

PART 3

Public Service Commission

Summary of Budget

Page	Agency	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
1-91	Public Service Commission	11,332	14,228	12,926

Notes:

1. Explanations of variances are provided in the financial statements.

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 under the *Public Service Act 2008*. It supports the achievement of the main purposes of the Act by enhancing the public service's human resource management and capability, and reviewing and improving the overall effectiveness and efficiency of government entities.

The PSC supports a high performing, innovative public service that is responsive to Government priorities and focused on the delivery of services in a professional and non-partisan way. The *PSC Strategic Plan 2009-13* contains four objectives:

Objective 1: PSC leadership contributes to achieving a high performing workforce and efficient organisations. This will be measured by stakeholder and Chief Executive Officer (CEO) satisfaction with the quality of support provided to implement service-wide performance frameworks; and the extent of performance development plans in place for all members of the Chief Executive and Senior Executive Service (SES).

Objective 2: PSC leadership contributes to public service reform, and drives efficiencies and improved service delivery. This will be measured by the Performance Leadership Group's satisfaction with PSC's contribution to departments' organisational reform and driving efficiencies; key stakeholders' satisfaction with PSC leadership and quality of advice provided and the number of publications/resources produced for the sector which inform service delivery.

Objective 3: Be a partner of choice for building capability, leadership and performance. This will be measured by the number of programs partnered with departments and other institutions.

Objective 4: PSC capacity supports our priorities. This will be measured by the percentage of performance and development agreements in place; and the extent to which staff consider that the PSC operates within its values.

The PSC will achieve these objectives by working collaboratively with agencies and stakeholders, to identify areas of improvement and enable change. In support of *Toward Q2: Tomorrow's Queensland*, the objectives are framed to address today's public service environment of complexity, change and ever increasing community expectations. In support of delivering the best possible service to Queensland, the PSC strives to build a strong, capable and efficient public service.

For economy and efficiency, funding for the Integrity Commissioner is included within the Service Revenue for the PSC. The Integrity Commissioner reports annually to Parliament and meets with the Integrity, Ethics and Parliamentary Privileges Committee of the Parliament at least twice a year.

2010-11 HIGHLIGHTS

Public Service Commission

During 2010-11, the Public Service Commission will:

- produce the inaugural Queensland *State of the Service* Report, an authoritative assessment of the strengths and achievements of the public service at a whole-of-Government level
- develop a strategy to build a stronger performance culture across the sector in support of the *Toward Q2: Tomorrow's Queensland* ambitions
- continue to research best practice approaches to innovative whole-of-Government service delivery models
- work collaboratively with the Department of the Premier and Cabinet (DPC) and agencies, including providing strategic advice to the Performance Leadership Group (PLG) and CEO Leadership Team, to embed the implementation of the Queensland Government Performance Management Framework across the public service
- implement the Government's Integrity and Accountability reform agenda including legislative and regulatory amendments, oversight of public interest disclosures, a single Code of Conduct, enhanced ethical decision-making and public sector discipline
- develop a new employee performance management directive and tools
- develop a capability strategy for policy skills development in partnership with the DPC, including a whole-of-Government policy graduate program
- manage the *Chief Executive Performance and Development Framework* and support the *Senior Executive Performance and Development Framework*
- continue to develop strategies for Executive Talent Management, building on Senior Executive Service (SES) leadership capability and developing options for an Executive Mobility program
- work in partnership with agencies to support and build capability in organisational performance management and evaluation
- lead and continuously improve the public service workforce legislative, regulatory and policy framework
- partner with agencies on key government workforce priorities including: equality of employment opportunity; decentralisation; worker health; workforce rejuvenation; and Aboriginal and Torres Strait Islander employment
- co-develop and launch a 'one stop shop' Flexible Workplaces information website
- support the *Inspiring Leadership* offerings through the University of Queensland, Queensland University of Technology, Institute of Public Administration Australia (Qld) (IPAA) and the Australian Institute of Management, and enhance the marketing, coverage and enrolments for the *Public Sector Management Program*
- implement legislative amendments to the *Public Service Act 2008*.

Office of the Integrity Commissioner

In 2010-11, the Office of the Integrity Commissioner will continue to:

- provide timely advice to designated persons on ethics or integrity issues including conflict of interest issues
- give advice to the Premier on issues concerning ethics or integrity involving any person who is a designated person other than a non-Government Member of Parliament
- meet with and give advice to Members of the Legislative Assembly on interest issues
- maintain the Queensland Register of Lobbyists and have responsibility for the registration of lobbyists
- promote adherence to the *Lobbyists Code of Conduct*

- 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 pertaining to public discussion issues relevant to the Integrity Commissioner's functions and expand the material available on the Integrity Commissioner's website.

RECENT ACHIEVEMENTS

Public Service Commission

During 2009-10, the Public Service Commission:

- advised and assisted agencies managing Machinery-of-Government (MoG) changes and implementation of the government's service delivery reform agenda
- supported MoG reforms through new directives and the *Workforce Rejuvenation Scheme*
- provided advice and support to the PLG, the central agency governance body responsible for performance management issues across the public service
- established an Ethical Standards Branch to advise on public sector ethics issues
- reviewed the first twelve months of operation of the *Public Service Act 2008*
- supported agency implementation of the *Queensland Capability and Leadership Framework* (CLF) and its inclusion into the new *Recruitment and Selection Directive*
- partnered with the Department of Infrastructure and Planning on a pilot project to deliver efficiencies in recruitment and selection using the CLF
- managed the *Chief Executive Performance and Development Framework* including coordination of performance agreements and annual performance reviews
- implemented a whole-of-Government *SES Performance and Development Framework*
- designed and delivered the *Inspiring Executive Leadership Program* in partnership with the University of Queensland and IPAA (Qld)
- developed and conducted an SES induction program and SES Seminar series
- delivered the first *Inspiring Women* mentoring program to 408 participants in 2009, and to 267 participants in the second program in February 2010
- established the Workforce Planning Community of Practice
- worked in partnership with Department of Transport and Main Roads, Department of Environment and Resource Management, Department of Public Works, Department of Community Safety and Translink to encourage flexible work arrangements
- developed and launched three guides to enhance organisational performance management capability under the *Queensland Government Performance Management Framework*
- worked with DPC and the Queensland Government Chief Information Office regarding integration of organisational performance management frameworks across the sector
- created a web-based 'Learning Central' portal on leadership and development programs
- designed a whole-of-Government DVD induction tool
- documented the outcomes and learnings from the staff engagement pilot projects conducted in partnership with the Department of Communities and Queensland Health
- worked in partnership with two Queensland Government agencies to lead analysis projects designed to improve the agency business performance
- replaced the existing stand-alone SES database with an improved Executive Career Management system with the capacity to enable web-based access by departments
- established a panel of providers for executive recruitment services
- negotiated access to the Australian Public Service Commission's Capability Development Panel and eLearning Support Services and Solutions Panel

- coordinated support for 12 participants completing the *2009 Queensland Government Graduate Program*
- issued 13 directives, two policies and six guidelines to support workforce reform
- continued to provide disciplinary, promotion and fair treatment appeals services.

Office of the Integrity Commissioner

During 2009-10, the Integrity Commissioner:

- continued to provide timely advice on ethics, integrity and conflict of interest issues
- continued to give advice to the Premier, at her request, on ethics and integrity issues
- took part in the discussion of the Government's green paper on integrity and accountability as a member of the round table group
- continued to expand the material available on the Integrity Commissioner's website
- From 1 January assumed responsibility for the Queensland Register of Lobbyists and developed and approved a Lobbyists Code of Conduct
- continued to provide lectures and papers to increase awareness of issues pertaining to public discussion of ethics and integrity, including conflict of interest issues
- provided lectures and papers to local government and other organisations to increase awareness of the Queensland Register of Lobbyists and limitations on lobbying
- 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 ethical issues through presentations to the Queensland Public Service Ethics Network, the Public Sector Governance Collaborative and individual departments
- continued to work with the Public Service Commission to raise awareness and standards of public service ethics.

DEPARTMENTAL SERVICES

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

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 and innovation, service delivery and accountability. The Integrity Commissioner, as an independent statutory office holder appointed by the Governor in Council under the *Public Service Ethics Act 1994*, advises the Premier and other designated persons on ethics or integrity issues including conflicts of interest.

STAFFING¹

Service	Notes	2009-10 Budget	2009-10 Est. actual	2010-11 Estimate
Services				
Provision of services for a high performing public service	2	75	72	69
Total		75	72	69

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Reduction in FTE due to a decrease in establishment staffing numbers.

DEPARTMENTAL STATEMENTS

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Service: Provision of services for a high performing public service				
Percentage of publications and resources implemented that assist service delivery reform and improved performance capability	1	New measure	..	85%
CEOs satisfaction with the level of support provided		New measure	..	85%
Percentage of annual performance agreements in place for the Chief Executive Service		New measure	..	100%
Number of Directives reviewed and reissued	2	New measure	..	10
Percentage of appeals finalised within required timeframes		New measure	..	80%
Percentage of programs partnered with departments	3	New measure	..	85%
State contribution (\$000)		9,209	11,497	11,121
Other revenue (\$000)		2,123	2,731	1,805
Total cost (\$000)		11,332	14,228	12,926

Notes:

1. Comparison of actual publications released against planned publications expressed as a percentage.
2. The increased 2010-11 Target/est. is in support of facilitating a range of government workforce reform agendas, by the PSC undertaking a broader review and reissue of directives.
3. Comparison of actual programs partnered against planned programs partnered expressed as a percentage.

INCOME STATEMENT

Public Service Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
Service revenue	1,10	9,209	11,497	11,121
User charges	2,11	799	1,558	773
Grants and other contributions	3,12	1,239	1,128	992
Other revenue	4,13	85	45	40
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		11,332	14,228	12,926
Expenses				
Employee expenses	5,14	7,410	8,533	8,196
Supplies and services	6,15	3,910	5,378	4,619
Grants and subsidies	7	..	223	..
Depreciation and amortisation	8,16	12	48	65
Finance/borrowing costs		..	..	..
Other expenses	9,17	..	46	46
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		11,332	14,228	12,926
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Public Service Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
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	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)		..	14	..
Equity adjustments (MoG transfers)		..	462	..
Total movement in equity for period		..	472	..

BALANCE SHEET

Public Service Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	18,25	1,699	771	715
Receivables		519	559	559
Other financial assets		..	..	..
Inventories		..	..	..
Other	19,26	225	128	128
Non-financial assets held for sale		..	..	..
Total current assets		2,443	1,458	1,402
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	20,27	40	514	514
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		40	514	514
TOTAL ASSETS		2,483	1,972	1,916
CURRENT LIABILITIES				
Payables	21,28	1,707	547	547
Accrued employee benefits	22,29	322	399	399
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	23	..	56	..
Total current liabilities		2,029	1,002	946
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		2,029	1,002	946
NET ASSETS/(LIABILITIES)		454	970	970
EQUITY				
Capital/contributed equity	24,30	388	929	929
Retained surplus/(accumulated deficit)		66	41	41
Reserves:				
- Asset revaluation reserve		..	..	..
- Other		..	..	..
TOTAL EQUITY		454	970	970

CASH FLOW STATEMENT

Public Service Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	31,41	9,209	12,192	11,121
User charges	32,42	799	1,361	717
Grants and other contributions	33,43	1,239	974	992
Other	34,44	85	45	40
Outflows:				
Employee costs	35,45	(7,410)	(8,533)	(8,196)
Supplies and services	36,46	(3,910)	(6,073)	(4,619)
Grants and subsidies	37	..	(223)	..
Borrowing costs		..	..	..
Other	38,47	..	(46)	(46)
Net cash provided by/(used in) operating activities		12	(303)	9
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	39,48	(12)	(62)	(65)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(12)	(62)	(65)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	40	..	14	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	14	..
Net increase/(decrease) in cash held		..	(351)	(56)
Cash at the beginning of financial year		1,699	1,122	771
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,699	771	715

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

1. An increase in service revenue primarily due to new initiative funding for Integrity related functions, *State of the Service* Report, the enhancement of the Commission's work program and funding carried forward from 2008-09 for the Urban Congestion Management project, the Graduate Program and operational activities.
2. An increase in user charges primarily due to revenue received but unearned in 2008-09 for use of the Workforce Analysis and Comparison Application and new revenue received for a trial of the *Inspiring Women* mentoring program.
3. A decrease in grants and other contributions primarily due to changing the delivery of the Queensland Government Graduate Program, partly offset by the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) from other revenue.
4. A decrease in other revenue primarily due to reduced interest revenue received by the Public Sector Management Program and the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) to grants and other contributions.
5. An increase in employee expenses primarily due to additional costs in 2009-10 for Integrity related functions, the enhancement of the Commission's work program and expenses carried forward from 2008-09 for the Urban Congestion Management project, partly offset by changing the delivery of the Queensland Government Graduate Program.
6. An increase in supplies and services primarily due to additional costs in 2009-10 for Integrity related functions, *State of the Service* Report and the enhancement of the Commission's work program, as well as expenses carried forward from 2008-09 for the Urban Congestion Management project and trial of the *Inspiring Women* mentoring program. The increase has been partly offset by changing the delivery of the Queensland Government Graduate Program.
7. An increase in grants and subsidies due to the return of unspent funds associated with the Queensland Government Graduate Program to contributing departments.
8. An increase in depreciation and amortisation primarily due to asset purchases for Integrity related functions and the leasehold fit out associated with the Commission's relocation.
9. An increase in other expenses due to the reclassification of audit fees and insurance from supplies and services.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

10. An increase in service revenue primarily due to Integrity related functions, *State of the Service* Report, the enhancement of the Commission's work program and Enterprise Bargaining arrangements, partly offset by the planned completion of the Urban Congestion Management project in 2009-10.
11. A decrease in user charges primarily due to a reduction in Public Sector Management Program revenues.
12. A decrease in grants and other contributions primarily due to changing the delivery of the Queensland Government Graduate Program, partly offset by the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) from other revenue.
13. A decrease in other revenue primarily due to reduced interest revenue received by the Public Sector Management Program and the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) to grants and other contributions.
14. An increase in employee expenses primarily due to Integrity related functions, *State of the Service* Report and Enterprise Bargaining arrangements, partly offset by the planned completion of the Urban Congestion Management project in 2009-10 and changing the delivery of the Queensland Government Graduate Program.
15. An increase in supplies and services primarily due to Integrity related functions, *State of the Service* Report and the enhancement of the Commission's work program, partly offset by the planned completion of the Urban Congestion Management project in 2009-10 and changing the delivery of the Queensland Government Graduate Program.
16. An increase in depreciation and amortisation primarily due to the leasehold fit out associated with the Commission's relocation, additional asset purchases to support Integrity related functions and the enhancement of the Commission's work program.
17. An increase in other expenses primarily due to the reclassification of audit fees and insurance from supplies and services.

Balance sheet

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

18. A decrease in cash assets primarily due to movements in payables.
19. A decrease in other current assets based on trend in actual balance of prepayments over previous years.
20. An increase in property, plant and equipment primarily due to the capitalisation of leasehold fit out costs associated with the Commission's relocation and asset purchases for Integrity related functions.
21. A decrease in payables based on trend in actual balances over previous years.
22. An increase in accrued employee benefits obligations primarily due to greater outstanding levy payable at year end to the Annual Leave Centralised Scheme (ALCS).
23. An increase in other current liabilities due to accrued revenue held for the multi-year use of the Workforce Analysis and Comparison Application.
24. An increase in contributed equity primarily due to the capitalisation of leasehold fit out costs associated with the Commission's relocation and an equity injection associated with asset purchases for Integrity related functions.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

25. A decrease in cash assets primarily due to movements in payables.
26. A decrease in other current assets based on trend in actual balance of prepayments over previous years.
27. An increase in property, plant and equipment primarily due to the capitalisation of leasehold fit out costs associated with the Commission's relocation, additional asset purchases to support Integrity related functions and the enhancement of the Commission's work program.
28. A decrease in payables based on trend in actual balances over previous years.
29. An increase in accrued employee benefits obligations primarily due to greater outstanding levy payable at year end to the Annual Leave Centralised Scheme (ALCS).

30. An increase in contributed equity due to the capitalisation of leasehold fit out costs associated with the Commission's relocation.

Cash flow statement

Major variations between 2009-10 Budget and 2009-10 Estimated actual include:

31. An increase in service receipts primarily due to new initiative funding for Integrity related functions, *State of the Service* Report and the enhancement of the Commission's work program and funding carried forward from 2008-09 for the Urban Congestion Management project, Graduate Program and operational activities.
32. An increase in user charges receipts primarily due to new revenue received for a trial of the *Inspiring Women* mentoring program. This has been partly offset by a reduction in revenues for the Public Sector Management Program.
33. A decrease in grants and other contributions primarily due to changing the delivery of the Queensland Government Graduate Program, partly offset by the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) from other operating activity receipts.
34. A decrease in other inflows primarily due to reduced interest revenue received by the Public Sector Management Program and the reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) to grants and other contribution receipts.
35. An increase in employee costs primarily due to additional costs in 2009-10 for Integrity related functions, the enhancement of the Commission's work program and costs carried forward from 2008-09 for the Urban Congestion Management project. These outflows are partly offset by changing the delivery of the Queensland Government Graduate Program.
36. An increase in supplies and services primarily due to additional costs in 2009-10 for Integrity related functions, *State of the Service* Report, the enhancement of the Commission's work program, expenses carried forward from 2008-09 for the Urban Congestion Management project and trial of the *Inspiring Women* mentoring program. The increase has been partly offset by changing the delivery of the Graduate Program.
37. An increase in grants and subsidies due to the return of unspent funds associated with the Queensland Government Graduate Program to contributing departments.
38. An increase in other outflows due to the reclassification of audit fees and insurance from supplies and services.
39. An increase in payments for property, plant and equipment and intangibles primarily due to asset purchases associated with Integrity related functions and capitalisation of leasehold fit out costs associated with the Commission's relocation.
40. An increase in equity injections due to Integrity related functions.

Major variations between 2009-10 Budget and 2010-11 Estimate include:

41. An increase in service receipts primarily due to Integrity related functions, *State of the Service* Report, the enhancement of the Commission's work program and Enterprise Bargaining arrangements, partly offset by the planned completion of the Urban Congestion Management project in 2009-10.
42. A decrease in user charges primarily due to a reduction in Public Sector Management Program receipts.
43. A decrease in grants and other contributions receipts primarily due to changing the delivery of the Queensland Government Graduate Program, partly offset by the reclassification of receipts received for Lominger (a human resources tool used to develop departmental competency sets) from other inflows.
44. A decrease in inflows primarily due to reduced interest revenue received by the Public Sector Management Program and reclassification of revenues received for Lominger (a human resources tool used to develop departmental competency sets) to grants and other contributions.
45. An increase in employee costs primarily due to additional costs for Integrity related functions, *State of the Service* Report and Enterprise Bargaining arrangements, partly offset by the planned completion of the Urban Congestion Management project in 2009-10 and changing the delivery of the Queensland Government Graduate Program.
46. An increase in supplies and services primarily due to Integrity related functions, *State of the Service* Report and the enhancement of the Commission's work program, partly offset by the planned completion of the Urban Congestion Management project in 2009-10 and changing the delivery of the Queensland Government Graduate Program.
47. An increase in other operating activity outflows due to the reclassification of audit fees and insurance from supplies and services.
48. An increase in payments for property, plant and equipment and intangibles primarily due to capitalisation of leasehold fit out costs associated with the Commission's relocation and asset purchases to support Integrity related functions and the enhancement of the Commission's work program.