

PART 3

Public Service Commission

Summary of departmental portfolio Budgets

Page	Agency	2009–10 Estimate \$'000
1-79	Public Service Commission – controlled	11,332

Public Service Commission

Departmental Overview

Ministerial responsibility

The Premier of Queensland is the Minister responsible for all functions within this agency.

Strategic Issues

The Public Service Commission (PSC) was established on 1 July 2008 as a key feature in the Premier's reform and modernisation agenda for the Queensland public service. It is a central agency with responsibility to ensure that the public service has the human resource and organisational capacity to deliver on government outcomes.

A particular feature of the Public Service Commission is the ten member advisory Board of Commissioners, chaired by Ms Ann Sherry AO. The Commissioners, appointed from the private sector, academia and the public sector, have been given a clear mandate to bring fresh ideas and innovation to the table and to pursue initiatives that will place Queensland at the forefront of public administration.

Significant policies and reforms instituted by the Premier, including *Toward Q2: Tomorrow's Queensland* and the *Right to Information* report, provide clear direction for the Queensland public service. By working collaboratively with all agencies, the PSC provides sound advice on public administration and organisational management and ensures that the Government's most valuable resource – its people – line up in support of government priorities.

Following the 2009 General State Election in March, further major reforms saw 23 stand-alone government departments streamlined into 13, with the aim of modernising government and delivering better coordination and service delivery to Queenslanders. Grouped under six clusters – policy and fiscal coordination; employment and economic development; environment and sustainable resource management; social development; law, justice and safety; and government services – the new departments reflect the Government's priorities of employment, social development, environment and law and justice.

The newly formed Performance Leadership Group, comprising chief executives of the PSC, the Department of the Premier and Cabinet (providing policy direction) and Queensland Treasury (providing fiscal management), will be instrumental in driving these significant whole-of-Government reforms, as well as monitoring chief executive and departmental performance and outcomes across a range of targets and activities.

The drive for success will require innovation, strong leadership and cultural change, and the PSC will work to support and develop the capacity of the public service to achieve these goals.

For economy and efficiency, funding for the Office of the Integrity Commission is included within the appropriation for the PSC.

2009–10 Highlights

Public Service Commission

During 2009-10 the Public Service Commission will:

- support the implementation of the Government's Performance Management Framework through providing advice to the Performance Leadership Group

- provide advice, guidance and assistance to departments in implementing machinery-of-Government changes and reforms to service delivery
- work in partnership with agencies to support and enhance capability in organisational performance management through providing advice and developing resources
- research innovative service delivery models and approaches to public administration to inform best practice approaches to continuous improvement and organisational change
- contribute to public service organisational and cultural change in support of the Right to Information (RTI) agenda
- implement a whole of SES Performance Management and Development Framework across the public service, including performance agreements and performance reviews
- replace the existing stand-alone SES database system with a new and improved Executive Career Management system that will also have the capacity to enable web-based access by departments
- implement an enhanced Executive and Senior Officer Development (Mobility) Program
- establish a Panel of Providers for Executive Recruitment Services
- use pilot projects promoting staff engagement as a strategy for innovation and improved business practice
- facilitate the commencement of a new Integrity Commissioner
- reform workforce policies in the areas of recruitment and selection, managing performance, grievances and discipline
- finalise a review of the first twelve months of operation of the *Public Service Act 2008*
- develop a workforce plan for the Queensland public service
- promote increased uptake of flexible work arrangements across the public service
- develop and implement a whole-of-Government Performance Development and Management framework
- progress ongoing implementation of the Queensland Capability and Leadership framework
- establish a whole-of-Government Leadership, Learning and Development panel of providers
- conduct reviews referred by the Premier or where appropriate, advise the Premier about the need for reviews.

Office of the Integrity Commissioner

The Office of the Integrity Commissioner will continue to:

- provide timely advice on conflict of interest issues
- give advice to the Premier, at her request, on issues concerning ethics and integrity
- expand the material available on the Integrity Commissioner's website
- meet with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman, the Information Commissioner and the Commission Chief Executive of the Public Service Commission to discuss matters of common interest
- provide lectures and papers to increase awareness of issues pertaining to public discussion of the policy and practice of the Office.

2008–09 Achievements

Public Service Commission

During 2008-09 the Public Service Commission:

- provided advice and support to the Performance Leadership Group, the governance body responsible for performance management issues across the public service
- developed, in partnership with the Department of the Premier and Cabinet and Queensland Treasury, a proposal for reform of machinery-of-Government arrangements to strengthen government service delivery and organisational performance
- provided advice, guidance and assistance to departments in implementing machinery-of-Government changes
- effected machinery-of-Government arrangements for the Office of Clean Energy, the Office of the Chief Scientist and the Office for Early Childhood Education and Care
- supported five meetings of the ten member Board of Commissioners
- at the request of the Board, produced a report, *Strategic Directions: People Performance Innovation*, to assist with the formulation of the new PSC's work plan
- contributed, with Queensland State Archives, the Queensland Government Chief Information Office and the Office of the Information Commissioner, to progressing the new RTI agenda
- partnered with the Department of Communities and Queensland Health on two pilot projects using staff engagement practices to explore ways to improve business practice and service delivery
- facilitated the appointment processes for six new departmental chief executives and a new Integrity Commissioner
- developed the Queensland Capability and Leadership framework
- established a Chief Executive Service and a Performance Management and Development Framework
- managed the new Chief Executive Performance Agreement and Review processes
- implemented a new and more efficient appointment process for SES officers
- reinstituted the SES Induction Program by conducting two programs in 2008-09
- developed and implemented a new SES Profile Management Procedure to be more responsive to changes in executive leadership in departments
- prepared a significant Departmental Arrangements Notice following machinery-of-Government changes in March 2009
- issued new directives for temporary employment and employment screening and a revised directive for recruitment and selection
- consulted with public service unions in the lead up to the twelve month review of the *Public Service Act 2008*
- published succession management and ageing workforce resources and *Experience Pays Awareness Strategy* employer and employee guides
- conducted two *Practical People Management* Pilot Programs focusing on intergenerational workforces
- contributed to the *Whistling While They Work* national whistleblowing research project and, in conjunction with the Ombudsman and CMC, developed a Good Practice Checklist to assist agencies in reviewing their whistleblowing policies and procedures.

Office of the Integrity Commissioner

The Office of the Integrity Commissioner:

- continued to provide timely advice on conflict of interest issues
- continued to give advice to the Premier, at her request, on issues concerning ethics and integrity
- continued to expand the material available on the Integrity Commissioner's website
- continued to provide lectures and papers to increase awareness of issues pertaining to public discussion of the policy and practice of the Office
- continued to meet with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman, the Information Commissioner and the Commission Chief Executive of the Public Service Commission to discuss matters of common interest
- continued to contribute to the broader discussion and understanding of public service ethics issues through presentations to the Queensland Public Service Ethics Network
- continued to work with the Public Service Commission to raise awareness and standards of public service ethics
- presented a series of *Integrity in the Workplace* workshops, which included a summary of the role and functions of the Integrity Commissioner, in regional and metropolitan centres throughout Queensland.

Departmental Outputs

The Public Service Commission is responsible for overseeing and improving the management of the public service's human resources including staff development and improving public service performance, service delivery and accountability.

The Office of the Integrity Commissioner in which the Integrity Commissioner, as an independent statutory office holder appointed by the Governor in Council under the *Public Service Ethics Act 1994*, assists the Premier, Ministers and other delegated persons to avoid conflicts of interest so as to encourage confidence in public institutions.

For reasons of economy and efficiency, funding for the Office of the Integrity Commissioner is included within the appropriation for the Public Service Commission.

Staffing¹

Public Service Commission	Notes	2008–09 Budget	2008–09 Est. Actual	2009–10 Estimate
OUTPUTS				
Provision of services for a high performing public service	2	95	72	75
Total		95	72	75

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

2. Reduction in 2008–09 Est. Actual due to whole-of-Government Graduate Program participants being employed by participating departments.

Departmental Statements

Performance Statement

Public Service Commission	Notes	2008-09 Target/Est.	2008-09 Est. Actual	2009-10 Target/Est.
Output: Provision of services for a high performing public service				
Number of program reviews completed	1	4	0	Discontinued
Number of appeals finalised	2	240	172	200
Number of Directives reviewed	3	15	7	9
Number of Public Sector Management Program graduates		66	72	83
Stakeholder satisfaction with program review process	4	85%	N/A	Discontinued
Stakeholder satisfaction with report quality on program review	4	85%	N/A	Discontinued
Percentage of departments who consider advice relevant and timely		85%	85%	85%
Percentage of reports on program reviews presented to the Premier within agreed timeframes	4	90%	N/A	Discontinued
Percentage of appeals finalised within specific timeframes		75%	78%	80%
State contribution (\$000)		8,810	10,447	9,209
Other revenue (\$000)		4,765	3,822	2,123
Total cost (\$000)		13,575	14,269	11,332

Notes:

1. The measure does not accurately reflect the scope of work undertaken by the Public Service Commission since it commenced operations on 1 July 2008. The provisions of the *Public Service Act 2008* provide that the Minister can refer matters relating to the effectiveness or efficiency of a public service office to the Public Service Commission to review and report to the Minister about, these requests are of an ad hoc nature and will be actioned as required. Rather, review related work in the past of the year focussed on conclusion of the final reviews of the former Service Delivery and Performance Commission and working with agencies on the implementation of machinery of Government changes.
2. There was an overall decrease in the total number of appeals lodged during 2008-09.
3. The work plan for the new Public Service Commission was endorsed in November 2008 following the establishment of the Board of Commissioners and the completion of the Strategic Directions consultation process. These vital establishment processes impacted on the scope and number of directives reviewed in 2008-09.
4. Measures in relation to program review satisfaction, report quality and timeframes cannot be provided as no program reviews were undertaken during the 2008-09 period.

Income Statement

Public Service Commission	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Income				
Output revenue	1, 8	8,810	10,447	9,209
User charges	2	799	1,095	799
Grants and other contributions	3, 9	3,760	2,605	1,239
Other revenue	4,10	206	122	85
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		13,575	14,269	11,332
Expenses				
Employee expenses	5,11	9,526	8,937	7,410
Supplies and services	6,12	3,964	5,320	3,910
Grants and subsidies	7,13	73	..	..
Depreciation and amortisation		12	12	12
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		13,575	14,269	11,332
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

Public Service Commission	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	8	..
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		..	8	..
Surplus/(deficit) for the period	
Total recognised income and expense for the period		..	8	..
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	8	..

Balance Sheet

Public Service Commission	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CURRENT ASSETS				
Cash assets		2,396	1,699	1,699
Receivables	14,21	586	519	519
Other financial assets		..	..	..
Inventories		..	..	..
Other	15,22	126	225	225
Non-financial assets held for sale		..	..	..
Total current assets		3,108	2,443	2,443
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		47	40	40
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		47	40	40
TOTAL ASSETS		3,155	2,483	2,483
CURRENT LIABILITIES				
Payables	16,23	2,101	1,707	1,707
Employee benefit obligations	17,24	778	322	322
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		2,879	2,029	2,029
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations	18,25	240	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		240	..	..
TOTAL LIABILITIES		3,119	2,029	2,029
NET ASSETS/(LIABILITIES)		36	454	454
EQUITY				
Capital/contributed equity	19,26	54	388	388
Retained surplus/(accumulated deficit)	20,27	(18)	66	66
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		36	454	454

Cash Flow Statement

Public Service Commission	Notes	2008-09 Budget \$'000	2008-09 Est. Act. \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	28,34	8,810	10,180	9,209
User charges		799	799	799
Grants and other contributions	29,35	3,760	805	1,239
Other	30,36	206	122	85
Outflows:				
Employee costs	31,37	(9,526)	(9,575)	(7,410)
Supplies and services	32,38	(3,964)	(5,053)	(3,910)
Grants and subsidies	33,39	(73)	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		12	(2,722)	12
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(10)	(12)	(12)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(10)	(12)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		2	(2,734)	..
Cash at the beginning of financial year		2,394	4,433	1,699
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,396	1,699	1,699

Explanation of Variances in the Financial Statements

Public Service Commission

Income Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

1. An increase in Output revenue primarily due to new funding provided for Urban Congestion Management and transitional arrangements for the Commission's new work program and relocation.
2. An increase in User charges due to recognition of revenue received but unearned in 2007-08 for the Public Sector Management Program.
3. A decrease in Grants and other contributions primarily due to changes in the delivery of the Graduate Program.
4. A decrease in Other revenue primarily due to changes in cost recoveries associated with LOMINGER (human resources tool used to develop departmental competency sets).
5. A decrease in Employee expenses primarily due to changes in the delivery of the Graduate Program, partly offset by new funding provided for Urban Congestion Management and transitional arrangements for the Commission's new work program.
6. An increase in Supplies and services primarily due to expenditure on the Urban Congestion Management, transitional arrangements for the Commission's new work program and relocation, expenditure deferred from 2007-08 for the Public Sector Management Program partly offset by lower expenses associated with LOMINGER.
7. A decrease in Grants and subsidies due to transitional arrangements for the Commission's new work program.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

8. An increase in Output revenue primarily due to new funding provided for Enterprise Bargaining arrangements and the Commission's relocation, partly offset by changes in funding between years for the support of the State Government Certified Agreement 2006.
9. A decrease in Grants and other contributions primarily due to changes in the delivery of the Graduate Program.
10. A decrease in Other revenue primarily due to changes in cost recoveries associated with LOMINGER.
11. A decrease in Employee expenses primarily due to changes in funding between years for the support of the State Government Certified Agreement 2006 and changes in the delivery of the Graduate Program, partly offset by Enterprise Bargaining arrangements.
12. A decrease in Supplies and services primarily due to changes in the delivery of the Graduate Program and lower expenses associated with LOMINGER, partly offset by one-off expenditure for the Commission's relocation and transitional arrangements for the Commission's new work program.
13. A decrease in Grants and subsidies due to transitional arrangements for the Commission's new work program.

Balance Sheet

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

14. A decrease in Receivables based on trend in actual balances over previous years.
15. An increase in Other Current Assets primarily due to an increase in prepaid expenses associated with Whole-of-Government Programs administered by the Commission.
16. A decrease in Payables based on trend in actual balances over previous years.
17. A decrease in Current Employee benefit obligations primarily due to the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS), administered by QSuper. The Scheme was established on 30 June 2008 to centrally fund annual leave obligations.
18. A decrease in Non-Current Employee benefit obligations primarily due to the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS), administered by QSuper. The Scheme was established on 30 June 2008 to centrally fund annual leave obligations.
19. An increase in Capital/contributed equity primarily due to the treatment of Non-Current Employee benefit obligations under the Annual Leave Centralised Scheme (ALCS).
20. An increase in Retained surplus primarily due to a surplus carried forward by the former Service Delivery and Performance Commission to assist with transitional arrangements for the Public Service Commission's new work program and the Annual Leave Centralised Scheme (ALCS).

Major variations between 2008-09 Budget and 2009-10 Estimate include:

21. A decrease in Receivables based on trend in actual balances over previous years.
22. Other Current Assets have increased primarily due to an increase in prepaid expenses associated with Whole-of-Government Programs administered by the Commission.
23. A decrease in Payables based on trend in actual balances over previous years.
24. A decrease in Current Employee benefit obligations primarily due to the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS), administered by QSuper. The Scheme was established on 30 June 2008 to centrally fund annual leave obligations.
25. A decrease in Non-Current Employee benefit obligations primarily due to the transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS), administered by QSuper. The Scheme was established on 30 June 2008 to centrally fund annual leave obligations.
26. An increase in Capital/contributed equity primarily due to the treatment of Non-Current Employee benefit obligations under the Annual Leave Centralised Scheme (ALCS).
27. An Increase in Retained surplus primarily due to a surplus carried forward by the former Service Delivery and Performance Commission to assist with transitional arrangements for the Public Service Commission's new work program and the Annual Leave Centralised Scheme (ALCS).

Cash Flow Statement

Major variations between 2008-09 Budget and 2008-09 Estimated Actual include:

28. An increase in Output receipts primarily due to the Urban Congestion Management and transitional arrangements for the Commission's new work program and relocation, partly offset by appropriation received but unearned in 2007-08.
29. A decrease in Grants and other contributions primarily due to changes in the delivery of the Graduate Program and receipts received but unearned in 2007-08.
30. A decrease in Other inflows primarily due to changes in cost recoveries associated with LOMINGER.
31. An increase in Employee costs primarily due to Urban Congestion Management, transitional arrangements the Commission's new work program and transfer of annual leave liabilities to the Annual Leave Central Scheme (ALCS), partly offset by changes in the delivery of the Graduate Program.
32. An increase in Supplies and services primarily due to Urban Congestion Management, transitional arrangements for the Commission's new work program and relocation, expenditure associated with receipts received but unearned in 2007-08, partly offset by lower expenses associated with LOMINGER.
33. A decrease in Grants and subsidies due to transitional arrangements for the Commission's new work program.

Major variations between 2008-09 Budget and 2009-10 Estimate include:

34. An increase in Output receipts primarily due to Enterprise Bargaining arrangements and the Commission's relocation, partly offset by changes in funding between years for the support of the State Government Certified Agreement 2006.
35. A decrease in Grants and other contributions primarily due to changes in the delivery of the Graduate Program.
36. A decrease in Other inflows primarily due to changes in cost recoveries associated with LOMINGER.
37. A decrease in Employee costs primarily due to changes between years for the support of the State Government Certified Agreement 2006 and changes in the delivery of the Graduate Program, partly offset by Enterprise Bargaining arrangements.
38. An increase in Supplies and services primarily due to changes in the delivery of the Graduate Program and lower expenses associated with LOMINGER, partly offset by the Commission's relocation and transitional arrangements for the Commission's new work program.
39. A decrease in Grants and subsidies due to transitional arrangements for the Commission's new work program.