills include teamwork and communication; critical thinking and complex problem solving; research and analytical thinking; and emotional intelligence.[31]

Leadership. A key reform focus for government is strengthening leadership across the public sector to drive coordination and collaboration. It is critical that agency leaders have the skills to deliver sustainable reform, adjusting workforce composition and improving agency capability and performance

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[23] Parts of the report are consistent with the 2019 submission.
[24] Business News*, Time team human put tech to work*, 5 April 2019.
[25] Deloitte Insights, 2019 Deloitte Global Human Capital Trends, *Leading the social enterprise: Reinvent with human focus*.
[26] SkillsIQ, Public Sector Industry Reference Committee, *2019 Industry Skills Forecast*.
[27] Government of Western Australia, *Working Together: One Public Sector Delivering for WA. Service Priority Review, Final Report*, October 2017.
[28] Government of Western Australia, *Leadership Capability Profile*
[29] Government of Western Australia, *Public Sector Capability Profiles*, 20 April 2020
[30] Government of Western Australia, *Working Together: One Public Sector Delivering for WA. Service Priority Review, Final Report*, October 2017.
[31] World Economic Forum, *Insight Report: The Future of Jobs Report 2018, Centre for the New Economy Society*.

to meet government priorities, operational needs and budgetary requirements.[32] Building capacity and establishing positive cultures in teams undergoing reform will rely on highly developed skills in change management, workforce planning, people management, learning and development, problem solving and project management. Effective leadership will rely on the ability to work in an increasingly digital world of work. Several reform activities are based on the recommendations of the final Service Priority Review Report. These include designing a CEO performance system that enhances accountability and leadership capabilities and strengthening leadership across common government functions such as human resource management, procurement, and information technology. The report also supports the development of leadership at all levels to serve the public interest. This aligns to a changing leadership culture being adopted by organisation outside of the public sector, seeing a shift away from a traditional leadership hierarchy towards adopting a team model of engaging with each other and developing many leaders.[33]

Vocational Education and Training. As outlined in the latest skills forecast, VET plays a critical role in supporting employers and employees to adapt to technologies and changes in the workplace. A review of qualifications will ensure training products are current and can support relevant and emerging skill acquisition for individuals wanting to enter the workplace or for those wanting to transition into different roles. Technological advancements, digital and data skills, and ICT developments are shaping the needs of entry-level positions. SkillsIQ have identified several projects in their review of the PSP Public Sector Training Package and their initial scoping of industry needs. Proposed work will incorporate areas of radiation safety, trade measurement, governance, government investigations, government security and finance and performance-based consulting.[34]

Traineeships. A reform of funding could support traineeships and the employment of young people into the public sector which is the largest employer in the state. Pre-COVID -19 challenges associated with the employment of young people has been (and will be) exacerbated by the impact of the pandemic on job opportunities. Many of the job roles affected by COVID-19 have been in retail, hospitality, the arts, sporting facilities and tourism. The haemorrhaging of these industries has led to an even greater unemployment of young people who traditionally have relied on these areas for entry level jobs. Similarly, reductions in employment across majority of sectors will mean there will be a greater supply of displaced, experienced workers looking for work who will be competing for roles against the less qualified or experienced. There are far reaching, long term implications for young people who are unable to find work. The creation of employment opportunities and alternative pathways to employment across the tiers of government could alleviate this burden. It could also support and broaden vocational education and training opportunities in the State, while injecting diversity into the sector and addressing the challenges posed by an ageing workforce. The Public Sector Commission has been exploring ways in which traineeships could be supported within the sector. Traineeship opportunities could be expanded if funding and access to adequate support was made available to public sector agencies. This could be administered by a central body which could also promote the benefits of workforce diversity and locally trained staff. A unique opportunity exists to drive youth employment outcomes within the sector and address growing youth unemployment.

Response to COVID-19. The Public Sector Commission was quick to provide information to public sector employers to help manage workforce issues as a consequence of COVID-19. Information regarding providing a safe workplace, maintain service delivery and workforce arrangements was provided[35] with a message from the Government of Western Australia being focus on delivering critical frontline services and support functions, driving the State's COVID-19 response and preparing for WA's economic and social recovery.[36] Public Sector Labour Relations issued instructions and circulars setting out measures to support employers responding to pandemic-related workforce issues. This guidance included identifying and managing vulnerable employees, changing workforce arrangements including staff working from home, temporarily undertaking different duties, or working at another workplace. It also included managing leave arrangements with information regarding the new COVID-19 leave that

[32] Government of Western Australia, *Working Together: One Public Sector Delivering for WA. Service Priority Review, Final Report*, October 2017.
[33] Business News*, Time team human put tech to work*, 5 April 2019.
[34] SkillsIQ, Public Sector Industry Reference Committee, *2019 Industry Skills Forecast.*
[35] Government of Western Australia, *COVID-19 Coronavirus Information for Public Sector Employers*, accesses July 2020.
[36] Government of Western Australia, *Message from the Public Sector Commissioner to public sector employers and employees March 2020.*

was able to be granted to all public sector employees.[37] A major impact of COVID-19 on the public sector has been the shift in priorities. Key projects that commenced pre COVID-19, such as the State Government's *Public Sector Reform*[38] or the Department of Training and Workforce Development's *Our Priorities: Sharing Prosperity*[39] have been deferred indefinitely while the State Government focuses on it's response to the pandemic.

[37] Government of Western Australia, *COVID-19 Coronavirus Information for Public Sector Employers*, accesses July 2020.
[38] Government of Western Australia, *Public Sector Reform*, accessed July 2020.
[39] Department of Training and Workforce Development's *Our Priorities: Sharing Prosperity* accessed July 2020.