

Review into Queensland Public Sector Workforce
**Stage 1 – Reporting - Supplementary paper on Frontline and Fiscal
Principle 6 issues**

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Supplementary Recommendations (Stage 1 Report)

Supplementary Recommendation 1

It is recommended that:

- (a) commitment be reaffirmed to the use of national (ABS) Australian and New Zealand Standard Classification of Occupations (ANZSCO) for the Queensland public sector workforce;
- (b) consistent guidance be developed and provided to agencies to define 'frontline' roles. This should occur on the basis of: ANZSCO code, location of duties, and consideration of actual functions (see pp 13-14 of the Stage 1 report for further discussion). The term 'frontline' also should embrace 'frontline support' roles. On the other hand, roles dealing with policy and strategy – regardless of where they are located – are not frontline;
- (c) there be annual arms-length monitoring of the progress of the matters referred to in (b).

Supplementary Recommendation 2

It is recommended that Fiscal Principle (FP) 6 be nuanced to expand the disclosure so that FP 6 growth is shown separately for Health and Education, and for the rest of the sector. The State-funded component of FTE growth, as opposed to that of the Commonwealth's growth funding, also may be particularised.

1. Frontline workforce

The term ‘frontline’ has been part of the vernacular amongst governments in Australia for some time and, as the table below shows, has evolved differently and definitionally inconsistently across various other jurisdictions.

New South Wales	Applies a 70 per cent rule, that is to say, a position is ‘frontline’ if 70 per cent of its activity is devoted to providing services to clients who are external to government. This replaces an earlier version where the term ‘frontline’ embraced not only external service, but also policy, planning, research or strategy roles (many in head offices) which “shaped” the approach to service.
Victoria	Supplements the Australian and New Zealand Classification of Occupations (ANZSCO), with additional codes covering service delivery, public administration and corporate services. The ANZSCO methodology is maintained by the Australian Bureau of Statistics (ABS). The Victorian methodology is similar to that of the corporate/non-corporate approach in Queensland, which defines a portion of the administrative and clerical workforce as ‘frontline’.
Tasmania	Follows Victoria’s approach.
South Australia	Categorises its public sector workforce into ‘frontline’ and ‘back office’ and formalises these under relevant Employment Acts (e.g. Police Act, Education Act, Children’s Services Act). Under SA’s Public Sector Act, allied health, correctional officers, operational services and technical services are separated out as ‘frontline’ roles. However, there is no definition per se of ‘frontline’. ‘Frontline’ employee data has been reported annually since 2010.
Western Australia	‘Frontline’ is not defined for the sector at large, nor is there routine reporting of frontline. However, WA’s recent Public Sector Renewal Policy suggests that frontline includes – but is not limited to – police, nurses, child protection officers and teachers.
Northern Territory	NT uses its own classification system (independent of ANZSCO) to categorise its public sector workforce into three categories: <ul style="list-style-type: none"> • delivering services to the public • delivering services to others who are delivering directly to the public • delivering services to agencies or to government (either internal or external). <p>The NT coding system is prone to misinterpretation/manipulation of the definitions, especially ‘direct service delivery’.</p>
Commonwealth	The Australian Public Service (APS) does not report on frontline employees. The Commonwealth has developed the APS Job Family Model, which sets out 16 Job families. The system is mapped to ANZSCO, with one of those families being ‘service delivery’. Importantly to note, the use of ANZSCO/job families is not mandatory. Indeed, only a tiny number of APS’s some 110 units provide this data to the Australian Public Service Employee Database. Also, two of the largest agencies – Defence and the ATO – have their own models for categorising roles.

As mentioned in the Stage 1 report, it is entirely appropriate for any government to focus its resources on frontline jobs and, in the process, provide a measure of assurance that public dollars are being well spent. Analysis in that report also showed that over a number of years most Queensland public sector workforce growth is occurring in

frontline-type roles. In the three years to March 2018, the Queensland public sector grew by some 11 per cent (that is, by 21,848 FTE); some 61.2 per cent of that growth occurred in frontline roles in education, health, ambulance, fire and police. Most of the remaining growth occurred in frontline roles across other portfolios. Some 6.8 per cent of the total growth (1483 FTE) occurred in 'corporate' roles though, if administrative roles in schools, hospitals and customer service centres are included as non-frontline, that figure comes to 15.9 per cent of the growth (3476 FTE).

The term 'frontline' had developed currency in Queensland over a number of years before the Public Service Commission in 2012 decided, with the encouragement of the then Government, to move toward the adoption of the ANZSCO methodology. It did so because of various problems which had been encountered in categorising and differentiating amongst terms such as 'corporate', 'frontline' and 'frontline support'. Those issues still linger, with other labels such as 'non-corporate' and 'operational', in general circulation. At least we have not resorted to the pejorative labelling of US frontline public sector workers as "street level bureaucrats".

As also discussed in the Stage 1 report, the advantage of ANZSCO is that it is a nationally-recognised standard for classifying occupational groups. It was also able to be supplemented with a separate locally-grown special occupational sub-group, the principal purpose of which has been to aggregate certain ANZSCO occupations (such as teachers, doctors, policy and nurses) into frontline-friendly language.

There is a distinct benefit in reaffirming commitment to ANZSCO as a nationally-based methodology for classifying occupations, particularly in terms of its use in benchmarking and as a basis for intergovernmental funding negotiations. Equally, it is important for governments to maintain a strong message about their commitment to providing distinct community frontline support (notwithstanding that technological changes are already transforming many of those interactions and the way governments operate). The 'frontline' dimension of government also has a special significance in a State of Queensland's geographical scale and socio-economic diversity.

2. Fiscal principle No. 6 (FP6)

Fiscal principle No. 6, limiting public sector employment growth to Queensland's population movement, was introduced in 2016-2017 on the basis of a concern to maintain overall budget sustainability. As was stated in the Stage 1 report, however, most increases in public sector FTEs have occurred in the health and education arenas, which are governed by Commonwealth-State funding arrangements. These arrangements are themselves based on activity and demand principles, not population growth. This competing drive thus can have a distorting effect on the capacity of government to meet overall sector-wide growth targets.

The obvious advantage of FP6, in its current form, is that as a clear statement of intent it is readily explainable. Its disadvantage is that it is not nuanced.

One option could be to exclude Education and Health from the requirements of FP6, but given that these two portfolios represent some 70 per cent of FP6, the principle would be much less meaningful. Another would be to expand the disclosure under FP6 so that FTE growth is shown for Health and Education separately to the rest of the sector. The State-funded component of FTE growth, as opposed to that of the Commonwealth's growth funding, also could be particularised.

Other options for consideration could include measuring growth in employee costs, limiting growth to FTEs to growth in revenue, or requiring Cabinet Budget Review Committee (CBRC) approval for material increases in FTEs (the latter is a current requirement). Each would have its own merits, but may be difficult either to explain or administer.