

Queensland Government Response to recommendations of the *Review into Queensland Public Sector Workforce Reporting*

RECOMMENDATION	QUEENSLAND GOVERNMENT RESPONSE
<p>Stage 1 - Recommendation 1</p> <p><i>For transparency, budget and forward planning purposes, the Queensland Government should move to adopt a single, authoritative and immediately retrievable workforce database spanning both the public service in particular, and the broader public sector in general.</i></p> <p><i>The appropriate measure of workforce is fortnightly payroll full time equivalent (FTE), and this database would be updated each pay period and therefore would reflect seasonal variations or other undulations.</i></p>	<p>ACCEPT IN-PRINCIPLE</p> <p>To avoid unnecessary costs and allow for timely implementation, the Queensland Government accepts this recommendation, but will collect payroll data on a monthly basis instead of fortnightly.</p> <p>While the vast majority of public servants are paid fortnightly, there are small groups of public servants paid monthly. Additionally, different groups of public sector employees are paid on different fortnight cycles and shifting these arrangements would be a significant and potentially costly undertaking.</p>
<p>Stage 1 - Recommendation 2</p> <p><i>The transition to a single payroll-based system is recommended to take place in two phases over the next eight months:</i></p> <p><i>(a) by the Mid-Year Fiscal and Economic Review in November of this year, all headline data will be available. This covers FTE numbers, occupational details and location; and</i></p> <p><i>(b) by March 2019, when the data underpinning Budget Paper No. 2 for 2019–20 will be required, the more detailed characteristics of the workforce (age, gender, employment status (full time, part time, casual), level of appointment and earnings) will be incorporated into the new payroll-based database.</i></p> <p><i>It follows that, for 2019–20 onwards, Budget Paper No. 2 will rely on the new payroll FTE database. The materiality of this change in terms of workforce numbers is negligible.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation.</p>

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<p>Stage 1 - Recommendation 3</p> <p><i>It is recommended that the current system of quarterly workforce profile reports prepared by the Public Service Commission be replaced by half-yearly Public Service Commission reports covering sector-wide analysis of particular trends, and matters as required by government from time to time (e.g. SES and s.122 numbers, regional patterns).</i></p> <p><i>These would inform the mid-year and annual budget reporting cycles. Numbers and outcomes contained in departmental and agency annual reports, including outcomes against targets for Equality of Employment Opportunity (EEO), will also be based on payroll data.</i></p> <p><i>The achievement of this recommendation relies on a close and effective working relationship between the central agencies (Treasury, Department of the Premier and Cabinet and the Public Service Commission) and the Directors-General and Chief Executives of departments and agencies. Accountability for reporting will be exercised through annual performance agreements.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation, acknowledging that a shift to biannual reporting will smooth out seasonal variations (e.g. over December quarter). For these reasons, reporting will shift to March and September each year starting from September 2019.</p> <p>However, the Queensland Government will continue to collect and make key workforce information available for the June period to meet annual reporting requirements of departments and agencies.</p> <p>It should also be noted that adopting this approach will result in the Queensland public service still having more regular workforce reporting than other major jurisdictions, including the workforces of the New South Wales Government, Victorian Government and the Federal Government, which all produce annual workforce reports.</p>
<p>Stage 1 - Recommendation 4</p> <p><i>It is recommended that the government adopt a consistent approach to the reporting and monitoring of the indirect workforce which supports the Queensland public sector.</i></p> <p><i>Backgrounding this recommendation is a recognition that government has, does, and will always rely—in addition to its own employees—on the work of consultants, contractors, professional and non-professional services providers, and labour hire firms. Much of this work is obviously necessary and unexceptional, and indeed, it is reported on in departmental and agency annual reports. There is, however, some contestability about the definitions of such activity. Importantly, too, it is the financial scale of the indirect workforce that is important, not the number of people or transactions involved.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation and will conduct further work to finalise the most appropriate methodology for measuring the financial scale of the indirect workforce.</p> <p>It should also be noted that the Department of Housing and Public Works is implementing ongoing reforms of procurement, which will affect the engagement of contingent labour. Over time, these reforms may allow for a more detailed or more effective measure of the indirect workforce to be developed. Consequently, the Queensland Government accepts the Review’s finding that the expenditure metric is relevant and most importantly, can be deployed in the short-term.</p>

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<p>Stage 1 - Recommendation 5</p> <p><i>It is recommended that future workforce reporting is based on occupation and earnings, not classifications. Current workforce reporting conflates the earnings profile of the workforce by mapping all employees' salaries to an equivalent Administrative Officer classification.</i></p> <p><i>The changing nature of the workforce renders the classification approach simplistic and unrepresentative. Analysis of earnings in terms of occupations is more informative to users, especially given the need to attract and retain professional skills in frontline service delivery. It would also give a clear picture of the true nature of the senior executive workforce.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation.</p>
<p>Stage 1 - Recommendation 6</p> <p><i>The recent introduction of Fiscal Principle No. 6 (FP 6), linking public sector employment growth to Queensland's population movement, was based on an appropriate concern to maintain overall budget sustainability.</i></p> <p><i>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 based on activity and demand principles, not population growth. This competing driver has a distorting effect on the capacity of government to meet its overall sector-wide growth targets. It is recommended that the principle be nuanced.</i></p>	<p>ACCEPT IN-PRINCIPLE</p> <p>The Queensland Government accepts this recommendation in-principle, noting the Queensland Government response to Stage 1 - Supplementary Recommendation 2.</p>

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<p>Stage 1 - Supplementary Recommendation 1</p> <p><i>It is recommended that:</i></p> <ul style="list-style-type: none"> a) <i>commitment be reaffirmed to the use of national (ABS) Australian and New Zealand Standard Classification of Occupations (ANZSCO) for the Queensland public sector workforce;</i> b) <i>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;</i> c) <i>there be annual arms-length monitoring of the progress of the matters referred to in (b).</i> 	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation and will conduct further investigation to determine and implement the most appropriate approach to monitoring per part (c) of the recommendation.</p>
<p>Stage 1 - Supplementary Recommendation 2</p> <p><i>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.</i></p>	<p>ACCEPT IN-PRINCIPLE</p> <p>The Queensland Government accepts this recommendation in-principle and will explore potential changes to the reporting of Fiscal Principle 6.</p>
<p>Stage 2 - Recommendation 1</p> <p><i>The Government has embarked on a number of initiatives designed to better understand emerging and changing skills needs across the Queensland public sector. Many, but not all of these arise from the potential impacts of automation. Strategic workforce planning, the challenging task of reconfiguring the workforce to shifting requirements and changing circumstances, thus needs to become a cornerstone priority for the Queensland public sector, and tackled on a whole-of-government as well as portfolio basis.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation.</p>

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<p>Stage 2 - Recommendation 2</p> <p><i>The Queensland Government should significantly strengthen its whole-of-government capacity in two specific areas critical for the future: data analytics and horizon-scanning.</i></p> <p><i>Two new teams should be established to provide government-wide leadership in that regard, drawing together the best capability from across different agencies, supplemented with outside expertise as necessary. The horizon-scanning group should have, ideally, a relatively fluid structure to reflect different projects and changing priorities.</i></p> <p><i>Political ownership at the highest levels in government (Premier, Deputy Premier and CBRC) will be a key requirement, with both teams attached to a central agency but not subsumed by any existing group.</i></p> <p><i>On the other hand, the establishment of these two teams means that little purpose is served in allowing similar groups to prosper at individual portfolio level.</i></p>	<p>ACCEPT IN-PRINCIPLE</p> <p>The Queensland Government accepts this recommendation in-principle.</p> <p>The Queensland Government will explore to what extent similar groups exist across the public service before determining how best to implement this recommendation. This will include examining what options may be available, such as reallocating resources from across government to form new teams, noting that the Queensland Government remains committed to ensuring employment security for the public sector workforce.</p>
<p>Stage 2 - Recommendation 3</p> <p><i>Rejuvenation of the public sector workforce is a first-order priority. That rejuvenation will need to be achieved through both recruitment and reskilling, as well as the strong encouragement of new models of mobility. In particular:</i></p> <p><i>a) current graduate recruitment activities, a key priority in sector rejuvenation, are inconsistent and, in some cases, unsustainable. Government needs to bring agencies (excluding the professional streams, such as nursing and teaching) together by consolidating its efforts, perhaps even into a single such program. Funded to succeed, it should tailor rotational experiences to the requirements of different portfolios, while mandating that all participants gain exposure to the policy issues and operating environments of a selection of both central agencies and line departments;</i></p>	<p>ACCEPT IN-PRINCIPLE</p> <p>The Queensland Government accepts part (b), (c) and (d) of this recommendation in full and part (a) in-principle.</p> <p>Although the Queensland Government supports the intent of part (a) of this recommendation, it represents a significant undertaking and a better understanding of the costs and potential unintended consequences is required before committing to a particular implementation path.</p>

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<p>b) <i>the recruitment approach of the Queensland government requires a level of overhaul, particularly from the perspective of prospective applicants. Processes are typically slow and cumbersome, practices across agencies inconsistent, and the underpinning technology platforms require attention;</i></p> <p>c) <i>there is currently an unevenness in the sector’s approach to and readiness for the reskilling challenges ahead. This will require both planning and investment at whole-of-government and agency-specific levels; an</i></p> <p>d) <i>notwithstanding the historical challenges associated with such efforts, workforce mobility assumes central importance in developing the levels of agility increasingly required of government and expected by the community. As such, new models of mobility should be continually explored.</i></p>	
<p>Stage 2 - Recommendation 4</p> <p><i>The implementation of the Government’s employment security policy and associated Directive 17/16 supporting those affected by workplace change, should be reviewed. The intent of the policy is clear, but its operationalisation is complex for both agencies and affected staff members. In all of this a balance needs to be struck: the notion of ‘career service’ has to be as adaptable to likely forward challenges and disruptions as it is respectful of traditions and previous practice.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation.</p> <p>The Queensland Government remains committed to ensuring employment security for the public sector workforce. Reviewing the employment security policy and associated Directive 17/16 (<i>Commission Chief Executive Directive: Supporting employees affected by workplace change</i>) will determine how to ensure the policy is most effectively operationalised.</p>
<p>Stage 2 - Recommendation 5</p> <p><i>The Queensland government should develop a unifying statement for what it expects of the public sector in the future, set in the context of the essential role of government in grappling with the most important issues and pressing concerns for the Queensland community.</i></p>	<p>ACCEPT</p> <p>The Queensland Government accepts this recommendation.</p>