REVIEW OF THE TASMANIAN STATE SERVICE Interim Report

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The Review acknowledges the significant and ongoing history of the Tasmanian Aboriginal people as the First People of lutriwita/Tasmania and their ongoing connection with the land.



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Glossary

The following words and acronyms have specific meaning in this Report:

the Act State Service Act 2000.

Agency Government Agency established under section

11 and listed at Schedule 1 of the *State Service Act 2000*. Note the term 'Agency' includes both Government Departments and State Authorities

(see relevant entries in this Glossary).

APS Australian Public Service as defined under

section 9 of the Public Service Act 1999.

CBD Central business district.

CEO Chief Executive Officer to Glossary

DPAC Department of Premier and Cabinet.

DEPARTMENT OF Treasury and Finance.

Employment Direction Issued under section 17 of the State Service Act

2000. Note that, following changes to the State Service Act 2000 made in 2012, Employment Directions replaced Commissioner's Directions and Ministerial Directions; but six Ministerial Directions remain in place to be progressively transferred into Employment Directions or other instruments. For the purposes of this report, 'Employment Direction' also refers to those

'Ministerial Directions'.

FTE Full-Time Equivalent.

GCC Government Contact Centre.

Government Department Established under section 11 and listed at Part 1

of Schedule 1 of the State Service Act 2000.

Head of Agency A person holding office under section 30 of the

State Service Act 2000. There are 18 Heads of Agencies: Heads of Government Departments are generally known as Secretaries, while heads of State Authorities are typically Chief Executive Officers, or sometimes Chairpersons.

Holder of Prescribed Office Those appointed under section 31(1)(b) of the

State Service Act 2000. Prescribed Offices are prescribed in the State Service Regulations 2000, regulation 5 and listed in Schedule 1 of the Regulations. Examples include the Crown Solicitor, Director of Housing and

Valuer-General.

HoSS Head of the State Service, as appointed under

section 20 of the State Service Act 2000.

NFP sector Not-for-profit sector.

PESRAC Premier's Economic and Social Recovery

Advisory Council.

the Review Review of the Tasmanian State Service.

R&E Review and evaluation.

Senior Executive Staff members appointed under section 29(4)

of the *State Service Act 2000*. This term denotes those who have executive leadership responsibilities, other than Heads of Agencies and holders of Prescribed Offices. Typical examples include Deputy Secretaries, Directors or division heads and chief operating officers.

SSMO State Service Management Office.

State Authority Established under section 11 and listed at Part

2 of Schedule 1 of the *State Service Act 2000*. State Authorities are sometimes known as 'statutory bodies' or 'statutory authorities'.

TSS Tasmanian State Service. This term is used to

refer to all persons employed under the *State*Service Act 2000, as well as the overarching

'organisation' or entity those persons

constitute.

UTAS The University of Tasmania as constituted

under the University of Tasmania Act 1992.

Consolidated List of Recommendations

RECOMMENDATION 1

The concept of 'One TSS' should be developed to better unite all Tasmanian State Service employees under an aligned state service that works effectively for government and all Tasmanians.

RECOMMENDATION 2

The Government task the Tasmanian State Service leadership collectively with addressing a small number of 'premier priorities', built around complex problems that cut right across government, requiring a collaborative approach to facilitate successful delivery of required outcomes.

RECOMMENDATION 3

Heads of Agency Performance Assessments should consider their contribution towards the realisation of 'One TSS' and designated 'premier priorities'.

RECOMMENDATION 4

Departmental Secretaries' annual Performance Agreements and Assessments should be developed with, and undertaken by, the Secretary of the Department of Premier and Cabinet, in consultation with relevant portfolio Ministers and the Premier.

RECOMMENDATION 5

Secretary of the Department of Premier and Cabinet annual Performance Agreement and Assessment should be undertaken by the Premier and informed by discussions with Ministers (as the Premier sees appropriate) and consolidated advice from other departmental Secretaries.

RECOMMENDATION 6

The Department of Premier and Cabinet develop an overarching Partnership Agreement with the University of Tasmania focused on areas of mutual benefit and with the broad objective of improving outcomes for Tasmanians.

RECOMMENDATION 7

The TSS establish a Tasmanian State Service-wide talent development and management program involving Senior Executives and middle managers to help develop future leaders of the Tasmanian State Service and the future Executive.

RECOMMENDATION 8

The Government establish a Review and Evaluation function in the Department of Premier and Cabinet, managed jointly by the Department of Premier and Cabinet and the Department of Treasury and Finance, to annually review a small number of programs that it considers high risk and/or critical.

RECOMMENDATION 9

A centrally-prepared, whole-of-Tasmanian State Service Workforce Plan should be developed in the next 12 months and reviewed and updated regularly thereafter.

RECOMMENDATION 10

To create more opportunities for young people within the Tasmanian State Service, there should be an increase in the number of placements available within graduate, cadet and traineeship programs.

RECOMMENDATION 11

All agencies, in collaboration as appropriate, should implement the Auditor-General's recommendations on the management of underperformance, concurrent with a centrally-led review of Employment Direction No. 26 and related processes.

RECOMMENDATION 12

The State Service Management Office should urgently develop a short set of principles for working away from the office in the Tasmanian State Service, drawing extensively on existing agency arrangements and resources and taking into consideration benefits and cautions such as those outlined above, to provide a consistent, underlying basis for individual agency policies.

RECOMMENDATION 13

A business case for the development of regional office hubs should be prepared by the Department of Premier and Cabinet in consultation with the Department of Treasury and Finance as a priority, including consideration of potential locations.

About this Report

This Interim Report of the Review of the Tasmanian State Service (the Review) contains the observations and views of the Independent Reviewer. It draws on both research conducted since November 2019, and formal and informal consultations with stakeholders. It is aligned with the Review's Amended Terms of Reference that were announced by the Premier of Tasmania, the Hon Peter Gutwein MP on 10 September 2020.

This Report is primarily directional, outlining issues to be considered by the Review over the medium term. This will form the basis for further, extensive consultation with stakeholders to be undertaken for the Final Report (due at the end of March 2021).

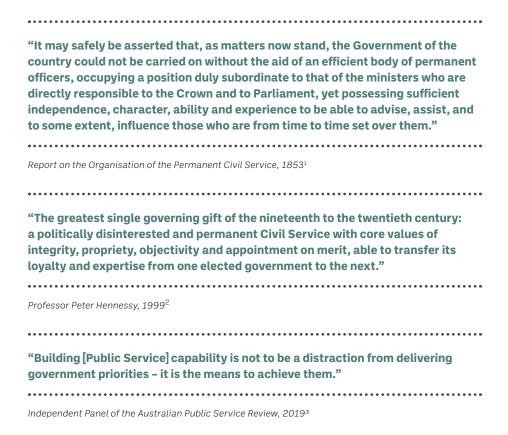
It also makes a limited number of initial recommendations. This reflects Recommendation 64, in the Interim Report of the Premier's Economic and Social Recovery Advisory Council (PESRAC), that this Review be accelerated and the Government's desire that recommendations with potential financial implications be available for consideration in the 2020-21 Budget context wherever possible. It also reflects the importance of getting early work underway in some key areas.

Completing the Report against a tight deadline has been aided by the extent of the research and informal consultations undertaken between November 2019 and March 2020. It was also assisted by the early reestablishment of the Review Secretariat. That said, this Interim Report has only made definitive recommendations where the Review considers them to be soundly based, and well supported by the available research and consultations. The bulk of the Review's recommendations will be made in the Final Report. This Interim Report provides a basis for canvassing possible reform directions, testing whether they are appropriate and considering whether or not the assessments to date are accurate.

Thank you to the Reference Group, all levels of leadership within Tasmanian State Service and everyone who has participated in discussions.

Finally, the very able work of the Review Secretariat in developing and putting this Interim Report together is deeply appreciated.

Dr Ian Watt AC Independent Reviewer



Stafford H Northcote and C E Trevelyan, On the Organisation of the Permanent Civil Service, 1853, printed in Reports of Committees of Inquiry into Public Offices and Papers Connected Therewith, Great Britain Civil Service Commission, 1859.

² Professor Peter Hennessy, Founder's Day address, Hawarden Castle 8 July 1999, cited in Whither the Civil Service, Research Paper 03/49, House of Commons Library, May 2003.

³ Commonwealth of Australia, Our Public Service Our Future. Independent Review of the Australian Public Service, 2019: https://www.apsreview.gov.au/(hereinafter 'Our Public Service Our Future Report').

Tasmania needs and deserves a State Service that is:

United in purpose and vision with the ability and motivation to work across Government to capture opportunities and meet challenges for Tasmania

Focused on bringing the best of Tasmania's resources together, wherever they may exist, for the benefit of all Tasmanians

Connected to the Tasmanian community, supporting a strong sense of place and embracing diversity in people and their views

Empowered and **accountable** for delivering the outcomes that Tasmanians need to thrive

Professional, through the development of and investment in its people, systems and processes

Agile in being able to direct resources to best capture opportunities and address priority challenges for Tasmania

Accessible to all Tasmanians, delivering high quality services when, where and how Tasmanians need them.

CHAPTER 1: Introduction

The next several years will see greater involvement of governments in the lives of Tasmanians, and in the Tasmanian economy, than in the last decade. The COVID-19 pandemic has led to the worst economic downturn in Australia since the Great Depression. Current indicators show positive signs for the Tasmanian economy, but it is very early in terms of the global consequences of the pandemic⁴. Nationally, managing a successful economic and social recovery will be the greatest challenge faced since World War II. It will test the Tasmanian Government and the Tasmanian State Service (TSS), as it will test all governments and public services.

The TSS must change if it is to successfully respond to the demands that will be placed on it over the coming years, or it will face risks across its delivery, regulatory and policy functions. The TSS will need to find ways to deliver more, and better, within constrained budgets. It must channel investment to key priorities that, if successful, will deliver returns many times over — both financial and non-financial.

To achieve this, the TSS will need to undergo a significant transformation, guided by the recommendations in this Review — uniting through a clear purpose, building its professionalism and expertise, embracing data and digital, contemporising its underpinning frameworks, working with partners to solve problems, getting rid of excessive silos and hierarchy, and strengthening service-wide leadership and governance.

This Review is an opportunity to consider the culture and enabling environment that needs to be created if the TSS is to successfully support the Government and the Tasmanian community through these challenging times. This was recognised through the commitment to the Review in late 2019. The COVID-19 pandemic has sharpened the focus on both the things that hold the TSS back, as well as the opportunities presented by the small scale of the TSS, technology and lessons learned.

The Review was first announced by the Treasurer in the 2019 Budget Estimates, with draft Terms of Reference released in November 2019. The final Terms of Reference (Appendix 1) include nine focus areas which have guided the Independent Reviewer during consultations and research to date, as well as in developing this Interim Report. This Interim Report considers these focus areas and provides direction for the remaining phase of the Review. This Interim Report is designed primarily to stimulate discussion about reform of the TSS and make a few recommendations that will get work underway. The Final Report will deliver a shared strategy for the TSS that should be owned by Government, developed by the TSS leadership and delivered by all members of the TSS.

1.1 Context for Change

The objective of the Review as outlined in its Terms of Reference is to identify the changes required to ensure the TSS is fit-for-purpose for Tasmania now, and into the future, through transforming current structures, services and practices to deliver a more efficient and effective public service. The work of the TSS is an

⁴ CommSec, State of the States: State & Territory Economic Performance Report, October 2020: https://www.commsec.com.au/stateofstates.

essential input into the livelihood and wellbeing of all Tasmanians and into their opportunity for a better future for themselves and their families. The better the TSS performs, the better the job it does, the better the outcomes will be for Tasmania and its people.

Delivering positive outcomes for the Tasmanian community relies on capabilities across the TSS that have been and will continue to be built over time. Small scale is both a head wind for the TSS and an opportunity not taken in full advantage of. With a population of half a million, Tasmania is a fraction of the size of some of the other States, yet the Government and the TSS has to deal with much the same complexities as States ten or fifteen times its size. Further, they have to do so without, for example, the larger states' economies of scale or their ability to mobilise and maintain specialist skills and resources. That means that the TSS has to draw much more on resources elsewhere in Tasmania.

As a result of evolving community expectations and in response to ongoing pressures on Government (internal and external), there is a choice that can be made about how policy is developed, programs are implemented and services delivered. Agencies can operate largely independently, often competing for resources, sometimes duplicating effort and sometimes creating gaps in service delivery. Or they can work better together as a more integrated network of capabilities that share resources, prioritise effort and collectively ensure the wellbeing of the whole Tasmanian community as a primary objective. Unsurprisingly, many jurisdictions are moving towards the latter⁵.

Moving towards integrated regulation, policy development and service delivery is more than common sense for the TSS, it is an imperative. Its small scale (see Chapter 2) means it will continue to find it difficult to build and maintain many contemporary capabilities that are commonplace in larger jurisdictions. Scale matters for key capabilities such as information technology, policy and research, analytics and system design. Scale provides the depth and breadth that allows for the specialisation of skills without creating single person dependencies. It helps increase the appetite for risk by allowing the State to try new things without undermining business-as-usual capabilities. It also better provides for succession planning, which protects the TSS from the loss of knowledge that can arise from resignations or retirements in small units.

There are also many capabilities that are less reliant on scale where, for example, proximity to the customer is a stronger driving force. Small scale can also be an advantage in that it can make decision-making less complex, involving fewer people and facilitating productive working relationships.

It is a challenge for the TSS to create the culture, accountabilities and capabilities that creates the benefits of larger scale where it is required, while securing the benefits from agility and responsiveness where it is not. This will require changes to the current culture of the TSS and the way it operates. This is a key imperative for this Review.

⁵ See, for example, Our Public Service Our Future Report and Government of Western Australia, Working Together: One Public Sector Delivering for WA, 2017: available from https://apo.org.au/ node/122611 (hereinafter 'WA Working Together Report').

The Review has, to date, consulted a broad range of stakeholders both inside and outside of the TSS. In general terms, the Review has heard the TSS faces challenges similar to those faced by services of other Australian jurisdictions, including:

- a) growing expectations regarding service provision and complex service delivery needs;
- b) justifiably high expectations from government as to the policy advice, the policy implementation, and the services it delivers;
- c) the consequences of rapid social and technological change, which raises expectations that services will be delivered through multiple channels;
- d) high levels of uncertainty and volatility, and of complexity and ambiguity in the operating environment;
- e) the expectations of a modern workforce as to flexibility, mobility and a forward-looking culture;
- f) continued constrained budget funding; and
- g) most recently, and most importantly, a critical need to support and help deliver a rapid and sustained recovery for Tasmania from a health crisis and the worst economic downturn Australia has seen in nearly a century.

In meeting these challenges the TSS has strengths. Good people, committed to a good public service and to serving Tasmania and Tasmanians; talented and able decision-makers that are located in close proximity to each other; a small size that should aid agility and connection to community and place; and the experience of delivering good outcomes in crises, such as the recent and ongoing response to COVID-19. However, without reform, these factors will be insufficient to allow the TSS to continue to meet even current challenges effectively, regularly and successfully.

The Review has heard the TSS is held back by antiquated, outdated and inappropriate structural, legal and administrative arrangements. Among other things, these make it harder to focus on whole-of-government issues; make it more difficult to lead and manage appropriately; impede the ability to respond in a timely way to changes in the needs of community and business; and supress the quality of services delivered. The Review has heard that, at times, the TSS can experience internal struggles and also has to deal with a strong sense of risk aversion, poor information flows outside the usual channels (and sometimes inside them), limited external focus and an ingrained reluctance to change.

These disadvantages significantly degrade day-to-day performance. The Review has heard stories of how agency boundaries can generate inefficiencies, both for those within it and those trying to engage with it. Stories about public servants that carry multiple information technology devices and work with multiple email accounts because they operate across the divide of Government Agencies. Stories about the frustrations of external stakeholders struggling to get disparate areas of the TSS to work together for the collective benefits of families or industries.

These headwinds can be, and have been, ameliorated and/or worked around in crises, as shown in the COVID-19 response, but outside of one they are a serious and sometimes costly drag on good performance. Many of them have been improved or even removed in their incidence in other Australian jurisdictions

through public sector reform. That needs to be done in Tasmania.

Other Australian jurisdictions, facing similar challenges, have commissioned far reaching reviews of their public services, either specifically or as part of a larger exercise. The Independent Review of the Australian Public Service⁶, the Western Australian Service Priority Review⁷, the Northern Territory Fiscal Strategy Panel report on budget repair (which recommended significant reform of the Northern Territory Public Services as part of a broader remit)⁸ and the Coaldrake Review⁹ all recommended substantial reform of the relevant public services to meet current and future requirements. It is to the credit of the Tasmanian Government and the most senior members of the TSS that this Review has been commissioned for similar reasons.

None of these reviews are a blueprint for the reform of the TSS as they are specific to the unique services and issues they reviewed, and they are not considered as one by this Review. The TSS needs to learn from, and borrow, what has worked well elsewhere. However it must be cautious to not simply replicate what has been done elsewhere. Its smaller population and state service size means that the TSS has unique challenges and, more importantly, unique opportunities that will require something of a bespoke approach.

Although various broad ranging reviews commissioned by Tasmanian Governments in the 1970s¹⁰ and 1990s¹¹ have touched on public service issues, there is no recent precursor to this Review. A review of the TSS is, by any measure, overdue. That makes this Review and its implementation all the more important for the TSS, for the Tasmanian Government and for all Tasmanians.

No matter how fit-for-purpose the TSS may be today, without substantive change it will be less fit in a year, and much less fit in a decade, than it is now. The TSS must now start on a process of evolution should it wish to be best placed for the future. It is difficult to paint a clear picture of the operating environment the TSS will have to grapple with in five, 10 or 15 years, but all expectations are that it will be more demanding, more complex and more unforgiving than today's. The challenges of Tasmania's economic recovery are already large. Add to that continued technological change, the growing impact of climate change, increased community expectations, an ever more complex Federation and growing geopolitical uncertainty. Those issues and others yet to emerge will make the task facing future Tasmanian Governments and the TSS even tougher.

- 6 See https://www.apsreview.gov.au/.
- 7 See https://www.wa.gov.au/government/public-sector-reform or WA Working Together Report.
- 8 See Northern Territory Government, Budget Repair Office: https://treasury.nt.gov.au/dtf/financial-management-group/budget-repair-office; see also Fiscal Strategy Panel, A plan for budget repair: Final Report, 2019: https://treasury.nt.gov.au/__data/assets/pdf_file/0010/683461/Budget-Repair-Final-Report.pdf.
- 9 See Queensland Government, Review into Queensland public sector workforce reporting, https://www.qld.gov.au/about/how-government-works/government-structure/public-service-commission/what-we-do/public-service-reviews/queensland-public-sector-workforce-reporting-review; see also Professor Peter Coaldrake, Review into Queensland Public Sector Workforce: Stage 2 The Public Sector of Tomorrow, 2018: https://www.qld.gov.au/__data/assets/pdf_file/0022/101974/the-public-sector-of-tomorrow.pdf.
- 10 Sir Bede Callaghan, Inquiry into the structure of industry and the employment situation in Tasmania: report, 1977.
- 11 Peter Nixon, The Nixon Report: Tasmania into the 21st century report to the Prime Minister of Australia and the Premier of Tasmania, 1997.

1.2 The COVID-19 experience

The Review is required to 'reflect on lessons learned during the COVID-19 pandemic to identify improved ways of working'.

The COVID-19 crisis stress-tested and continues to test the TSS, and other Australian public services in ways only a true crisis can. Some are being tested more than others, depending on the length and severity of the ongoing crisis, but every service faces the sort of challenges it has rarely, if ever, had to face. Their various performance is being analysed and assessed, including that of the TSS¹².

At the time of writing, only the Walker Review¹³ of the Ruby Princess has been published. It, along with the conclusions of the several other reviews underway will be considered fully in the Final Report. However, some important lessons that will improve how the TSS operates are already clear:

Responding to a crisis demands flexibility and agility to efficiently meet rapidly changing priorities and to manage day-to-day operations. The current TSS employment framework inhibits that flexibility and agility. While temporary solutions and workarounds were used, the fact that these had to be created at all both exacerbated the problems faced during the crisis and highlighted the significance of these inhibitors for the TSS more generally.

In crises, organisations need surge capacity, sometimes substantial surge capacity. The ability to draw resources easily from outside the service was complex and sometimes slow.

Clarity of roles, clear accountability and responsibilities is essential.

The small size and relationships both across the TSS and networks with University of Tasmania (UTAS), the private and non-for-profit sectors should be an asset in responding quickly and with agility to a crisis. The TSS should continue to foster and develop these relationships and networks that helped it to respond more effectively.

While the full impact from COVID-19 is a long way from being realised, PESRAC has considered and reported on the immediate impacts that are available to date¹⁴. Relevant to the TSS, PESRAC lists the impacts on women, younger people and other vulnerable cohorts' pathways into and participation and retention in the workforce. It notes a need for Government to focus on digital services and literacy and increased flexibility and agility in its approach to meeting community needs in supporting Tasmania's recovery. These issues are further considered in subsequent chapters.

¹² For example, Parliamentary Standing Committee of Public Accounts Inquiry into the Tasmanian Government's response to the COVID-19 pandemic (see https://www.parliament.tas.gov.au/ctee/joint/pacc.htm); Independent Review of the Response to the North-West Tasmania COVID-19 Outbreak: (see http://www.dpac.tas.gov.au/independent_review_of_the_response_to_the_north-west_tasmania_covid-19_outbreak); four COVID-19-related performance audits by the Tasmanian Audit Office planned for 2020-21 (see https://www.audit.tas.gov.au/publication/annual-plan-of-work-2020-21/); Victorian Board of Inquiry into the COVID-19 Hotel Quarantine Program (see https://www.quarantineinquiry.vic.gov.au/).

¹³ Bret Walker SC, Report of the Special Commission of Inquiry into the Ruby Princess, 2020: https://www.nsw.gov.au/covid-19/special-commission-of-inquiry-ruby-princess.

¹⁴ Premier's Economic and Social Recovery Advisory Council, *Interim Report*, 2020: https://www.pesrac.tas.gov.au/reports (hereinafter 'PESRAC *Interim Report*').

CHAPTER 2: About the Tasmanian State Service

2.1 Legislative framework

The TSS is established by the *State Service Act 2000* (the Act) and formally consists of Heads of Agencies, holders of Prescribed Offices, Senior Executives and employees. The Act also establishes the Agencies that comprise the TSS, which include the nine Government Departments shown at Figure 4, the Tasmanian Audit Office and eight State Authorities.

Under the Act, the Premier (being the Minister administering the Act) is the 'Employer', although the Premier's functions and powers are delegated almost completely to the Head of the State Service (HoSS). The HoSS is appointed by the Premier and can be the head of any Government Department; but is traditionally and currently the Secretary of the Department of Premier and Cabinet (DPAC). The HoSS is supported by the State Service Management Office (SSMO), which is functionally part of DPAC.

The Act also sets out the State Service Principles and Code of Conduct and covers a wide range of responsibilities and rules about employment. It is supported by the *State Service Regulations 2011* and a series of binding Employment Directions¹⁵ that provide detail on various employment matters and administrative procedures under the Act.

Industrial relations within the TSS are governed by the *Industrial Relations Act* 1984 and overseen by the Tasmanian Industrial Commission.

2.2 Size and shape of the TSS

The TSS¹⁶ currently comprises 31,998 people, equivalent to 25,289 full-time equivalent staff (FTE). It has grown by just under 13% in the last 10 years (see Figure 1).

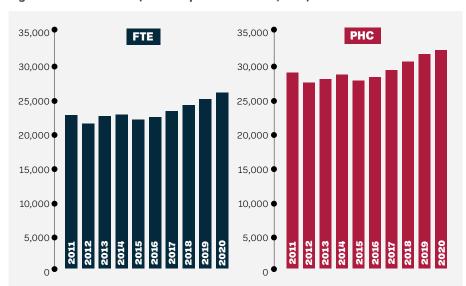


Figure 1. Total TSS size (FTE and paid headcount, PHC)

¹⁵ See http://www.dpac.tas.gov.au/divisions/ssmo/employment_directions.

¹⁶ Unless otherwise cited, the data about the TSS contained in this Chapter and elsewhere in the Interim Report has been provided to the Review by the State Service Management Office.

The TSS is the third smallest public service in the country, by FTE. Figure 2 shows how, despite being slightly larger in overall numbers, the TSS as a proportion of the population is smaller than both the Australian Capital Territory and the Northern Territory public sectors. Overall, the TSS is only a third of the size of the South Australian state service and less than a tenth of New South Wales'. It is, however, a similar size to those jurisdictions' services as a proportion of the population.

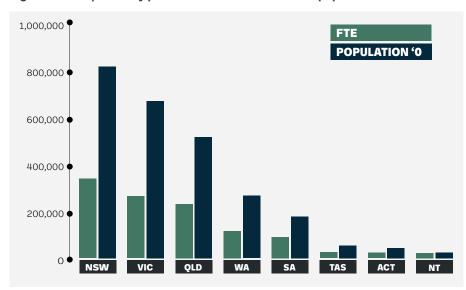


Figure 2. State/Territory public service sizes relative to populations

Although spread across a huge range of occupations and professions, Figure 3 shows the majority of the TSS works in 'frontline' services, predominantly in health and education. In contrast, the supporting 'bureaucracy' represents only around a fifth of the overall TSS.

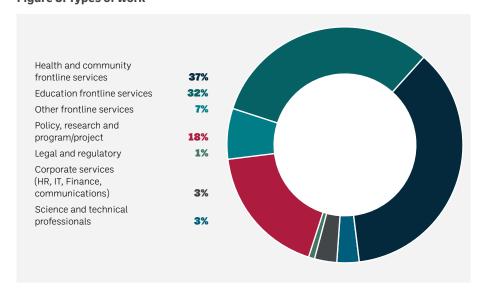
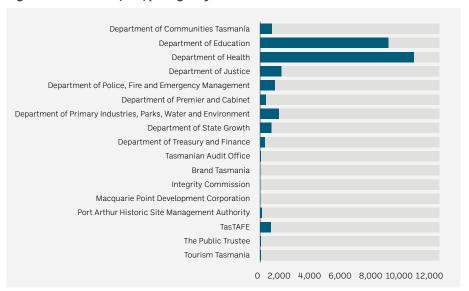


Figure 3. Types of work

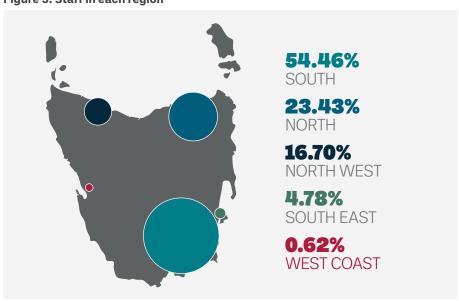
The split between 'frontline' and 'bureaucratic' staff is reflected in the number of staff within each agency (Figure 4), with the Department of Health and the Department of Education being by far the largest, at 41% and 36% of all TSS staff (or 40% and 33% of total FTE) respectively. In contrast, the two smallest TSS agencies have fewer than 10 staff¹⁷.

Figure 4. Total staff (FTE) per agency



The TSS is also 'small' in terms of its geographical concentration (Figure 5). While the TSS is represented across the State, mostly by frontline staff, the majority is based in the South – mainly in central Hobart. This is particulary true for backoffice and executive positions.

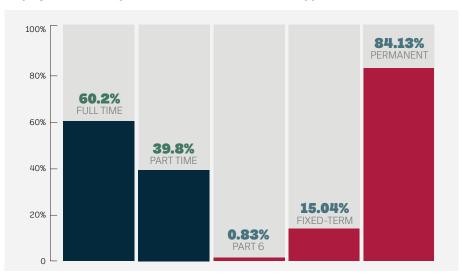
Figure 5. Staff in each region



¹⁷ Macquarie Point Development Corporation (8.7 FTE, 10 paid head count) and Brand Tasmania (5 FTE, 5 paid head count).

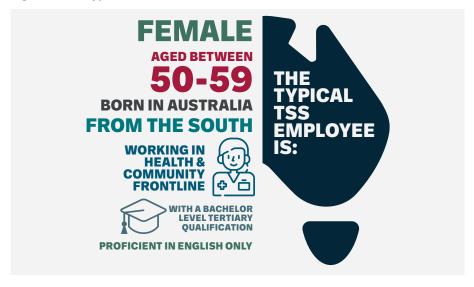
Figure 6 shows the majority (84%) of TSS staff are permanent employees, with only 15% employed on a fixed-term basis. The remaining 1% are appointed under Part 6 of the Act (Agency Heads, holders of Prescribed Offices and Senior Executives) and hold office for the duration of their appointment. Just over 60% of the TSS work full-time and just under 40% work part-time.

Figure 6. Total TSS by employment category (full time or part time) and by employment status (permanent, fixed term or Part 6 appointment)



Based on the most recent staff survey results¹⁸, the TSS is a relatively homogenous service (Figures 7, 8 and 9), with fairly small proportions of the workforce identifying as having a disability (6%) or as being of Aboriginal or Torres Strait Islander origin (3%). The vast majority (almost 90%) of survey respondents were born in Australia and fewer than 10% are proficient in a language other than English. Around two-thirds have some form of tertiary qualification.

Figure 7. The 'typical' TSS staff member



¹⁸ See State Service Management Office, 2020 Employee Survey: http://www.dpac.tas.gov.au/divisions/ssmo/Employee_Surveys/2020_state_service_employee_survey/2020_employeesurvey_full.

Figure 8. Diversity indicators

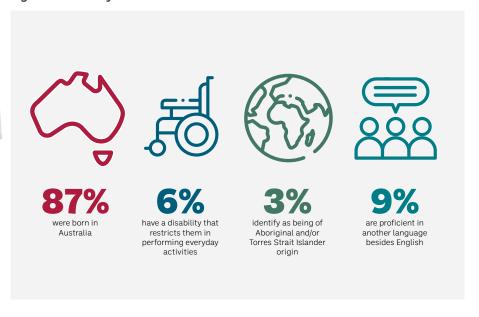
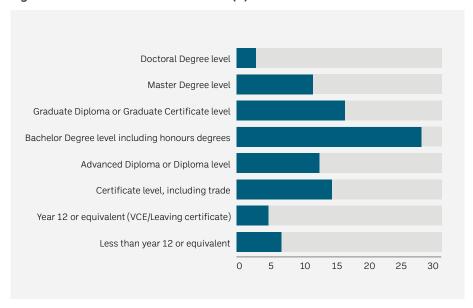
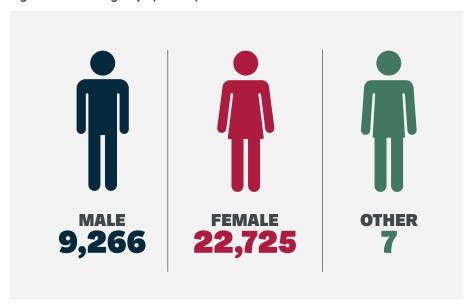


Figure 9. Educational attainment levels (%)



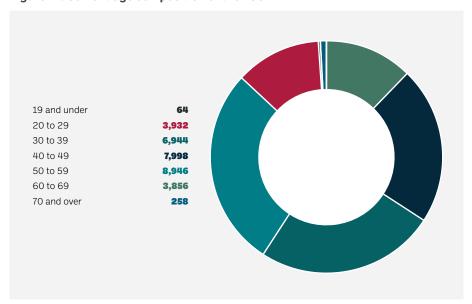
Over 70% of all TSS staff are female (Figure 10), although this proportion changes across different parts of the workforce: for example, just under half (43%) of the Senior Executive are female.

Figure 10. Gender groups (as PHC)



The TSS is also relatively old (Figure 11), with almost 27% of employees over the age of 55 and just over 12% under the age of 30; although Figures 12 and 13 show the similarity between age demographics in the TSS and in Tasmania overall.

Figure 11. Current age composition of the TSS





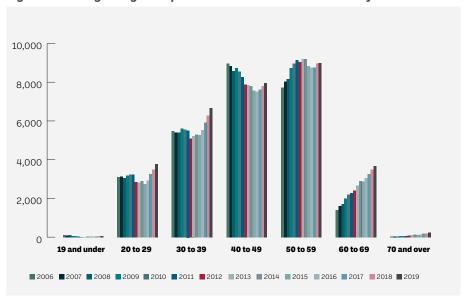
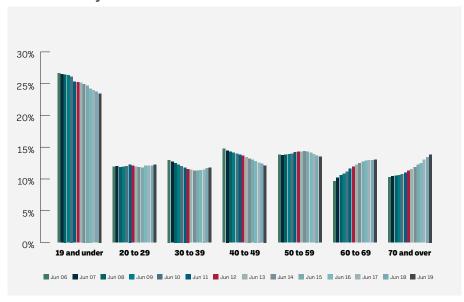


Figure 13. Change in age composition of the Tasmanian population over the last 15 years $\,$



CHAPTER 3: Towards a Single State Service

Tasmania needs and deserves a State Service that is ...

United in purpose and vision with the ability and motivation to work across Government to capture opportunities and meet challenges for Tasmania ...

Empowered and accountable for delivering the outcomes that Tasmanians need to thrive

Many of the most difficult problems that modern governments have to deal with are problems that can only be successfully addressed by mobilising people and expertise from large parts, if not all, of the Government. Those whole-of-government problems require whole-of-government solutions.

The challenges faced by Tasmania, like those in other jurisdictions, are already complex. They are often made more complex by some of the characteristics of the Tasmanian population. For example, Tasmania has the lowest year 12 attainment rate in the country but for the Northern Territory¹⁹, the highest proportion of people whose education does not go beyond year 10^{20} , the lowest workforce participation rate of all States and Territories²¹, the oldest population in the country²² and the highest proportion of disadvantaged children²³. Tasmanians have also been found to have poor diets, low exercise and high obesity as well as high rates of chronic disease and mental illness²⁴.

Tasmania also has opportunities, some of which arise directly from its challenges, such as demand for expertise, a workforce and goods and services in the health care, aged care and social support sectors. It also has an abundance of natural heritage assets that attract World Heritage status, growing tourism and agriculture industries, strength in renewable energy and world-class research and scientific facilities. Increasingly, niche industries are offering high-value products in globally competitive markets, all supported by Tasmania's island status and clean environmental brand.

The major challenges Tasmania faces are not getting easier to solve and the opportunities presented require increased collaborative thinking and attention. This requires the bringing together of mature capabilities, robust research and policy development and a strong capacity to work across government and with partners to address both the challenges and leverage the opportunities for the benefit of all Tasmanians.

This chapter focusses on creating the vision and building the culture to support a genuinely single service, 'One TSS', creating a mechanism to better focus the TSS on addressing key whole-of-government priorities and realigning the accountability of leadership in the TSS, to focus not only on portfolio priorities, but also on issues that require a multi-agency approach. There are some elements of this already in the TSS, but a lot more needs to be done.

- 19 Australian Government Productivity Commission, Report on Government Services 2020: https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/child-care-education-and-training/school-education.
- 20 Australian Bureau of Statistics, *Education and Work, Australia*, 2019: https://www.abs.gov.au/statistics/people/education/education-and-work-australia/may-2019.
- 21 Australian Bureau of Statistics, *Labour Force, Australia*, 2020: https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release.
- 22 COTA Tasmania, Embracing the Future: Tasmania's Ageing Profile Part 1, page 14: https://www.cotatas.org.au/wp-content/uploads/sites/3/2019/02/FINAL-COTA-Embracing-the-Future-Report.pdf.
- 23 Australian Government Productivity Commission, Report on Government Services 2020: https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/child-care-education-and-training/school-education.
- 24 Department of Health, *The State of Public Health Tasmania 2018*: https://www.dhhs.tas.gov.au/_data/assets/pdf_file/0004/375025/The_State_of_Public_Health_Tasmania_2018_v10.pdf.

3.1 Building One Tasmanian State Service

Tasmania has one State Service established under the Act and created under the Minister of the State Service (currently the Premier). At the time of its introduction into Parliament, the then Premier stated the Act would provide for a State Service "...that is professional, equitable, flexible, forward-looking and, most importantly, accountable, while providing the best possible services to the Government and the community" ²⁵.

The singular nature of the State Service is important, particularly for a small state and a small service like the TSS. The recent experience with COVID-19 shows that the TSS can effectively and successfully respond as a highly agile service, working toward a common set of crucial whole-of-government objectives. Similarly, the 2013 bushfires required a rapid and highly agile response for the TSS, and from all accounts it delivered²⁶. There are also examples outside of emergencies, such as the whole-of-government response to family violence detailed later in this Chapter.

Notwithstanding these examples, the Review has heard that organisational boundaries continue to hinder the ability of the TSS to deliver, particularly when it comes to challenges that require multi-agency responses. During consultations, many expressed the view that working in silos continues to lead to duplication of effort or, at best, makes it difficult to secure the benefits of shared services or shared capabilities, such as human resources or ICT. Its small size means it can be difficult to maintain core capabilities across services and increases the problem of single person or single system dependencies.

The *Our Public Service Our Future* Report²⁷ outlined similar issues in the Commonwealth Government and consequently focused on the need for the Australian Public Service (APS) to work together as one organisation, with a common purpose, vision and truly integrated approach to undertaking complex problem solving. This was despite the nearly a decade of work already undertaken to bring the APS together more effectively.

This Review considers the concept of 'One TSS' to be a foundation stone for helping to create a more unified culture for the future success of the organisation and meeting the current and future needs of the Tasmanian community. The overall significance of 'One TSS' is to promote a sense of purpose and build a culture where all employees work together. As the APS example shows, such a shift will not occur immediately and will most likely be achieved through a series of modest, yet meaningful changes over time.

'One TSS' should involve the development of a shared identity, including a single-purpose vision and values, building on the State Service Principles. A shared identity is not a branding exercise but rather a principle underpinning the service's work, helping make collaboration, rather than separateness, the default. It needs to underpin corporate and particularly human resource arrangements, with a view to facilitating mobility and collaboration and enlivening an employee value proposition that helps attract and retain talented people. This will help to promote unity, encourage excellence and define expectations on behaviour and ethics.

²⁵ Parliament of Tasmania, Hansard, 21 November 2000, page 13.

²⁶ Through the efforts of State Agencies, Local Government and other partners (including the community), emergency assistance was delivered to affected residents within hours of the bushfire; and registration and clean-up of properties commenced within 8 days and was completed in under 4 months.

²⁷ Our Public Service Our Future Report, page 22.

It will help create a framework through which decisions can be made and tested as being in the best interests of the TSS as a whole and the purpose for which it stands.

As noted in the 2010, *Ahead of the Game* Report²⁸, values need to be meaningful, memorable and effective in driving change and must complement, not replace, agency values or professional and individual values. The diversity of professions within the TSS will require careful consideration into how shared values and the concept of 'One TSS' will translate into meaningful and practical ideals for all state servants when fulfilling their daily responsibilities and core functions. There is value for all TSS employees in having a more unified approach for which the state service operates. Employees, ranging from nurses and teachers to policy analysts and project managers, will benefit from an organisation that encourages and values better alignment, a shared identity and joint resources. It should also mean all individuals are equally valued for the important contribution they make, to not only the TSS but the Tasmanian community.

Other jurisdictions have undertaken reform to promote collegiality, motivate existing and prospective staff and unify a diverse workforce. In Queensland, the state service has adopted the #BeHere4Qld²⁹ and NSW, 'I work for NSW'³⁰. Both initiatives outline overarching state service values with the aim of creating a sense of unity and attracting talent.

Establishing the concept of 'One TSS' should be a priority over the course of the next 12 months. The approach needs to be authorised by the Premier, agreed by Cabinet, led by the Secretary of the DPAC as the HoSS and driven by Heads of Agencies as the primary leaders of the TSS. It should recognise the importance of engaging and sharing ideas, communicating with all TSS staff, regardless of profession, sector or level about what the concept should mean to them and listening to their response. It should be facilitated in a way that gives employees a real and meaningful opportunity to contribute to the development of 'One TSS'.

Support from the SSMO will be required to help develop an identity statement, common vision and core values for the TSS that are uniquely Tasmanian and speak to the diversity of occupations and professions in the service. This should complement and connect, rather than displace agency or profession-specific values

It will be important to clearly identify upfront the practical differences associated with working as 'One TSS' compared to current arrangements. The establishment of whole-of-government priorities, detailed later in this chapter, will help promote a more collective way of working, as will undertaking whole-of-service workforce planning, increasing sharing of systems and capabilities, or expanding the service-wide graduate program, to name a few.

The Final Report will further explore what the concept of 'One TSS' means and how it could be developed and embedded in the TSS. This should not, however, preclude progress on this issue in the meantime.

²⁸ Advisory Group on Reform of Australian Government Administration, Ahead of the Game: Blueprint for the Reform of Australian Government Administration, 2010, page 46: https://www.apsreview.gov.au/sites/default/files/files/Ahead%20of%20the%20Game%20-%20Blueprint%20for%20the%20 Reform%20of%20Australian%20Government.pdf (hereinafter Ahead of the Game Report).

²⁹ Queensland Government, #BeHere4Qld, https://www.psc.qld.gov.au/behere4qld/.

³⁰ NSW Government, I work for NSW, https://iworkfor.nsw.gov.au/.

RECOMMENDATION 1

The concept of 'One TSS' should be developed to better unite all Tasmanian State Service employees under an aligned state service that works effectively for government and all Tasmanians.

3.2 Focusing on Whole-of-Government Priorities

The small scale of the TSS means it cannot focus simultaneously on every challenge and every opportunity. Clear priorities help it to concentrate resources and effort on initiatives that are likely to have the greatest impact on the challenges it faces.

Prioritising resources and effort is core business for Government agencies and their Ministers and is reflected in a broad range of existing Government policies and strategies, some of which are whole-of-government. The Premier's 2020 State of the State address identified a range of priorities, including: the economy; infrastructure; keeping Tasmanians safe; health education and Tasmanians in need; the cost of living and protecting the Tasmanian way of life³¹. At the Commonwealth level, National Cabinet has agreed on six national priority areas (Rural and Regional Australia; Skills; Energy; Infrastructure and Transport; Population and Migration; and Health) and the formation of National Cabinet Reform Committees to work towards addressing these critical areas³².

The problem suggested to the Review is that there is no process for Government to designate key whole-of-government priorities that it considers essential for the future and for which the TSS (through Heads of Agency) must be actively involved and collectively accountable for progressing. For convenience, this report refers to these key priorities as 'premier priorities' (acknowledging that it is up to Government to decide how it wishes to identify them). Note that there are many other whole-of-government priorities that should continue to be progressed through existing arrangements.

The specific establishment and implementation of 'premier priorities' targeted for multi-agency handling has been done in other Australian jurisdictions, as well as internationally in the United Kingdom and New Zealand, using various models and with varying definitions.

In New South Wales, Premier priorities are described as "issues that have been put in the too hard basket, for too long" 33 and include examples such as lifting education standards for children and reducing domestic violence. In Western Australia, targets are defined as "priorities of the community – challenges that are not just the responsibility of one department, one portfolio or even Government alone" and focus on social, economic and environmental challenges 4. Priorities for the Premier of Victoria focus on the areas of health, jobs, education and transport

³¹ See 3 March 2020 State of the State Address: http://www.premier.tas.gov.au/releases/state_of_the_the_state_address

³² National Cabinet Reform Committees: https://pmc.gov.au/domestic-policy/effective-commonwealth-state-relations

³³ NSW Government, Premier's Priorities: https://www.nsw.gov.au/premiers-priorities.

³⁴ Government of Western Australia, *Our Priorities: Sharing Prosperity:* https://www.wa.gov.au/sites/default/files/2019-02/Our%20Priorities_brochure_0.pdf.

and on "delivering for every Victorian, in every corner of the state"³⁵. The Northern Territory Chief Minister's priorities focus on investing in the bush, creating local jobs, generating change, safer communities and restoring trust³⁶.

This Review proposes that better outcomes for Tasmania could be secured through the Government identifying a small number of 'premier priorities', that the senior leadership of the TSS will be required to address collectively, and that are underpinned by clear accountabilities, as well as measurable and reportable targets. These priorities should reflect complex policy challenges that are important to the community, require a multi-agency response, and in some cases, collaboration outside the TSS.

Government commitment at the outset will be critical, especially from the highest levels of leadership. The approach to identifying 'premier priorities' must be led by the Premier and Ministers to ensure the issues selected are genuinely high priority and meet the criteria of requiring a multi-agency response, and, in some cases, partners outside of government. They should be identified, defined and agreed to based on the best available data and evidence, and be measurable with targets and Key Performance Indicators. Each priority should be driven by a lead agency; however all agencies involved in the response should be responsible for addressing the issue

Heads of Agencies should be accountable for providing regular advice to Government on priorities and for developing targets. They must be accountable for organising and mobilising their agency's resources in a way that contributes effectively to the shared imperative of meeting those targets.

It is not the role of the Review to propose 'premier priorities' for Government, but rather to identify that there is a structural opportunity to create a mechanism to help solve these key whole-of-government problems by drawing on the best of individual agencies and the best of the TSS as a whole.

It is understood to there has already been some work by the Government to identify key whole-of-government priorities. The recommendations of this Review can build upon this work.

³⁵ Premier of Victoria, Our priorities: https://www.premier.vic.gov.au/our-priorities/.

³⁶ Northern Territory Department of the Chief Minister: https://www.premier.vic.gov.au/our-priorities/.

BENEFITS OF SETTING KEY WHOLE-OF-GOVERNMENT PRIORITIES

Provide government with a clear directive to better address complex and intractable problems for the Tasmanian community. When given a clear directive, Government agencies are better placed to align efforts to tackle complex issues facing Government more quickly. A standout example of a strong, Premierled directive was the need to address the complex issue of family violence in Tasmania, resulting in the establishment of the Safe Homes, Safe Families five year Government Action Plan (2015-2020)³⁷.

This initiative provided a multi-disciplinary approach that brought together Government agencies into one, collaborative unit to deliver support services. The Safe Homes, Safe Families Action Plan has now concluded, however a new Action Plan has been implemented to continue this work (Safe Homes, Families, Communities: Tasmania's Action Plan for Family and Sexual Violence 2019-2022)38.

Serve as a mechanism to improve collaboration across the TSS. Proposed 'premier priorities' are not intended to replace single-agency roles and accountability, but serve as a mechanism that can complement existing work. The TSS has traditionally approached issues from a single-agency perspective which can lead to a siloed approach to problem solving and priority setting.

The wording of the Act may be a contributing factor to this, with the tone and direction emphasising a single-agency approach. This approach, while common within the public sector, is not always an optimal use of resources or expertise. The identification of 'premier priorities' also does not replace the need for the TSS to continue to pursue broader whole-of-government priorities.

Build a more structured approach to optimising expertise outside of the TSS.

The TSS is not able to respond to all priority needs alone and will need to work collaboratively with other sectors and organisations to address complex issues. 'Premier priorities' have the potential to help align objectives and form the basis of meaningful partnerships based on areas of mutual interest that lead to practical outcomes.

Encourage collective leadership and strategic thinking. 'Premier priorities' can help promote collective leadership and responsibility as well as provide better opportunities to deliver advanced policy and better services in areas that require a multi-agency response. The current balance of requirements and mechanisms makes it harder for Heads of Agencies and Senior Executives to look beyond immediate agency responsibilities and whole-of-government priorities can further encourage strategic thinking and a forward approach beyond daily priorities and demands. The proposed inclusion of 'premier priorities' into the performance agreement for Heads of Agencies and Senior Executives, discussed later in this chapter, will help to encourage collective thinking and greater accountability.

³⁷ Safe Homes, Safe Families: Tasmania's Family Violence Action Plan 2015-2020: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0006/266073/Safe_Homes_Safe_Families_-_Action_plan.pdf

³⁸ Safe Homes, Families, Communities: Tasmania's action plan for family and sexual violence 2019-2022: http://www.dpac.tas.gov.au/safehomesfamiliescommunities.

Strengthen accountability. Relevant Heads of Agencies will be accountable for addressing 'premier priorities'. In addition, roles and responsibilities within agencies and across portfolios will need to be defined and accountability for achieving shared outcomes will need to be clearly articulated.

Incorporating 'premier priorities' into Heads of Agency and Senior Executives Performance Agreements will help ensure greater ongoing commitment and provide the Premier with another mechanism to hold the most senior leaders to account, in meeting outcomes and financial management as well as to ensure collaboration and leadership occurs.

Contribute to a culture of continuous improvement and outcomes-focussed review and evaluation. Regular and ongoing review and evaluation of targets will be critical to ensure Government has the means to identify what is working well and being achieved overall. It can provide clear oversight of what needs to change to achieve targets.

Results and data could be published to keep the community informed and provide the opportunity to better understand how the TSS is working on their behalf.

Contribute towards the concept of 'One TSS'. The identification of 'premier priorities' has the potential to lend itself to a shared purpose for the TSS and help unify and promote a culture of 'One TSS'.

RECOMMENDATION 2

The Government task the Tasmanian State Service leadership collectively with addressing a small number of 'premier priorities', built around complex problems that cut right across government, requiring a collaborative approach to facilitate successful delivery of required outcomes.

3.3 Improved Accountability

SHARED ACCOUNTABILITY FOR THE TSS

Heads of Agency are the primary pathway through which the Minister of the State Service (the Premier) holds the TSS to account for its performance. They are required, under the Act to uphold, promote and comply with the State Service Principles and are held accountable through the development of annual Performance Agreements and Assessments.

Accountability of Heads of Agency for the development and roll-out of 'One TSS', and for achieving key priorities will be critical for the success of an aligned and collaborative TSS. For this reason, the Review proposes the inclusion of both the concept of 'One TSS' and designated 'premier priorities' into the Performance Agreement and Assessment for all Heads of Agency (including both Secretaries of Departments and Heads of Tasmanian State Authorities).

RECOMMENDATION 3

Heads of Agency Performance Assessments should consider their contribution towards the realisation of 'One TSS' and designated 'premier priorities'.

PERFORMANCE ASSESSMENT FOR DEPARTMENTAL SECRETARIES

In the TSS currently, the Premier requires all departmental Secretaries to have an annual Performance Agreement in place with their respective Minister/s. Agreements are established between the Secretary and their relevant Minister, with endorsement from the Premier. Assessment is undertaken annually by the relevant Minister. The Review has heard that the process does not always effectively hold departmental Secretaries to account for whole of government initiatives.

The Secretary of DPAC has overall responsibility for the functioning and effectiveness of the TSS, therefore it is important the assessment process is overseen centrally to ensure a consistent approach is taken. There is greater potential for the Secretary of DPAC to assist the Premier and Ministers to more deliberately hold Secretaries to account through the Performance Agreement process.

To be clear, this Interim Report is not suggesting that Secretaries are not performing well under the current system. Rather, the Review considers it important that the performance assessment process for Secretaries be modified to increase the involvement of the Secretary of DPAC and the Premier. This would allow for a greater balance between portfolio-centric objectives and designated whole-of-government priorities. It would also contribute to building a stronger leadership team within Government and the TSS and ensure both the Premier and Ministers are fully involved in the performance assessment process of their most senior public servants.

A revised assessment process would include the following steps:

- i. At the start of each financial year, the Premier, in consultation with the relevant Ministers would write to each Secretary advising them of the Government's key priorities for the portfolio.
- ii. With these priorities in mind, each Secretary would work with the Secretary of DPAC to develop performance agreements at the start of each financial year (or following the appointment of a new Secretary for the remainder of the year).
- iii. The Secretary of DPAC, in consultation with relevant Ministers and each Secretary would establish a performance agreement for consideration and approval by the Premier.
- iv. At the end of each financial year, the Secretary of DPAC would formally consult with the Premier and relevant Ministers, to draw up a draft Performance Assessment for each Secretary. This would be discussed with each Secretary in draft form.
- v. Following the discussion with the Premier, the performance assessment would be finalised by Secretary of DPAC with each Secretary in due course.

In relation to the performance agreement process for the Secretary of DPAC, it should be undertaken by the Premier and informed by discussions with Ministers, as the Premier sees appropriate. It should also be informed by a short, written collective assessment from Secretaries that is provided to the Premier and the Secretary of DPAC.

This Review does not seek to amend the current performance assessment process for Chief Executive Officers (CEOs) of Tasmanian State Authorities. Due to the nature and role of State Authority Boards, the Review believes the process for each Statutory Authority is and should remain specific to each authority. However, the Government's enhanced focus on the designated whole-of-government priorities requiring whole to government solution will, no doubt, be taken into consideration by the Independent Boards and CEOs.

RECOMMENDATION 4

Departmental Secretaries' annual Performance Agreements and Assessments should be developed with, and undertaken by, the Secretary of the Department of Premier and Cabinet, in consultation with relevant portfolio Ministers and the Premier.

RECOMMENDATION 5

Secretary of the Department of Premier and Cabinet annual Performance Agreement and Assessment should be undertaken by the Premier and informed by discussions with Ministers (as the Premier sees appropriate) and consolidated advice from other departmental Secretaries.

CHAPTER 4: Partnering with Others

No matter how effective the TSS is, it cannot develop and deliver all of the results that the Tasmanian Government and the Tasmanian community needs from it without external assistance. The TSS must be able to *bring the best of Tasmania's resources together, wherever they may exist, to do so.* These resources will often be found within the TSS, but sometimes (and perhaps increasingly) they will be found in the non-government sector, in industry, in academic institutions and/or in the community.

The TSS will need to partner more efficiently with multiple sectors to help better understand the challenges the State faces and draw upon the additional capabilities to address them, such as data analysis, research, modelling and private sector experience and expertise. Partnerships will also play a crucial role in Tasmania's work towards addressing the newly agreed national priority areas announced by National Cabinet in June 2020, such as energy, issues facing rural and regional Australia and health, as well as priorities outlined in the 2020 State of the State Address. In terms of service delivery, it will also need to work more often and more collaboratively with other public services (e.g. Commonwealth and Local Government) and non-government sectors, and partner more efficiently with the private sector.

The Review has been given examples of how the TSS is already effectively working with others to maximise its capability to support the Tasmanian community. For example, the not-for-profit (NFP) sector has significant capability in Tasmania and is important to non-government service delivery in the State. The Partnership Agreement³⁹ between the community sector and Government agencies acknowledges the importance of constructive working relations and the TSS should continue to build on this⁴⁰.

The Review has also heard that, at times, the nature of the TSS can make it difficult for other sectors to work closely with it. For example, timeframes to which the TSS works, and its sense of urgency or imperative, is not always aligned with the needs of business. The Review has also heard it is often difficult to work seamlessly with the multiple parts of the TSS that may need to contribute to solving a common problem.

How the TSS can partner better with other sectors will be a key focus in the second phase of the Review. The Final Report will also examine how the TSS can develop a more deliberate approach to building relationships with Government Business Enterprises and business and industry, such as secondments, training and the sharing of best practice approaches to systems and technology, among other things. The Final Report will explore opportunities for a deeper linkage between the TSS and the APS and ascertain if the TSS can draw upon the Tasmanian diaspora currently working in other government jurisdictions. Forging closer links with this 'alumni' should help access relevant expertise and capabilities, and a potential source of future recruits.

Tasmania needs and deserves a State Service that is ...

Focused on bringing the best of Tasmania's resources together, wherever they may exist, for the benefit of all Tasmanians.

³⁹ Tasmanian Government, Partnership Agreement between DHHS, DPAC and the Community Sector Tasmania 2012-2015: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0008/219095/Partnership_Agreement_between_DHHS,_DPAC_and_the_Community_Sector_Tasmania.pdf.

⁴⁰ TasCOSS Submission to the Review, October 2020.

In the interim, there is a significant opportunity to enhance the relationship between the TSS and University of Tasmania (UTAS) – the two largest pools of professional expertise in the State. There is considerable scope to increase the benefits available for both parties, by identifying where specific expertise lies and how this can be shared more effectively. This relationship is singled out here due to the history of working together, the advantage of proximity, the mutual willingness to pursue a partnership and the clear focus of both on Tasmania. It is also opportune given that the existing partnership agreement has expired and a new agreement is currently being considered.

4.1 Partnering with the University of Tasmania

The TSS and UTAS have successful partnerships spaning learning and professional training, research and various forms of civic engagement. There is a high level of maturity and respect in the relationship which has resulted in substantial achievements and benefits for Tasmania.

The relatively small size of the TSS means it has limited resources that can be specifically dedicated to research and therefore finds it difficult to undertake the research necessary to tackle some key problems. An enhanced relationship with UTAS should help to address this issue, particularly given UTAS's commitment in its submission to the review to "...working with the communities of Tasmania to lift educational attainment, revitalise our regions, tackle the health and social challenges we face here and to engage with the industries of the future and support innovation, enterprise and employment in these sectors"⁴¹.

The existing relationship has been built by a series of formal Partnership Agreements (five to date). The fifth and current Partnership Agreement, *State of Tasmania and University of Tasmania – Making the Future Partnership*, focusses on five high level objectives⁴² and has delivered several outcomes since its establishment in August 2015. These include the creation of the Peter Underwood Centre for Educational Attainment; delivery of the Global Education Strategy; establishment of the Premier's Perpetual Scholarship Fund; and the Memoranda for the North and North West Regions, reflecting the both UTAS and TSS commitment to the regions⁴³.

⁴¹ UTAS Submission to the Review, October 2020.

⁴² University of Tasmania, State Government Partnership: https://www.utas.edu.au/vc/government-relations/state-government-partnership. The five high-level objectives in the Partnership include Access and attainment; Economic impact; Internationalism; A modern economy; and Revitalised regions

⁴³ There are a number of initiatives that have also been progressed outside the formal Partnership Agreements, including the Tasmanian Institute of Agriculture, the Menzies Institute for Medical Research and the Launceston Defence Innovation and Design Precinct. Other examples include scholarships and bursaries between UTAS and the TSS, and a series of close affiliations, such the Department of Health assistance with clinical placement and support for nurses undertaking post-graduate diplomas/certificates in a number of areas.

A revision of the current overarching Partnership Agreement is overdue and on hold due to the Government's response to COVID-19. The Review considers this a significant opportunity to refocus the partnership to help address some of the challenges outlined in this Report. A new Partnership Agreement should draw on what has worked well to date, but should be reframed to include a strong common purpose and a focus on agreed priorities for meeting the needs of the Tasmanian community.

The future Partnership Agreement should resist the temptation to overload the scope of the Agreement, which results in excessive focus on the processes associated with the Agreement, rather than the outcomes it should be driving.

OPPORTUNITIES FOR COLLABORATION

In July 2019, UTAS released a revised University Strategic Plan⁴⁴, explicitly embracing a place-based approach to build community capability and address complex social challenges. The mission of UTAS is to become "a place where we do things for Tasmania and from Tasmania". The strategy recognises that achieving this mission requires UTAS "...to work in deep and sustained partnerships, both internally and with many other organisations and people across the State and around the world who are also committed to that better future."

The strategies outlined in the University Strategic Plan are aligned with the needs of the State and the challenges for the TSS. They include a commitment to:

- Create place-based partnerships with all sectors to tackle complex social and economic challenges in an integrated way
- Provide the education students need to participate in and help create those parts of the economy that provide good incomes and secure employment, and provide it to as large a proportion of the population as possible
- Develop distinctive professional capabilities to meet Tasmania's particular needs and priorities in all parts of the island
- Create regional competitive advantage for key sectors and new businesses through the industry problems we solve
- Develop from the knowledge created by UTAS a strong pipeline of new, rapidly growing, globally competitive but locally based enterprises
- Develop the science, engineering and ways of working and living that provide an environmentally sustainable path to inclusive prosperity
- · Contribute innovative and implementable policy ideas
- Enrich our understanding of the unique human and natural history of lutruwita/Tasmania
- · Give a distinctive creative expression to our identity and idea.

The Plan, together with the expiry of the existing agreement, provides an opportunity for a more productive, 'refreshed' Partnership Agreement as both organisations are working towards similar goals.

⁴⁴ University of Tasmania, Strategic Plan 2019-2024: https://www.utas.edu.au/__data/assets/pdf_file/0004/1255234/UTAS-Strategy-Document-2019.pdf.

The new Agreement should jointly focus on a small number of critical strategic problems⁴⁵ and collaborate in the following areas of mutual benefit.

Workforce planning and development

Chapter 6 outlines the need for the TSS to plan for its future workforce. UTAS educates a significant portion of the TSS workforce, such as teachers, nurses and general graduates, but there is no structured process for workforce planning that involves both the TSS and UTAS. A joined-up approach should help alleviate the current shortage of skilled workers in several areas. Future workforce planning undertaken by the TSS would also be better informed by UTAS research on the future needs of Tasmania and on Tasmanian workforce trends. It would allow UTAS to set and align course structures to be more relevant to the TSS, and help ensure that graduates are better placed to find employment.

The Department of Education has undertaken work in this space for their own planning purposes and with UTAS. There is no reason why this work can't be incorporated into a joined-up strategy for the TSS as a whole, to plan for the future long-term needs of the State. UTAS expertise in skills mapping and analytical research would strengthen TSS workforce planning discussed later in this Report.

Surge capacity

Surge capacity refers to a system's ability to mobilise and meet large increases in demand. As a small jurisdiction, Tasmania has limited personnel to draw upon in emergencies and a limited capacity to hold specialist expertise on standby in between.

UTAS already provides assistance in areas where the TSS needs scientific research and services, like fisheries and agriculture, biosecurity and emergency response, most recently to Public Health Services. During the height of the COVID-19 outbreak, UTAS seconded 34 staff to Public Health Services, including epidemiologists, to support the TSS' capability of 1.8 FTE in this area. This assistance was an important contribution to the Government's successful response, assisting in the area of contact tracing, both undertaking the work and skilling up additional tracing staff.

There is potential for this model to be replicated more widely and used to help create a pool of people to deploy across the TSS to meet specialist research project and other relevant needs. UTAS will require a greater understanding of what the TSS surge capacity needs might be to ensure their faculty is structured to meet the needs of the TSS and that their recruitment and research agendas are focussed on relevant areas; in turn the TSS needs a better understanding of their needs and current and projected UTAS research capability.

 $^{\,}$ 45 $\,$ See UTAS Submission to the Review, October 2020.

Research to support policy and program development

Despite work already underway in a number of initiatives, such as the *Safe Homes*, *Safe Families* program and PESRAC, the TSS and UTAS must be better at identifying opportunities to leverage off each other in the area of research and policy development. This approach would provide the TSS with access to a deeper research capability and allow UTAS to better focus its research ability and faculty structure to have greater insight into the policy challenges that need to be addressed.

An obvious place to start would be one or two of the complex 'premier priorities', using the proposed cross-TSS mechanism discussed in the previous Chapter. This would require the TSS to identify areas that would benefit from a targeted research programs and UTAS to potentially restructure some of its research programs to support such an initiative.

Partnering with UTAS to develop specialist policy-focused research is not intended to and should not replace TSS policy capability. Rather, it aims to better enhance and support the analysis and research that underpins policy development.

Data linkage

The TSS' ability to make use of its administrative data for policy and program design has been identified as a weakness; a capability that has not been sufficiently valued or prioritised in terms of investment. While this is understandable in a small bureaucracy that needs to maintain core capabilities in critical service delivery areas, it comes at considerable cost to good policy and efficient delivery.

UTAS has developed a data linkage capability both to support its own research agenda and as a capability that is available to the State to support policy and program development and evaluation. A greater focus on sharing and linking data across the two organisations could drive the collective objectives of both the TSS and UTAS.

PROPOSED GOVERNANCE AND OVERSIGHT

The new Partnership Agreement should be based on agreed areas of cooperation and mutual support. This Agreement should be collectively managed through a dedicated Council, which should include the Deputy Vice Chancellor and selected Heads of Agencies to ensure the relationship is fulfilling the agreed contributions and objectives of both entities. There should also be a bi-annual conversation between the Vice Chancellor and Heads of Agencies to discuss overarching strategic matters and review how both parties are contributing towards the collective agenda.

UTAS Head of School level are the capability owners and have a direct relationship with relevant Heads of Agencies, or their senior teams. Regular meetings will help both the TSS and UTAS remain closely aligned – establishing what is working, what is not and what needs to be adjusted.

DPAC should continue to lead the development of the Partnership Agreement, with close engagement from Head of Agencies and relevant Senior Executives across Government.

It is important to note the relationship between the TSS and UTAS does not need to be exclusive, and the TSS should still be able to explore opportunities and partnerships with other academic institutions.

RECOMMENDATION 6

The Department of Premier and Cabinet develop an overarching Partnership Agreement with the University of Tasmania focused on areas of mutual benefit and with the broad objective of improving outcomes for Tasmanians.

The Government should request Heads of Agencies to accelerate work that has begun on the proposed Partnership Agreement over coming months, with the aim of having a new Agreement in place in the first half of 2021. The Review will continue to consider the scope and direction of the Agreement throughout its next phase and may revisit this issue in its Final Report. The work of the Review should not preclude the TSS or UTAS from commencing or even concluding the development of the Agreement.

CHAPTER 5: Leadership and responsibility

Strong leadership underpins the effectiveness of any organisation and the TSS is no exception. As leaders, Heads of Agencies, Senior Executives and senior managers have a vital role to play in setting the culture across the TSS and must work together to address the challenges and shared opportunities for Tasmania.

Under the banner of 'stewardship', leaders have the responsibility to jointly build a more capable TSS, with a greater focus on identifying and nurturing potential leaders for the future and building a culture of continuous improvement and innovation. Leaders must take collective responsibility for ensuring the best use and allocation of TSS resources to deliver on Government priorities and meet community needs. In order to achieve this, there must be appropriate mechanisms in place to ensure clear accountability for actions taken and transparency about how decisions are made. A robust review and evaluation capability is important, as are clear roles and responsibilities among the TSS leaders.

Opportunities to foster cross-agency collaboration and collective responsibility among leaders will play a large part in fostering a culture of accountability as will the role of central agencies, particularly DPAC.

5.1 Stewardship as a foundation principle for leadership in the TSS

Stewardship is a concept that has been increasingly adopted as a foundation principle for leadership across other public services, including in Victoria, NSW and the Australian Public Service. At its most basic level, the term stewardship refers to the "job of taking care of something" ⁴⁶.

As articulated in the Ahead of the Game: Blueprint for the Reform of Australian Governance Administration⁴⁷ "...stewardship relates not only to financial sustainability and the effective and efficient management of resources, but also to less tangible factors such as maintaining the trust placed in the APS and building a culture of innovation and integrity in policy advice".

Leaders in the TSS should, first and foremost, be stewards of their organisations. It is important that this be recognised, encouraged and further developed. However, all leaders within the TSS, in particular leaders in central agencies, have the opportunity to play a greater role in ensuring the sustainability and effective long-term management of the TSS as a whole. This entails fostering a culture of service-wide continuous improvement and innovation, creating a more collegiate TSS where all leaders are encouraged to think beyond agency boundaries, and promote greater accountability within the TSS to ensure the service is collectively achieving what it has set out to do.

Tasmania needs and deserves a State Service that is ...

Empowered and accountable for delivering the outcomes that Tasmanians need to thrive ...

United in purpose and vision with the ability and motivation to work across Government to capture opportunities and meet challenges for Tasmania ...

Professional, through the development of and investment in its people, systems and processes

⁴⁶ See https://www.lexico.com/definition/stewardship.

⁴⁷ Ahead of the Game Report, page 5.

An emphasis on stewardship at the highest levels in the TSS can provide a lens for addressing emerging challenges which will ultimately lead to better outcomes for the community and encourage new ways of working with a greater focus on the 'where and how' of the future instead of the 'here and now.'

So what does that actually mean, in practical terms, for individual agencies and the TSS?

Stewardship in the TSS

Leaders are responsible for setting cultural and behavioural expectations within TSS which means their role in forging a culture of stewardship is critical in their agencies and the TSS.

Alongside day-to-day policy work and the setting of operational priorities by Agency Heads, opportunities to encourage broader thinking and collaboration could be enhanced through more structured mechanisms across Government. It is important leaders have the opportunity to come together and consider strategic issues such as succession planning and talent management, to ensure the TSS is better able to deliver for current and future governments⁴⁸.

There are inconsistencies between the Act and the concept of stewardship that make it difficult for Heads of Agencies to focus on stewardship, particularly of the TSS as a whole. As mentioned previously, the functions and powers of Heads of Agencies are limited to their individual agency. A Head of Agency has no statutory role to work with colleagues across Government for the benefit of the TSS as a whole, which is at odds with the concept of stewardship and developing a culture of collective action beyond agency boundaries.

In 2011, changes were made to the Commonwealth *Public Service Act* 1999 to make explicit the function of Senior Executives to carry out service-wide leadership and set out the stewardship role of departmental secretaries, who are entrusted with the responsibility of ensuring apolitical, efficient and effective service for Australians from within departments, and across the APS. The Commonwealth *Public Governance, Performance and Accountability Act* 2013 also requires officials to think beyond agency boundaries and cooperate to achieve common objectives.

There is an opportunity for Heads of Agencies, Senior Executives and middle managers to provide both increased portfolio specific and cross-agency leadership and stewardship.

⁴⁸ Health and Community Services Union Submission to Review, October 2020.

Role of agencies

At the institutional level, stewardship involves objectives and collective action to ensure the public service delivers the best results for the community⁴⁹. In other words, while individual agency performance is critical, the outcomes that they drive must be align with shared goals of the TSS as a whole.

As central Agencies, DPAC and Department of Treasury and Finance (DTF) have a core role to play in facilitating 'cross stewardship' throughout the TSS. The DTF clearly plays a key role in guiding agencies through financial processes and fuelling the strategic direction of government through the management of the State Budget process. How the budget process is managed is beyond the Terms of Reference of this Review, however it is observed the budget process should (and often does) facilitate cross-agency investment in outcomes for the Tasmanian community.

The role of the DPAC is even more central to the objectives of this Review and is considered critical to the promotion of outcomes across the TSS in two important ways. First, DPAC houses the SSMO which supports the HoSS (who is also the Secretary of DPAC) to manage the TSS. The SSMO has a critical role to play in infusing the principle of stewardship into the employment environment for the State Service. Second, the Secretary of DPAC supports the Premier (and Cabinet) to help set the priorities for the TSS and should be responsible for holding the TSS to account for delivering on those priorities.

Finally, all agencies should focus not only on portfolio objectives, including as stewards, but also working towards the shared goals of the Government and the TSS and retain the capacity to deliver services or build capabilities on behalf of the whole of the TSS. The TSS is too small to replicate capabilities in every agency. It must rely on an ability to task individual agencies to take the lead in areas for the collective benefit of all. This is discussed further in Chapter 7.

The next phase of the Review will explore how the concept of stewardship might be adopted as a fundamental component of building stronger agencies and potentially a stronger TSS, better placed to meet the needs of Tasmanians, now and into the future.

5.2 Managing talent

The TSS is small, but its structures are spread far and wide. Comprising nine Departments and multiple other agencies, the TSS needs access to bright and highly capable people to fulfil leadership roles, both now and into the future.

As at June 2020, the TSS consists of 18 Agency Heads and 166 Senior Executives. Despite the aptitude and talent displayed by the individuals in leadership positions, the talent pool in Tasmania is not infinite, and there is a potential risk of spreading expertise too thinly across multiple organisations. For example, Tasmania's nine Government departments, paralleled with eight in Victoria, nine in New South Wales and seven directorates in the Australian Capital Territory. In determining the structure of the Tasmanian administration in the future, the Government should have an eye to, among other issues, the demands that structure places on leadership talent.

⁴⁹ Australian Government Australian Public Service Commission, *Stewardship*: https://www.apsc.gov.au/search-results/stewardship.

Further, the ageing demographic (106 of the 166 Senior Executives are aged 50 and above) of the TSS further strengthens the need for optimal talent deployment and succession planning. This should involve the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value because of their high potential for the future⁵⁰.

There are two ways to strengthen and grow the talent pool of an agency or the TSS more broadly - identifying and nurturing potential leaders already within the TSS or attracting and recruiting external employees.

While some planning has been undertaken in this field to date, a more systematic approach is required. The identification of critical business roles and the skills required to undertake such positions should be an ongoing priority to support business continuity, workforce planning and alignment of staff with organisational goals.

As part of their stewardship responsibility, Heads of Agencies and Senior Executives need to focus on the long-term capability and capacity of the state service to meet complex policy issues and enhance the attractiveness of the TSS as a place to build a meaningful and fulfilling career, where high performance is acknowledged and rewarded.

It is important to distinguish between managing talent as an investment in the future leadership capability of the TSS from an ongoing investment in capability and skills development. Both are essential and will be considered further in the next phase of the Review.

TSS Today

The TSS can face challenges to entice skilled workers to relocate from elsewhere and remain for lengthy periods of time, despite its appeal to many. Contributing factors include Tasmania's distance and isolation from mainland Australia, limited job opportunities and lower income offerings compared to other capital cities.

As noted in the Australian Education Union (Tasmanian Branch) Submission, the capability and agility of the TSS is largely determined by the ability to attract and retain the most capable and best qualified people. Agencies across the TSS have undertaken a variety of approaches to develop and retain talented employees, as well as initiatives to attract new skills, such as supporting secondment opportunities, targeted cadet recruitment and development programs, access to in-house online learning systems and relationships with professional bodies. Heads of Agencies and Senior Executives are committed to current development programs, such as the State Service Strategic Management Program (S3MP), State Service Manager Essentials Program and seminars and workshops offered through Australia and New Zealand School of Government (ANZSOG) Leadership Development Program (currently under review). Yet the Review heard suggestions that the current offerings are inadequate to meet the future development needs of the TSS.

⁵⁰ Adapted from Chartered Institute of Personal and Development, *Talent Management*: https://www.cipd.co.uk/knowledge/strategy/resourcing/talent-factsheet#7239.

Most agencies have informal talent identification mechanisms, including through the Performance Development process, with a small number of agencies exploring the establishment of formal talent programs. When asked to report whether they had a talent management plan or strategy in place during 2018-19, four of 17 agencies reported that they did compared to six in 2017-18. However in addition to these agencies, others noted that they were investing in activities to develop talented employees, although not part of a formal strategy or plan.

Initiatives Elsewhere

The APS and other state services have been focussing on talent management for some time as part of their overall strategic corporate and workforce planning, and there is much to learn and potentially adapt. Examples are seen in Queensland's Leadership Talent Management Strategy⁵¹, the APS Talent Management Guide and Toolkit⁵² and, internationally, the United Kingdom's corporate talent pool known as the Civil Service High Potential Scheme.

There are three principles that underpin effective talent management⁵³ and could form the basis of any future planning or strategy development undertaken by the TSS. These include:

- Talent management is **owned and led by leaders**, with a view to longer term interests of their agency and the wider state service
- The identification of talent is based on valid and objective assessment, consistent with the notion of merit
- Talent management is **systematic and dynamic**, involving the regular and active identification of high potential individuals.

While much work has been done to date within some agencies, it is timely to focus on a whole-of-government strategic approach to talent management, with direction and leadership from Heads of Agencies and Senior Executives. A particular focus on developing and upskilling all employees and in particular, middle managers as the future leaders, should be a greater priority across the TSS.

The Final Report will further explore potential avenues for a whole-of-government approach to Talent Management to work effectively in the TSS, such as the possible establishment of a Talent Council⁵⁴, similar to the APS and NSW model, and/or other mechanisms for Heads of Agencies and Senior Executives to share experience of training and development, talent identification and management across the TSS. This should not preclude getting work on Talent Management underway.

⁵¹ Queensland Government Public Service Commission, Queensland public sector Leadership talent management strategy, 2016: https://www.forgov.qld.gov.au/file/9561/download?token=8rEX_fT4.

⁵² Australian Government Australian Public Service Commission, *Talent Management Guide*: https://www.apsc.gov.au/talent-management-guide.

⁵³ Ibid.

⁵⁴ The APS 'Talent Council' works to ensure the talent strategy connects to the business strategy and leaders are held accountable for follow through: Australian Government Australian Public Service Commission, *Talent Governance*: https://www.apsc.gov.au/talent-governance.

RECOMMENDATION 7

The TSS establish a Tasmanian State Service-wide talent development and management program involving Senior Executives and middle managers to help develop future leaders of the Tasmanian State Service and the future Executive.

5.3 Accountability of the TSS

Accountability is a fundamental component of good government and is one of the cornerstone values of a modern, open, democratic society⁵⁵. It is a key community expectation and is essential to maintaining high levels of trust in government.

Accountability in the context of this Report refers to the obligations of agencies and the TSS more broadly, to report on the use of public resources and, importantly, to be transparent about the degree to which it is achieving outcomes. Accountability should be an empowering concept of promoting innovation, fuelling incremental change and incentivising progress.

The TSS, like all public services, is accountable in many respects⁵⁶. It is subject to public scrutiny of both its decision-making and expenditure. But in all of this (and the Review acknowledges its significance), there is no dedicated institutional approach to the accountability of the TSS to deliver on the key whole-of-government priorities. There is no area of Government assigned the responsibility of measuring the performance of the TSS and no institutionalised arrangements for reporting to Government in a way that allows for the TSS to be held to account in key whole-of-government priority areas.

The Review considers this to be a gap in the current accountability arrangements for the TSS that should be filled. The Review would be very cautious about any proposals to create broad, universal performance reporting obligations for agencies as it is likely to duplicate existing arrangements and become overly resource-intensive for the service. It is, however, interested in the ability of the TSS to establish performance reporting mechanisms on key whole-of-government priorities, such as those discussed in Chapter 3.

⁵⁵ Australian Government Australian Public Service Commission, *Delivering performance and accountability*: https://www.apsc.gov.au/delivering-performance-and-accountability.

⁵⁶ Agencies and the TSS as a whole are accountable to the Premier and Ministers. On occasion, agencies are directly accountable to Parliament. The TSS is held to account directly to the public through the media, and through public reporting obligations associated with Right to Information, annual reporting, the annual budget process (in particular, Budget Paper No 2 Government Services which contains agency performance information) and the Financial Management Act 2016. The TSS has several institutional mechanisms that promote integrity, transparency and accountability, including independent integrity bodies such as the Integrity Commission, Ombudsman Tasmania, Auditor-General and Anti-Discrimination Commissioner. There are also a number of statutory officer holders created to increase transparency and accountability of Government services, including the Commissioner for Children and Young People, the Health Complaints Commissioner and the Custodial Inspector. There are a number of portfolio-focussed national accountability mechanisms such as the Report on Government Services (through the Productivity Commission), health performance reporting through the Australian Institute on Health and Welfare and education performance reporting through the Australian Curriculum Assessment and Reporting Authority (including NAPLAN). Finally, there are examples of state-based portfolio-focussed reporting on performance, including the Health and Human Services dashboards and the annual key data release from the Department of Education.

5.4 Review and Evaluation

One effective mechanism for moving towards increased accountability in targeted areas is to ensure Government has a strong review and evaluation (R&E) capability.

As noted previously, talent and staffing resources are limited and the Government needs to focus it on the highest priority programs that yield the maximum return for Tasmanians. Evaluation of Government policies and programs is recognised as being critical to the efficiency and effectiveness of public policy and for accountability⁵⁷ and the best use of scarce TSS resources. Evaluation findings can identify 'what works', where problems exist, highlight good practice, identify unintended consequences or unanticipated results and demonstrate where projects or programs have delivered value for money. The evaluation process becomes critical to the appraisal process to improve future decision-making⁵⁸.

While there is a clear acknowledgement that an evidenced-based, outcomes focussed approach to program, policy and project activities is critical for continuous improvement, a high priority has not been placed on systematic R&E. The need for a stronger R&E capability within the TSS, with a focus on outcomes has been consistently acknowledged throughout discussions and consultations to date.

The TSS currently maintains some R&E capability, for example the Department of Education takes an outcomes approach which has provided Government with real and meaningful insight into student wellbeing and areas of focus for improving wellbeing for learning, through data available in the Student Wellbeing Survey 2020⁵⁹.

The Review has observed that R&E is approached in a variety of ways, with varying degrees of capacity and priority across the TSS. Some agencies have a dedicated R&E unit or officer, some have small evaluation pockets dispersed throughout the agency, while others rely on business units to undertake this function individually in respect of their role. R&E across Government is not linked (formally or informally) to a defined system, process or network. This limits the ability of TSS to establish a mature capability or to collaborate on R&E activities. It also makes it difficult for the TSS to provide consolidated advice to Government to inform decision-making and ensure optimal efficiency in projects and programs. This is particularly important in a fiscally constrained, post-COVID-19 environment, where the effectiveness of strictly limited TSS resources will be critical in how it well delivers for Tasmania.

⁵⁷ ANZSOG, Evaluation in the Australian Public Service: current state of play, some issues and future directions, 2019: https://www.apsreview.gov.au/sites/default/files/resources/appendix-b-evaluationaps.ndf

⁵⁸ HM Treasury, Magenta Book: Central Government guidance on evaluation, 2020: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879438/HMT_Magenta_Book.pdf.

⁵⁹ Tasmanian Government Department of Education, Student Wellbeing Survey 2020: https://publicdocumentcentre.education.tas.gov.au/library/Shared%20Documents/2020-SWS-All-Tasmanian-Government-School-Students-Statewide-Report.pdf.

An effective, central R&E capability, directed to programs the Government considers high risk and/or critical for Tasmania, would also help enhance the accountability of the TSS and contribute towards a culture of continuous improvement, due to the ability to measure and monitor performance. It will provide an oversight and reporting mechanism to Government on program and project performance to support evidence-based funding priorities and decision-making, which in turn should also contribute to greater community trust in Government and better outcomes for Government.

Specifically, a greater understanding and focus on outcomes evaluation will ensure policies or programs are having the right impact, meeting the needs of target groups and delivering their intended purpose. It will also help identify any incidental adverse outcomes and ensure TSS staffing resources are used in the most efficient way. An initial focus on a small number of high risk and/or critical programs would be a good place to start.

For clarity, a whole-of-government R&E capability should not replace the need for agencies to regularly review individual programs and projects. The Final Report will, however, explore the merits of a whole-of-government R&E framework for the TSS, in addition to the centrally-led R&E function.

Another review mechanism to enhance effectiveness and efficiency is to ensure the structures and systems of agencies are optimal for delivering on Government priorities. In 2010, the 'Ahead of the Game: Blueprint for the reform of Australian Government Administration' recommended the Australian Public Service Commission undertake capability reviews of the APS, and in 2011⁶⁰, a program of periodic external reviews of organisational capability for each department and major agencies commenced.

Capability reviews are not routinely undertaken in the TSS. It is worth considering whether TSS should also undertake a program of regular and systematic capability reviews to promote improved capability of agencies and assess the institutional capability of the TSS as a whole. The Review will further consider this during its second phase and return to it in the Final Report.

RECOMMENDATION 8

The Government establish a Review and Evaluation function in the Department of Premier and Cabinet, managed jointly by the Department of Premier and Cabinet and the Department of Treasury and Finance, to annually review a small number of programs that it considers high risk and/or critical.

60 Ahead of the Game Report, page 30.

5.5 Clear lines of responsibility

For a well-functioning TSS reporting and decision-making responsibilities between the Premier, Ministers, Ministerial staff, Heads of Agency and Senior Executives must be robust and clearly stated, with all parties understanding their role and what they are accountable for, particularly in the case of statutory and legislative responsibilities.

Formal, clear and established roles and responsibilities allow for greater accountability and help mitigate the risk of blurred lines around decision-making. Individuals who make decisions need to have the authority to do so but also be accountable for them. The handling of the Ruby Princess, as outlined in the Special Commission of Inquiry into the Ruby Princess Report⁶¹ and proceedings of the COVID-19 Victorian Hotel Quarantine Inquiry highlight what can occur when clear accountability and reporting lines are not set and communicated, leading to the significant gaps in responsibility between individuals and agencies which was a source of confusion and mistakes. In both cases, clear accountability for roles and responsibilities were lacking, as was transparent and documented decision-making processes on significant and critical components.

The Review is not suggesting that this is an issue for the TSS. The experience nationally, however, highlights the significance of individual and agency role clarity. It also emphasises the value in having these roles and responsibilities set out within a clear framework.

Additionally it is important that every agency advises their Minister/s of statutory and decision-making powers where necessary and that agencies maintain a register of where statutory decision-making lies within the TSS. Equally, advice on roles and responsibilities is important for new Governments and Ministers and should be included in incoming government briefs. This concept will be further explored in the Final Report.

5.6 Inter-agency governance arrangements

Purposeful interaction and communication across government can foster a culture of stewardship and collaboration among leaders. Planned and well-thought-out governance arrangements are invaluable in providing opportunities to strengthen personal relationships, generate better sharing of information, expertise and resources across agencies as well as enhance transparency.

There are several inter-agency governance arrangements within the TSS, such as a range of Inter-departmental Committees, Inter-Agency Working Groups and other advisory groups at the Head of Agency, Deputy Secretary and Senior Executive level. Examples include the Digital Services Board, attended by Heads of Agencies who meet to make decisions regarding whole-of-government digital strategy, the State Recovery Committee in response to emergencies such as COVID-19 and the State Planning Interdepartmental Committee that provides Government coordination and advice on planning reform.

⁶¹ Bret Walker SC, Report of the Special Commission of Inquiry into the Ruby Princess, 2020: https://www.nsw.gov.au/covid-19/special-commission-of-inquiry-ruby-princess.

The primary inter-agency governance mechanism for Heads of Agencies is a monthly meeting Chaired by the Secretary of DPAC, to discuss issues of importance for the Government. Extraordinary meetings are held as matters of importance arise. Heads of Agencies meetings are not a legislated function nor do they have a defined Terms of Reference, allowing for an informal and flexible arrangement. Meetings are attended by departmental Secretaries and the CEO of TasTAFE. They are supported by a Secretariat within DPAC.

Other jurisdictions have similar governance models. The Northern Territory has the 'CEO Coordination Committee', Victoria has the 'Victorian Secretaries Board' and Queensland has the 'Leadership Board', none of which have a legal status. They are supported by central agency secretariats and exist primarily to encourage cross-agency collaboration on strategic issues.

In comparison, the APS seems to have a more formal arrangement, with the 'Secretaries Board' (the Board) and 'APS 200' Group created to support the strengthening of leadership collaboration across the APS; in particular with legislated APS reform⁶². The Board meets monthly to set the overall direction for the APS, drives collaboration, prioritises collective resource use to achieve cross-boundary solutions and gives priority to the creation and maintenance of a "one-APS" shared culture. The *Public Service Act 1999* provides a statutory responsibility for the Board to ensure the effective operation and administration of the APS and achievement of whole-of-government outcomes. The establishment of specific Secretaries Board committees have also been developed to support the delivery of priorities and service-wide initiatives, such as the APS Reform Committee.

The Review does not have a preferred model and is including reference to the formal approach undertaken at the Commonwealth level simply as a notable and interesting comparison. There are benefits to both approaches and the next phase of the Review will explore if the current arrangements in the TSS are working to foster and encourage collective leadership and accountability.

Consideration will also be given to how governance at the Deputy Secretary and Senior Executives level can be enhanced and the potential to streamline or standardise some of the existing governance arrangements.

⁶² See Our Public Service Our Future Report, page 65.

CHAPTER 6: Enabling the Tasmanian State Service

The most important asset of the TSS is its staff. The TSS relies critically on the skills and knowledge of its employees and their motivation to improve the lives of all Tasmanians. This will not change in the foreseeable future. Systems and processes are also important, particularly for supporting a flexible, agile environment that allows TSS staff to do the job for which they are employed.

For the TSS to succeed, the Tasmanian Government must continue to invest in its staff, systems and processes, taking advantage of technologies and contemporary approaches to work that support a flexible and productive workforce.

This Chapter is designed to start discussion on the employment framework and the supporting environment that needs to be created to provide the TSS with the best chance of success. It will help the Review examine a number of areas required under its Terms of Reference, such as ways to help develop the long-term capability and agility of the TSS and enhancing workforce management processes. The issues covered in this Chapter are broad and will be considered further in the Final Report.

6.1 Planning the future workforce

Given the importance of its staff, the TSS must plan to maintain its human capital if it is to deliver high quality outcomes for the Tasmanian community. It must understand both its current workforce profile and the profile that it should be working towards to meet its business needs. The Review's Terms of Reference acknowledge this, requiring examination of how to attract, develop and retain a skilled workforce with the capacity to meet emerging opportunities and challenges.

As the oldest public service in Australia⁶³, the TSS faces challenges associated with a large proportion of its workforce transitioning towards retirement⁶⁴. Additionally, in a small state, it has a smaller pool of talent to draw from when skills gaps do arise. And, like any organisation, the TSS is facing new policy and service delivery challenges, the solutions to which will lie not only in its existing human assets, but in new skills and capabilities not previously seen as typical of the public sector. Finally, it has to be able to replace the knowledge and experience of those departing the TSS.

Tasmania needs and deserves a State Service that is ...

Professional, through the development of and investment in its people, systems and processes ...

Agile in being able to direct resources to best capture opportunities and address priority challenges for Tasmania

⁶³ See WA Working Together Report, page 20.

⁶⁴ See Figures 11 and 12 in Chapter 2.

The TSS does not currently have a strategic approach to forecasting and attaining the core skills and capabilities it will need to deliver services into the future. This is long overdue. Some workforce planning is done at the agency level (largely in front line Departments such as health and education), which is important. However, it cannot replace the need for whole-of-service workforce planning that supports ongoing recruitment, skills development and knowledge management strategies⁶⁵.

DRIVERS FOR WORKFORCE PLANNING

Age demographics

The TSS has an ageing workforce. The age-based trends for the TSS are, however, more complex and need to be analysed in greater detail as part of workforce planning in the short and medium term.

For at least the last fifteen years, more than a third of TSS employees have been over the age of 50, but the proportion over the age of 60 has increased steadily (from 5.4% to 12.9%) as TSS employees seem to be working longer into what might previously have been their retirement (refer Figure 12 in Chapter 2). In the same period, the proportion of TSS employees aged 40-49 has fallen (from 33.4% to 25%), with some increase over the last three-four years.

The last six years has seen an increase in the number of employees between the ages of 20 and 39 (from 32% to 34%). This suggests some workforce renewal might already be taking place (likely partly due to existing graduate employment programs), but there are a lot of impending retirements and a large potential middle-age gap. This will create a significant challenge for the TSS, particularly if the rate at which people are exiting the workforce is not matched with an investment in skills development and knowledge transfer to younger cohorts.

Importantly, these demographic trends reflect those in the broader Tasmanian population⁶⁶, meaning the TSS will increasingly find itself in competition with other Tasmanian businesses to replenish its human capital.

Typical responses to the 'ageing workforce' have included youth employment initiatives, succession planning and, more recently, 'supported ageing', which looks at how to best utilise the changing skills and capabilities of older workers. However, verifying the impacts of changing age demographics and finding the best mix of old and new approaches for the TSS will be best determined through TSS-wide workforce planning.

Skills shortages

Tasmania's labour market is and likely always will be relatively constrained. Research indicates there are chronic shortages in some occupations, such as specialised health practitioners⁶⁷. Other shortages are also likely to emerge due to particular policies or initiatives, such as the need for correctional officers to

⁶⁵ The need for improved workforce planning capability across the TSS was noted in a number of submissions to this Review.

⁶⁶ Australian Bureau of Statistics: https://www.abs.gov.au/statistics/people/population/regional-population-age-and-sex

⁶⁷ Australian Government Department of Education, Skills and Employment: https://docs.employment. gov.au/collections/tasmania-occupational-cluster-reports

service Tasmania's planned new prison; or due to macro-level shifts in capability requirements, such as the inevitable increase in demand for ICT specialists. Digital transformation will inevitably change the skills and roles of the future TSS. However, there is little capability forecasting occurring now.

The TSS needs to be able to assess capability requirements well in advance, to assess options around pre-recruitment (e.g. creating and maintaining education pipelines), recruitment and mobility, or drawing on other partners or external resources, to ensure the right capabilities are available when needed.

The upcoming challenge

COVID-19 has been costly for governments and the demands on governments are not likely to abate. This will inevitably put pressure on TSS numbers. There will be an even stronger imperative to ensure it has the right workforce for high quality, affordable services. Workforce planning should put the TSS in a better position to know what it needs to do to attract, adjust and optimise its workforce as resourcing and priorities change; including planning mechanisms that give surge capability for responding to new priorities or emergencies.

Workforce planning is a means to assess threats and changes to human capital, such as those above, and to create a baseline from which to recruit and develop the people the TSS needs, where and when it needs them. The Review believes there is scope for the TSS to undertake whole-of-service workforce planning now and update it over time; and that the process and outcomes can be leveraged to grow a culture of and increased capability for workforce planning from the local (operational), through to whole-of-government (strategic), levels.

The first iteration of a plan will necessarily be a 'working trial' from which much can be learned and from where the process can evolve. It should sharpen the TSS' attention on the scope and practical value of the workforce planning exercise at both the central and operational levels. The process should draw on the human resources expertise and capability across the TSS, as well as the expertise of UTAS and TasTAFE, as sources of analytical input, advice and future TSS members. The plan should be reviewed and, if necessary, updated each year thereafter.

RECOMMENDATION 9

A centrally-prepared, whole-of-Tasmanian State Service Workforce Plan should be developed in the next 12 months and reviewed and updated regularly thereafter.

The development of the workforce plan should be led by SSMO, with particularly close engagement with the Department of Education and Department of Health. These agencies already have a workforce plan and cover a significant proportion of the TSS workforce.

DIVERSITY

An effective and high-performing workforce is one that has access to a range of skills, knowledge, experiences and capabilities – a diverse workforce. Diversity and inclusion enable the TSS to better represent and connect with the people it

serves and deliver better outcomes for its community⁶⁸. The TSS has a suite of agency-level and whole-of-service frameworks and policies supporting diversity and inclusion. It has also had some important achievements recently, such as the early surpassing of the whole-of-government target for at least 40% of Senior Executives to be women by 2020.

On the other hand, there are indications that more may need to be done. For example, the gender ratio at Senior Executive level is not reflected across all levels or occupational groups. Moreover, TSS workforce data suggest a high level of homogeneity in other respects, such as disability, cultural and linguistic backgrounds or people who identify as being of Aboriginal or Torres Strait Islander origin. Importantly, staff survey results show only 65% of respondents believe their agency treats all staff fairly and with respect, while only 75% believe their agency fosters an inclusive work environment⁶⁹. It is clear the TSS will need to continue pursuing diversity and inclusion to leverage the benefits of a diverse workforce; and the Review will explore this further in its Final Report.

LEVERAGING THE WORKFORCE TO SUPPORT COVID-19 RECOVERY

COVID-19 has had a significant impact on overall employment in Australia. It has, however, had a disproportionate impact on young people and women. As noted by PESRAC's Interim Report, almost one in five Tasmanians aged 15-24 lost their employment⁷⁰. Female employment in Tasmania fell by 8% between March and May 2020 (seasonally adjusted)⁷¹ and although has recovered to some degree⁷², remains 1.5 percentage points below its February peak⁷³. The Review notes and supports the views of PESRAC relating to both young people and women⁷⁴.

The Review considers youth and women's employment should be high priorities of the TSS, both to start replenishing the workforce and to aid recovery from COVID-19.

Youth employment can be immediately bolstered through the targeted identification of opportunities across all agencies, feeding into centrally-coordinated graduate, trainee and cadet programs. This should be complemented by a deliberate focus on creating ongoing opportunities beyond the end of placements. It should also be complemented by ongoing effort within agencies to pinpoint potential opportunities for youth employment amid the tasks and capabilities in front of them, rather than only through targeted programs.

⁶⁸ See, for example, *Our Public Service Our Future* Report, page 216; WA *Working Together* Report, page 109.

⁶⁹ State Service Management Office: http://www.dpac.tas.gov.au/divisions/ssmo/employee_survey. Note these results have increased slightly from those in the previous (2018) staff survey (64% and 73% respectively). Questions about attitudes to diversity in the previous (2016) survey were framed differently.

⁷⁰ PESRAC Interim Report, page 25.

⁷¹ PESRAC Interim Report, page 26.

⁷² For example, the ABS reports that the number of payroll jobs (for businesses that are 'Single Touch Payroll' enabled) for females in Tasmania dropped by 4.1% between 14 March and 3 October 2020: https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/weekly-payroll-jobs-and-wages-australia/latest-release.

⁷³ Australian Government Workplace Gender Equality Agency, Gendered impact of COVID-19: https://www.wgea.gov.au/topics/gendered-impact-of-covid-19.

⁷⁴ PESRAC Interim Report, pages 58-60.

Increased employment opportunities are, in turn, a basis for the TSS to promote itself as an employer of choice for young people, including via collaboration with schools, TasTAFE and universities (particularly UTAS) and through career services organisations. The Review will consider this further in its Final Report.

RECOMMENDATION 10

To create more opportunities for young people within the Tasmanian State Service, there should be an increase in the number of placements available within graduate, cadet and traineeship programs.

The TSS should also identify new ways to promote and support women's participation in the workforce in a post-COVID-19 world. Flexible working arrangements will help carers, who are primarily women, balance potentially heightened caring responsibilities in the immediate term while, for the longer term, workforce planning and inclusion initiatives can be directed towards helping offset the impact of COVID-19 on women's economic security. Opportunities to support women's employment will be considered further in the second phase of the Review.

WORKFORCE SURGE CAPACITY

Workforce planning allows the TSS to understand and be prepared to address longer term capability and skills shortages. But there will often be a need for rapid, purpose-specific recruitment to meet immediate needs, including emergencies. A range of mechanisms can exist, from consultancies and secondments through to the creation of taskforce-style teams.

The need for effective processes to provide and draw upon surge capacity was highlighted during the initial COVID-19 response, when the TSS had to take extraordinary measures to get both existing and new staff into emergency management roles. In some cases, the employment framework had to be circumvented, including a whole new Employment Direction having to be created at short notice; while other processes were too complex or not fit-for-purpose, resulting in difficulty for managers and delays. While the eventual outcome was positive and much has been learned, it is clear the employment framework is not well set up to provide effective and timely surge capacity. All stakeholders agree this was a critical problem.

The Review understands Heads of Agencies are looking at establishing a central pool of existing TSS staff to be deployed to short, fixed term, critical pieces of work; and the Review will follow progress on this ahead of the Final Report.

Meanwhile, the TSS has well-established Interoperability Arrangements⁷⁵ for rapid deployment of staff from one agency to another in emergencies, which are used frequently with success. It also has a Recovery Staffing Register that helps smooth the process of bringing staff into temporary emergency recovery taskforces. Arrangements for secondments and rapid recruitment were used successfully during COVID-19 and the TSS is participating in a Commonwealth-led initiative to support inter-jurisdictional staff movement during emergencies.

⁷⁵ Interoperability Arrangements for Sharing Skilled Resources in Tasmania

A further example, outside the emergency context, is the 'Register for Retired TSS Senior Executive Officers and Managers', which is a list of retired Senior Executives who can be appointed for short-term projects that require specialist skills and corporate knowledge. Since a 2018 review, indications are the register has been used with success for a number of high-priority short-term projects. Consideration should be given to expanding this register to include members of other professional groups, particular those in short supply within the TSS.

The Review recognises that recruitment and mobility practices, discussed below, have a role to play in delivering surge capacity and that facilitative mechanisms might also be informed by workforce planning, discussed above. However, the Review believes the TSS needs to refine and potentially grow its ability to pick up and deploy human capital quickly, to meet short-term needs. The Review will consider this issue further in its second phase.

6.2 A facilitative employment framework

Almost everyone consulted raised the inflexibility and highly prescriptive nature of the TSS employment framework as a barrier to building and developing the workforce for the present and the future. Instead of facilitating, the framework makes it difficult for managers and employees to deliver the services Tasmania needs in an appropriate and timely manner. Tasmanians lose out as a result.

Views expressed ranged from a desire to see the Act and/or the Employment Directions rewritten, through to concerns about individual agency-based implementation of the rules.

The Review has consistently heard that the employment framework, as a whole, is outdated and process-heavy. It favours procedural exactness over effective outcomes and undermines managerial responsibility, leading to a range of sub-optimal results and inefficiencies for the TSS and, consequently, the Tasmanian community.

The Review was not able to reach a final conclusion on these issues in this Interim Report, but it is clear change is necessary. Thus, these issues will be a major focus of the Review's second phase, with a view to ensuring a facilitative, agile and high-performing environment. To support this, the following sets out the more important issues raised to date.

RECRUITING THE RIGHT PEOPLE

Appointment and promotion in the TSS is based on merit, which is enshrined as one of the State Service Principles 76 . The legislation sets out the basic requirements for appointments and more detail is provided in Employment Direction No. 1 *Employment in the State Service*. In addition, agencies have their own policies, guidelines and/or procedures relating to recruitment.

76 State Service Act 2000, sections 7(1)(b), 7(2) and 37(1)(a).

The Review strongly supports the merit principle that should apply in all public services. However, consultations indicate the proliferation of additional guidance and local rules to give effect to the principle has made recruitment procedures highly process-driven and excessively burdensome⁷⁷. This slows recruitment and tends towards undermining the core objective of efficiently finding the best person for the job.

The Review has also heard recruitment in the TSS tends to be driven by vacancies, rather than any strategic assessment of capability requirements at, let alone beyond, the business unit. While this underscores the workforce planning imperative discussed above (particularly at the operational level), it also points to a need for more strategic recruitment practices.

FOSTERING PERFORMANCE

Effective performance management is critical for attracting and keeping a talented and productive workforce. It features as one of the State Service Principles⁷⁸ and relevant responsibilities and processes are detailed in the Act, Employment Direction No. 26 *Managing Performance in the State Service* and associated guidelines and individual agencies' policies.

The Review notes two key concerns⁷⁹. First, there is no consistent, TSS-wide approach or commitment to performance management. This leaves the TSS short on ways to drive employee performance in line with cross-agency or whole-of-government outcomes. It also means there is no standard approach to skills development, particularly in the areas of management and leadership that can be used to improve performance across key public sector or occupational competencies, or promote increased portability of skills across the service⁸⁰.

Second, some consultations indicated performance management practices were driven by the need to provide a basis for managing underperformance, rather than to foster good performance or to nurture particularly high potential. This doesn't mean the framework can't support consistent, high performance, but nervousness about sticking to the complex process for managing underperformance⁸¹ pervades TSS culture, such that support and development for those who are performing well is often de-prioritised or overlooked. Other consultations suggested underperformance was all too often not discussed in performance management at all.

⁷⁷ Various submissions to this Review pointed to problems with recruitment and appointment, including highlighting that the complex framework and proliferation of agency-level rules has contributed to slow and difficult recruitment and appointment processes. See also Our Public Service Our Future Report, pages 212-213.

⁷⁸ State Service Act 2000, section 7(1)(j) and (ja).

⁷⁹ Note various concerns about performance management processes were raised in consultations and various submissions to the Review, including that current performance management processes are ineffective and 'meaningless' (CPSU).

⁸⁰ As noted in *Our Public Service Our Future*, a common framework for performance management is necessary for a public service to work as one: *Our Public Service Our Future* Report, page 208.

⁸¹ As per Employment Direction No. 26.

The Review notes the Auditor-General's recent report on whether underperformance is managed effectively in the TSS⁸². The Auditor-General found that, while the agencies involved were generally complying with Employment Direction No. 26⁸³, it was perceived as ineffective and managers and employees were not well supported to manage underperformance⁸⁴. This has led to underperformance being tacitly accepted⁸⁵. The Review notes in particular the finding that, where the process was followed, there was a return to performance in about half of cases. This shows there is a significant payoff from properly managing underperformance, but it needs to be done better. The Review sees immediate benefit in the Auditor-General's recommendations being implemented, at the central level where appropriate and by all agencies, to ensure processes for managing underperformance are designed and implemented consistently and to generate effective outcomes, not just compliance.

RECOMMENDATION 11

All agencies, in collaboration as appropriate, should implement the Auditor-General's recommendations on the management of underperformance, concurrent with a centrally-led review of Employment Direction No. 26 and related processes.

Finally, the Review has heard that support for learning and development is variable, at best, in the TSS. Even the best performance management arrangements cannot succeed without an accompanying commitment to learning and development opportunities for staff⁸⁶.

MOBILISING THE WORKFORCE TO MEET PRIORITIES

The Review has consistently heard that, outside of emergencies (discussed previously), it is administratively and practically difficult to move people between roles in the TSS. It is suggested that the TSS lacks an ability to mobilise its existing staff to meet evolving priorities or to optimise the deployment of resources in normal circumstances. The complexities associated with multiple awards and process driven rules make it difficult to easily transfer staff between agencies⁸⁷. This creates significant inefficiencies for the TSS and undermines opportunities for staff development and cross-pollination⁸⁸. While the Act does not technically prevent mobility between agencies⁸⁹, nor does it facilitate it and the complex web of Employment Directions and other rules or policies, which are not necessarily consistent, tend to operate like red tape.

- 82 Tasmanian Audit Office, Report No. 2 of 2020-21, Management of Underperformance in the Tasmanian State Service: https://www.audit.tas.gov.au/publication/management-of-underperformance-in-the-tasmanian-state-service/ (hereinafter 'Auditor-General's Underperformance Report').
- 83 Auditor-General's Underperformance Report, page 23.
- 84 Auditor-General's Underperformance Report, pages 25-27.
- 85 Auditor-General's Underperformance Report, page 4.
- 86 See, for example, *Our Public Service Our Future* Report, page 199. The importance of learning and development was raised in a number of submissions to this Review.
- 87 See also Our Public Service Our Future Report, pages 249 and 255; and WA Working Together Report, page 119.
- 88 For example, the CPSU's submission to this Review pointed to a lack of mobility as contributing to employees' frustration that their skills and capabilities were not being utilised.
- 89 See State Service Act 2000, section 41.

The Review has also heard that 'ownership' of individual positions within the State Service is an impediment to creating an agile workplace, particularly as it over-emphasises specialisation. It also creates uncertainty for those occupying fixed-term or acting roles, as a consequence of the reversion rights of other employees.

The Review notes work between the TSS and public sector unions on a potential mobility register that would enable staff to nominate and be considered for other positions arising at their level at any time. Extra initiatives of this kind may be useful for the TSS, but need to avoid creating procedural barriers to recruitment and mobility.

MAKING SEPARATIONS AN OPTION

Separation, or termination of employment, has been raised as a concern in virtually all consultations within the TSS. The employment framework has four bases for employer-initiated separation – breach of the State Service Code of Conduct⁹⁰, underperformance⁹¹, inability to perform the duties of the role⁹², or inability of the Employer to assign duties⁹³ – and each of these is the subject of an Employment Direction or procedural determination made under the Act⁹⁴.

However, the Review has heard that employer-initiated terminations are rarely used in the TSS. Stakeholders indicate termination is very difficult, even for very clear examples of underperformance or misconduct. A number of reasons are offered, including poor management of underperformance, difficult procedures (including overly burdensome natural justice requirements) and general sensitivities surrounding terminations. Some stakeholders also suggested there are complexities associated with the Tasmanian Industrial Commission's review of terminations, which make decision-makers overly risk averse when it comes to decisions regarding involuntary separations. An alternate view provided to the Review was that cases presented to the TIC were often poorly prepared and accordingly fail.

These issues will be considered further in the second phase of the Review but the Review suggests agencies could also consider some or all of the following actions to help improve the TSS' ability to terminate employment due to misconduct or chronic underperformance:

- Consistent with the Auditor-General's findings, address underperformance early, with sensible steps to manage underperformance through performance improvement plans, rather than ignoring the issue and appearing (at least by omission) to condone it;
- 2. Consistent with the Auditor-General's findings, making sure staff handling underperformance issues are trained in performance management;
- 3. Making more effective use of professional investigation arrangements for Employment Direction No. 5 *Procedures for the Investigation and Determination of whether an employee has breached the Code of Conduct.*

⁹⁰ State Service Act 2000, sections 44(3)(a) and 10.

⁹¹ State Service Act 2000, sections 44(3)(ca) and 51.

⁹² State Service Act 2000, sections 44(3)(c) and 48.

⁹³ State Service Act 2000, sections 44(3)(b) and 47.

⁹⁴ See Employment Directions Nos. 5, 26 and 6 and Managing Positions in the State Service 2016.

Through consultations, it has also been suggested the Review consider two other steps:

- 1. Amending Employment Direction No. 5 to split misconduct from serious misconduct; allowing agencies to manage misconduct through a localised, informal process;
- 2. Putting investigations of serious misconduct in the hands of one organisation, with a cadre of competent investigators, rather than leaving them to individual agencies.

The Review will return to these issues in the Final Report.

AGENCY SPECIFIC 'LOCAL RULES'

The Review has been inundated with comments about the incompatibility of the Act and Employment Directions with an agile and flexible public service. However, there have also been comments from stakeholders and managers at all levels about the inefficiencies and difficulties of processes agencies impose upon themselves. They often duplicate other controls, do not reflect trust in managers and impose delay after delay in employment-related decision-making⁹⁵.

Areas of particular concern include the duplication between financial and establishment (including vacancy) controls, delays associated with the design of position descriptions and lengthy approval chains for recruitment, including very senior level sign-off for low-level recruitment processes. The Review has been given examples where, in practice, procedural barriers add several weeks or months to appointment processes. The benefits, in contrast, appear limited.

While it is important to review and reconsider the legislative employment framework, it is essential that agencies review their own rules and requirements and remove those that are of little benefit, or can be done in other ways. A failure to do so would reduce the benefits of other employment framework reforms this Review might recommend. Agencies are encouraged to start this process.

The Review is interested in further examples of rules that managers consider unnecessarily limit their ability to manage efficiently and will return to this issue in the Final Report.

FUNCTIONAL SUPPORT FOR A FACILITATIVE FRAMEWORK

The TSS employment framework is given effect by decision-makers and key advisers in a small number of vital roles – the Employer (currently the Premier), the HoSS (currently the Secretary, DPAC), the SSMO, Heads of Agencies and the TIC.

Given the Employer's responsibilities are almost totally delegated to the HoSS, functional support for fulfilling these is a critical enabler for well-informed, service-wide decision-making on employment matters. Likewise, given Heads of Agencies carry the bulk of responsibility for managing the people comprising the TSS and their outcomes, they must have the benefit of timely, facilitative advice. This type of functional support is currently entrusted to the SSMO, which was established in DPAC in 2013 due to changes to the industrial relations framework, but whose role was not formally scoped or articulated.

⁹⁵ See also WA Working Together Report, page 117.

The Review considers the SSMO lacks the right resources and authorising environment to deliver what the HoSS and Heads of Agencies require. Instead, its primary role is as a 'gatekeeper' for employment decisions, which consultations indicate gives rise to a persistent tension – on the one hand, agencies claim frustration at always having to check things with the SSMO and/or being 'second guessed' and, on the other, they appear reluctant to act without SSMO's endorsement. The Review does, however, acknowledge there is an opportunity for change.

Many stakeholders believe there is a crucial role for a unit, such as SSMO, that has a line of sight to the whole TSS and, using that, can provide strategic advice to the HoSS and Heads of Agencies to facilitate timely decisions about employment matters that support an agile, effective TSS⁹⁶. This role must be conceived and fulfilled in a way that does not duplicate agencies' own roles and responsibilities. Importantly, the Review recognises the recommendations made in this Report (and potentially the Final Report) clearly reinforce that imperative, by adding to both the workload and the need for a highly strategic, facilitative approach, within the SSMO function.

The Review believes the first step towards this is to understand the SSMO's capability to deliver on the roles and responsibilities that are already required of it, as well as those proposed by this Review and agreed by the Government. In addition, there is a need to properly document the roles and responsibilities associated with the SSMO function, including how those relate to the roles and responsibilities of agencies and Heads of Agencies. As such, an independent capability review of the SSMO, to determine the SSMO's structure, ability and resourcing needs to meet its existing roles and the new ones proposed by this Review, will be conducted and provided to both the HoSS and this Review as early as possible within the Review's second phase. The independent capability review will also involve preparation of a draft 'charter' setting out the roles and responsibilities associated with the SSMO function. The capability review and draft charter will provide a basis for further consideration and consultation ahead of the Final Report about what changes may be required to ensure alignment of the SSMO function with the contemporary needs of the TSS; and enable the SSMO to help effect changes necessary in the TSS.

COVERAGE OF THE ACT

The Act establishes a number of agencies, which include eight State Authorities⁹⁷. These are statutory bodies with many and varied functions. Some are regulatory; some are connectors between industry and government; and some have a distinctly commercial or market orientation.

Previous reviews, particularly the 2003 Uhrig Review⁹⁸, have demonstrated the need for statutory bodies to have the right governance arrangements, to ensure they can perform well while still meeting their prescribed duties. Part of this Review's task is to consider implications for statutory bodies and their staff being

⁹⁶ See also WA Working Together Report, page 117.

⁹⁷ See State Service Act 2000, Schedule 1.

⁹⁸ J Uhrig, Review of the corporate governance of statutory authorities and office holders, 2003: available from https://catalogue.nla.gov.au/Record/3311317.

part of the TSS, under the Act, in the same way as Government Departments and their staff. A cursory examination of Tasmania's statutory bodies reveals that for some, this framework is likely to be hindering, rather than helping, their performance – not only because of the difficulties described above, which all agencies are grappling with, but also because the nature of the Act's rules and processes may not be well suited to the particular workforce and governance arrangements that State Authorities need to effectively fulfil their statutory functions⁹⁹.

For at least some State Authorities created under the Act, there appears a choice to be made about whether body should be brought back within departmental structures, or re-established outside of the Act. Ahead of the Final Report, the Reviewer intends to look more closely at the coverage of the Act and its consequences for the effectiveness of the entities included.

6.3 Changing places of work

Over half of the TSS is based in the South of the State, every agency has its head office in Hobart and the Department of Education is the only TSS agency with high-level executives (in its case, two Deputy Secretaries) based elsewhere in the state. Figure 6 (Chapter 2) shows the smaller proportions of the TSS in other regions, the majority of whom are teachers, nurses and other health and education workers. Clearly, while the TSS is represented throughout the state, its bureaucratic core is in Hobart.

The Review's Terms of Reference require it to examine the appropriateness of the current location of Government services and the desirability of any change. While the current proximity of the TSS has important benefits referred to earlier in this Report, an over-concentration of the TSS in central Hobart might overlook opportunities to support regional economies through employment, or to fully represent and connect with the people it serves across all regions – the cost being a less effective TSS.

The exact location of TSS workers day-to-day has just undergone a dramatic shift with working from home becoming a common practice as a result of COVID-19. What had been talked about for years but perceived as difficult to deliver on was done almost overnight. Now, TSS agencies are looking to balance immediate social distancing requirements, changing expectations of staff and the challenges and benefits remote working can pose for the organisation.

⁹⁹ Note such issues are raised in a Submission to this Review made confidentially, October 2020.

The increase in home-based work has also brought about an unexpected degree of decentralisation, which may have the potential to help equalise the benefits of state service employment and services between urban and regional areas.

The Review is persuaded the TSS should not (and possibly cannot) revert to the pre-COVID-19 status quo and instead must consider how to capture the benefits of changing where the TSS works.

WORKING AWAY FROM THE OFFICE

Working from home is a practice that is here to stay. Every TSS agency is currently permitting home-based work, but there is a patchwork of agency-specific policies on different degrees of working from home and how it should be approved and managed. During the pandemic, policies had to be hastily created or updated, straining the SSMO's capacity for timely advice. Now, agencies are looking to adapt their rules for the longer-term.

Flexible workplaces are widely agreed to have benefits for employees; but the benefits to Government must also be captured, such as accommodation costs reduced or increases avoided, lessened demand on urban infrastructure and better use of the resources and diversity available across Tasmania's regions. Remote working practices are also likely to support greater inter-agency mobility and collaboration¹⁰⁰. Importantly, some of these benefits are similar to those typically cited in support of decentralisation¹⁰¹.

There are also cautions. Many believe continuously working from home cannot provide the culture, contacts and networking opportunities office-based work does, particularly for new employees. It also necessitates different ways of conceiving and managing supervisory responsibilities, performance and productivity; different ICT equipment and approaches; and new means of ensuring the health (including mental health) and safety of workers at home.

These challenges need to be carefully considered¹⁰², but it is clear there is no going back to the status quo ante. As such, the immediate priority for the TSS should be establishing broad service-wide principles that can underpin agencies' current and future arrangements for working from home, providing greater consistency and certainty across the service and avoiding turning flexibility into a condition that will be leveraged because agencies have different standards. The fact that working from home, to an extent greater than ever seen before, is already happening, makes centrally-led work on this urgent.

¹⁰⁰ See, for example, *Our Public Service Our Future* Report, page 202.

¹⁰¹ See, for example, Parliament of the Commonwealth of Australia, Regions at the Ready: Investing in Australia's Future: https://parlinfo.aph.gov.au/parlinfo/download/committees/reportrep/024136/toc_pdf/RegionsattheReadyInvestinginAustralia'sFuture.pdf;fileType=application%2Fpdf.

¹⁰² The University of Tasmania's submission to this Review points to the need to balance various benefits and considerations relating to flexible working arrangements.

RECOMMENDATION 12

The State Service Management Office should urgently develop a short set of principles for working away from the office in the Tasmanian State Service, drawing extensively on existing agency arrangements and resources and taking into consideration benefits and cautions such as those outlined above, to provide a consistent, underlying basis for individual agency policies.

Beyond home-based work, there are other means of capturing the benefits of decentralisation. Stakeholders have raised the concept of 'hubs' – flexible, readily available and technology-equipped office spaces for any TSS staff members who are outside city centres and need to come into an office, but don't need to come in to the CBD all the time. Hubs, particularly outside of the Hobart CBD, could capture the benefits of working remotely, as well as provide alternative gathering points for 'virtual' teams collaborating on specific projects.

Without pre-empting further consideration, there are possible candidates for hub locations that would facilitate engagement of staff from regional areas and reduce pressure on urban centres. Around Hobart, Kingston and Sorell are growth areas¹⁰³, commuters from which contribute to congestion in Hobart, and hubs in which might open the TSS up to employees from the broader South and South-East. Similarly, flexible spaces in Launceston and the North-West might reduce practical barriers to employing people in those regions. The merits of hubs and specific opportunities will be explored further in the Review's second phase.

Finally, physical colocation has traditionally been a good way to bring people together, to share expertise, build understanding of interrelated work and create a common culture. This was done successfully as part of the Government's *Safe Homes, Safe Families* initiative, where officers from multiple agencies co-located for assessing and providing support to victims of domestic violence. Flexible accommodation arrangements that allow co-location, along with principles and technologies that can support 'virtual' teams, are potential enablers for sharing of expertise between staff from different agencies whose functions or objectives overlap. Decisions about flexibility and accommodation should ensure such options are open.

The Review considers that DPAC, in partnership with DTF, should undertake a priority assessment of the potential merit and scope of TSS workplace hubs, with advice to be provided to Government within 12 months.

RECOMMENDATION 13

A business case for the development of regional office hubs should be prepared by the Department of Premier and Cabinet in consultation with the Department of Treasury and Finance as a priority, including consideration of potential locations.

103 Australian Bureau of Statistics: https://www.abs.gov.au/ausstats/abs@.nsf/ Previousproducts/3218.0Main%20Features452016?opendocument&tabname=Summary&prodno=3 218.0&issue=2016&num=&view and https://www.abs.gov.au/statistics/people/population/regional-population/2018-19#tasmania.

SHIFTING LOCATIONS

The Tasmanian Government has an extant commitment to increase public sector jobs in the North of the state, to stimulate economic growth and innovation¹⁰⁴. The Department of Primary Industries, Parks, Water and the Environment is leading implementation of this, with a policy to facilitate the movement of 100 jobs to the North and North-West¹⁰⁵.

Decentralisation has a range of potential benefits and drawbacks, many of which are touched upon above and which need not be further detailed here. The Review considers there are benefits of decentralisation of the TSS beyond what can be achieved through options to facilitate working away from central offices; and decentralisation initiatives may be better able to direct benefits to specific locations, or further beyond major centres. However, there are trade-offs included and the deliberate shifting of jobs must align with other related initiatives. This will be further considered in the Final Report.

6.4 Sharing across the TSS

The TSS is one of the smallest state services in Australia, comprising just under 32,000 staff. This represents approximately a third of South Australia's state service¹⁰⁶ and less than a tenth of New South Wales'¹⁰⁷.

Despite small size and high levels of proximity in Hobart, TSS agencies have a tendency to operate discretely and largely have 'stand-alone business-as-usual capability'. This extends to Agencies' corporate expertise, capabilities and services. There are few notable examples of successful sharing of resources or capabilities across the service and those areas of Government that are highly motivated to work collaboratively find it difficult to sustain without shared incentives and desire to do so. It is a reflection of long-standing traditions and the challenges that formalised sharing, particularly shared services, have historically posed to Tasmanian and other public services. It is also likely to be a consequence of the Department-based framework within which the TSS operates.

'Siloing' is not uncommon across any organisations or sectors¹⁰⁸, but its impact is likely to be disproportionately high in a small state service. It means the TSS is likely to be missing out on the benefits of building and leveraging economies of scale, while exacerbating single person or system dependencies. Absence of sharing is likely to results in poorer overall capability because the necessary investment is not available to each and every Department and Agency.

The TSS is also likely to be incurring unnecessary costs from the duplication of effort, or from attempting to start from scratch rather than borrowing and building upon ideas tried and tested elsewhere. Importantly, fragmentation may also be

¹⁰⁴ Moving DPIPWE to Northern Tasmania, Tasmanian Liberals election commitment, 2018. 105 DPIPWE Northern Recruitment Policy.

¹⁰⁶ Government of South Australia, Office of the Commissioner for Public Sector Employment: https://www.publicsector.sa.gov.au/about/Our-Work/Reporting/Workforce-Information/workforce-information-data-dashboard.

¹⁰⁷ NSW Government, Public Service Commission: https://www.psc.nsw.gov.au/reports---data/state-of-the-nsw-public-sector/previous-editions/state-of-the-sector-2013/nsw-public-sector-at-a-glance.
108 See, for example, Our Public Service Our Future Report, page 233.

generating inconsistencies in the services the TSS delivers to the community; and fragmented enabling systems and processes undermine the realisation of a genuine in State Service¹⁰⁹.

The Review's Terms of Reference require an examination of opportunities to achieve improvements and efficiencies in TSS administration and in Government's delivery of services, programs, projects and other initiatives. A more efficient and effective enabling environment for the TSS is one where sharing of expertise, capabilities and services is the default rather than the exception, both internally and across sectoral and jurisdictional boundaries.

OPPORTUNITIES TO SHARE

A commonly understood sharing model is shared services, whereby corporate services such as human resources, finance or IT services, are provided at cost by one agency or provider to one or more other agencies. There are only a few examples of shared services in the TSS, which have perhaps arisen from circumstance more than design. For example, the Department of State Growth provides corporate services to Tourism Tasmania and the Macquarie Point Development Corporation, which, due to size, are unlikely to be able to cost-effectively establish services in-house. Likewise, the Department of Health continues to provide some corporate services to the Department of Communities Tasmania after the two were functionally separated in 2018.

Consultations indicate these shared services arrangements are imperfect and, elsewhere, governments have learned the hard way that a rolling out shared services can be fraught, even where there is an upfront commitment and careful design. Both Queensland¹¹⁰ and Western Australia¹¹¹ have had undertaken, then had to roll back, sweeping programs of shared services development. On the other hand, the Commonwealth appears to be moving forward with a step-wise shared services program¹¹².

While shared services should not be the subject of blind pursuit, their potential benefits cannot be written-off for the TSS, which stands to learn from both its history and experience elsewhere 113. The Review notes the TSS is currently considering a shared human resources information system; it is likely much can be learned through this process about the interests of different agencies and the costs and benefits of shared services for the TSS. Shared services will be explored further in the Final Report.

Another model for sharing is functional leadership, which involves taking expertise around functions that exist across government and concentrating it in a given area. It can then be optimised and disseminated back out to others in the form

¹⁰⁹ See, for example, Our Public Service Our Future Report, page 168.

¹¹⁰ The Hon Richard Chesterman AO RFD QC, *Queensland Health Payroll System Commission of Inquiry Report*, 2013: http://www.healthpayrollinquiry.qld.gov.au/__data/assets/pdf_file/0014/207203/Queensland-Health-Payroll-System-Commission-of-Inquiry-Report-31-July-2013.pdf.

¹¹¹ WA Working Together Report, page 42; see also Government of Western Australia Media Statements, Shared Services another step towards closure: https://www.mediastatements.wa.gov.au/Pages/Barnett/2013/12/Shared-Services-another-step-towards-closure.aspx.

¹¹² Australian Government Department of Finance, *The Shared Services Transformation Initiative*: https://www.finance.gov.au/government/shared-services-transformation-initiative.

¹¹³ Note several submissions to this Review have highlighted the potential for shared services to deliver efficiencies and reduce complexity.

of guidance, standards or services. Generally, functional leadership means autonomy remains with agencies, but oversight is provided by appropriately expert 'leaders'¹¹⁴. This model is now well-established in the UK Civil Service, in which ten core functions are distributed among particular areas, who set standards and improve the capabilities and services associated with the function for all of Government¹¹⁵.

In the TSS, DTF acts as a type of functional leader in respect of managing building leases and the Department of Primary Industries, Parks, Water and the Environment is informally building functional leadership in respect of geospatial mapping and information services. But there appears scope for the TSS to better leverage functional expertise. Examples might include Housing Tasmania's expertise in residential and tenant management, the Department of Education's professional learning capability, or, looking further afield, road management capability shared by the Department of State Growth and local governments.

Another way to share might be in more efficient creation and use of systems and capabilities; for example, extending one agency's system or capability to others, or building or procuring a system or capability specifically to meet the convergent needs of multiple agencies, or even organisations outside the TSS. Such a system or capability might also arise as a product of functional expertise. An example from the TSS might be the use of a single system for grants administration, which multiple agencies undertake but for which a range of different systems are used. Another example might be the Centre for Ore Deposit and Earth Sciences, which is a research capability co-created and funded by the Tasmanian Government and UTAS. Similar logic might apply to, for example, licencing/permit services, databases, or call centres.

PRINCIPLES FOR SHARING

Consultations and experiences elsewhere point to a number of principles that the Independent Reviewer considers can inform approaches to sharing in the TSS.

First, decision-making should be grounded in the idea of doing it once and doing it well. In other words, duplication should generally be avoided in favour of gathering or concentrating expertise and resources, which can then be built, optimised and ultimately extended or disseminated. For some types of sharing, it might be appropriate to formalise a commitment to share by default, with exceptions where a strong business case is presented, recognising there will be instances where in-house capability or services are appropriate, or the benefits of sharing are minimal and/or uncertain.

A 'best of breed' lens is an option for identifying sharing opportunities. There are pockets of sound expertise and best practice across the TSS that can be leveraged without needing to start from scratch. For Tasmania, this approach may well be preferable to creating new areas to lead or provide services, noting centralisation tends to warrant much larger investment than optimising what is already available.

 $^{114 \,\, \}text{See, for example, the views of the Panel expressed in the WA} \,\, \textit{Working Together} \,\, \text{Report, page 70}.$

¹¹⁵ UK Cabinet Office, The Functional Model: a model for more efficient and effective Government, https://www.gov.uk/government/publications/functional-model-for-more-efficient-and-effective-government; see also UK Civil Service Blog, Forging ahead with the functions, https://civilservice.blog.gov.uk/2015/04/16/forging-ahead-with-the-functions/

In any process involving the development of expertise, systems or capabilities, the TSS should first look to learn from and borrow from elsewhere and build upon what is already available. In this way it can benefit from system research undertaken by others at a fraction of the cost of doing so itself. Tasmania's limited capability in some areas means it will often do best by positioning itself as an early adopter, or a leverage or borrower, rather than a high cost leader. For example, the recently developed PlanBuild initiative was partly borrowed from NSW and adapted locally and is already very well regarded, although those involved acknowledge the 'search to borrow' should have happened earlier in the process to avoid some early procurement stumbling blocks.

Finally but importantly, where one agency is responsible for delivering to another, there must be means to ensure the host agency is accountable to the client agency's needs. This is particularly critical for shared services, whereas accountability may be more distributed in other sharing models. Consultations indicate some departments are cautious about taking on this accountability in delivering services, while others are concerned about not having appropriate control and decision-making authority in receiving the services they need. A lack of two-way accountability can lead to problems being 'band-aided' rather than properly resolved; clients seeking workarounds; relationships deteriorating; and the anticipated benefits going unrealised.

The above sets out a range of potential sharing opportunities for the TSS and acknowledges there may be others; while at the same time acknowledging there will be instances when sharing needs to be approached with caution. The Review takes the broad view the TSS should be deliberately and transparently identifying opportunities to generate efficiencies, and build expertise and capability to improve outcomes, through sharing 116. The second phase of the Review will consider this further, including how best to formalise or facilitate sharing arrangements, to enable the TSS to more efficiently manage government funding and better serve the community.

¹¹⁶ As put by the Panel in *Our Public Service Our Future*, a joined up public service requires "a common foundation of high-quality enabling services": *Our Public Service Our Future* Report, page 170.

CHAPTER 7: Delivering contemporary services for Tasmanians

Provision of services to the community is the primary role of the TSS and the nature of demands on its services, as for all governments, continue to evolve. Communities were once content with only engaging in face-to-face services, with disparate providers and in whatever time it took.

But both the community's and government's expectations have changed, in part driven by new service offerings. Across all types of government services, whether renewing a drivers licence or receiving support as a person experiencing family and domestic violence, individuals increasingly expect multiple avenues for engaging with government, including in-person, over the phone and online. People want to access services at a time convenient to them, to be able to 'tell their story once' and to see changes to their personal information reflected across multiple streams¹¹⁷. Governments also want efficient services to minimise costs and to ensure services are being directed to the right people, as well as to maintain the trust of the community.

The Review's Terms of Reference require an examination of opportunities to make government service delivery more efficient and effective, including through information technology. They also require examination of how to facilitate public service change and innovation that improves the delivery of public services to support the aims of Government and meet the needs of the community.

The challenge for the TSS is to understand this transformation in service delivery and to keep pace with changing expectations. The Review has heard this was once very much the case in this State. However, the pace of change in Tasmania has slowed to the point where important decisions are overdue as to the future model for service delivery by the Tasmanian Government.

7.1 Renewal of Service Tasmania

The delivery of integrated government services through 'one stop shop' style arrangements has been a trend across Australian public services since the 1990s. Tasmania led the way in 1998 with the establishment of Service Tasmania, which consolidated a range of services to individuals into a single shopfront, phone and online service¹¹⁸.

Tasmania needs and deserves a State Service that is ...

Connected to the
Tasmanian community,
supporting a strong
sense of place
and embracing diversity
in people and their
views ...

Accessible to all Tasmanians, delivering high quality services when, where and how Tasmanians need them

¹¹⁷ See, for example, Our Public Service Our Future Report, page 160.

¹¹⁸ Unless otherwise cited, the data and information about Service Tasmania contained in this Chapter has been provided to the Review by Service Tasmania.

Service Tasmania has been, and continues to be, a successful service delivery agent for individuals in Tasmania. Through its network of 27 shopfronts, Service Tasmania supports around 1.5 million face-to-face transactions per year, collecting over \$160 million in government revenue. Its call centre provides access to 593 information and payment services and fields over 270,000 phone calls annually. Service Tasmania Online offers access to a range of information, payments and links to other Government services and sees over 1 million page views per year. Across these three delivery 'channels', Service Tasmania customers can pay bills; apply for licences, permits, grants and assistance; make bookings and appointments; and access government information and publications.

There is no doubt Service Tasmania provides significant value to Tasmanians and the Tasmanian Government. It is, however, no longer ahead of the game. Its business and financial models have not evolved in over 20 years of operation; and there is no authorising environment for it to expand or contemporise the way it delivers services and plans and opportunities for change and modernisation have not been taken up. Service Tasmania has just finalised a new Strategic Plan for 2020-2025¹¹⁹, which recognises this and looks to contemporise its approach in a range of ways. However, the heights to which it aims and extent to which they are attainable appears to remain constrained.

Other jurisdictions are investing heavily in being able to offer more streamlined and accessible services, particularly in the digital sphere. For example, Service NSW (established in 2013) offers services to individuals and businesses through over 100 shopfronts and has made online services available through an app that has been downloaded by millions¹²⁰ and can be accessed with a MyServiceNSW account¹²¹ which personalises and streamlines the online experience. Service NSW has also started a digital wallet¹²², and recently built a COVID-19 business 'check-in' function into its app¹²³, among a range of other digitalisation and customer experience improvement initiatives¹²⁴. Similarly, the creation of myGov by the Commonwealth Government was a significant step forward in terms of streamlining online identification and now underpins service delivery through the recently created Services Australia¹²⁵. Other jurisdictions are taking similar steps¹²⁶.

The Review sees Service Tasmania as an asset to the TSS and all Tasmanians, but one that is no longer keeping pace with opportunity. The ongoing cost-effective provision of a true, contemporary one-stop-shop model, across all delivery channels, requires – at a minimum – a fresh mandate for both Service Tasmania and clear direction for the TSS regarding how and by whom the full range of Government services are to be delivered.

Review of the Tasmanian State Service Interim Report

¹¹⁹ Service Tasmania, Strategic Plan 2020-2025: soon to be available via http://www.dpac.tas.gov.au/.

¹²⁰ See https://www.themandarin.com.au/136809-service-nsw-app-to-add-venue-check-in-feature-for-contact-tracing/

¹²¹ See https://account.service.nsw.gov.au/

¹²² See https://www.service.nsw.gov.au/transaction/get-started-digital-licences

 $^{123 \;} See \; https://www.service.nsw.gov.au/transaction/check-covid-safe-business-service-nsw-app$

¹²⁴ Service NSW Annual Report 2019

¹²⁵ See https://www.servicesaustralia.gov.au/individuals/subjects/about-mygov

¹²⁶ See, e.g. https://service.vic.gov.au/about-us/our-story; https://ablis.business.gov.au/service/qld/smart-service-queensland-queensland-government-information-and-services/30200; https://service.sa.gov.au/

Such a renewed mandate should enliven the relationship between Service Tasmania and other arms of Government and external organisations, incentivising strategic co-design of integrated, consistent service delivery platforms and approaches¹²⁷, particularly in the digital space. In turn, this repositioning of Service Tasmania should reduce costs to Government over the medium term, as duplication of platforms, infrastructure and other assets is avoided and the real advantages of each service delivery channel are leveraged. It will also offer much better services to customers. Finally and importantly, a renewal of Service Tasmania should consider whether its current location within the TSS structure is optimal and the governance arrangements that are needed to support its success – questions to which the Review will return in its second phase.

KEEPING UP WITH DIGITAL TRANSFORMATION

No government is exempt from the community's general expectation they should be able to access services convenient to them, which means online. Many governments are recognising this, including the Commonwealth, which has committed to the objective that Australians will be able to access all government services digitally by 2025. COVID-19 has also fast-tracked the digitalisation of service delivery in most places, although some services delivered by Service Tasmania still had to be completed in-person during COVID-19 restrictions. Even small gains made during COVID-19 need to be built upon, rather than lost; and the default prioritisation of personal services needs to shift.

Despite the trend to digital, the Review has heard Service Tasmania's digitalisation – as a product of its mandate, resourcing and operating models – has not kept pace. A number of services are not available or cannot be completed online and Service Tasmania's website is predominantly an interface only, sending customers through to the websites and systems of other agencies or organisations to complete the majority of 'available' transactions. There is no requirement for agencies or other organisations to deliver online (or other) services through Service Tasmania rather than through their own systems which, in most instances, is likely to lead to duplication, a diminishing role for Service Tasmania and possibly increased cost without necessarily improving the customer experience.

Without renewed momentum in digital service delivery (inside or outside Service Tasmania), Tasmanians may increasingly miss out on the benefits associated with a contemporary, streamlined digital environment. Instead, they are likely to experience delays and missed opportunities for accessing the right services when they need them. Service Tasmania will be at risk of becoming irrelevant to the majority of customers¹²⁸ and to agencies looking for contemporary service delivery solutions; and of becoming unsustainable due to the higher cost of shopfront and phone services.

Importantly, the contrast between service delivery by the Commonwealth and service delivery by Tasmania is going to be increasingly stark to Tasmanians as the Commonwealth ramps up its digital service delivery through Service Australia. Tasmanians will appear increasingly 'left behind' – with obvious adverse reflections.

¹²⁷ Note the alignment of design and delivery approaches, as well as of existing service offerings, across government are components of Service Tasmania's *Strategic Plan 2020-2025*.

¹²⁸ See, for example, *Our Public Service Our Future* Report, page 161, which shows customer satisfaction with government services is already lower than for other private sector services.

For balance, it is important to note Service Tasmania and the Government have been working on a digital services strategy for the State and, as noted, Service Tasmania has a new Strategic Plan. The Review is yet to consider such plans in detail but acknowledges the important investment of time. However, the Review also acknowledges that such plans can fall victim to what stakeholders suggest is a propensity among decision-makers to place too much weight on the risk (including cost) of acting, while too little weight is given to the negative consequences of inaction¹²⁹.

This appears particularly relevant for Service Tasmania where there is now no 'do nothing' option. Service Tasmania cannot maintain its position without change and investment. A decision not to invest in digitalisation will mean the quality of services to the community deteriorates, particularly if agencies continue to create and run their own online systems, which inhibits service integration and improvements that would otherwise become available as a result of scale.

The alternate option to invest in Service Tasmania does come with a range of decisions, such as the scope of online services that should be built within the Service Tasmania environment; how customers would establish their identity and access services securely; and how to ensure the long-term value of the investment justifies upfront costs. These issues will be looked at further in its Final Report.

Digitalisation of service delivery also needs to take account of Tasmania's low levels of digital access and ability 130 . The Review notes initiatives underway to bridge the digital divide, such as the Digital Ready programs being delivered under the *Our Digital Future* strategy 131 . The Review has also heard from stakeholders that low digital access and literacy does not mean digitalisation should be avoided but instead done in an inclusive, accessible and user-friendly way 132 . The Review sees merit in digitalising services to meet the needs of those who *do* wish to engage online and to relieve pressure on other delivery channels; while also doing it in a way that helps up-skill and also provides support to those whose digital ability is developing. Crucially, the digital inclusion of all Tasmanians must remain a focus when considering digitalisation of services.

Irrespective of the detailed design, it is clear the TSS must more effectively participate in the digital transformation of government service delivery. Government must find ways, through the TSS, to channel its digital investment and expertise towards integrated, contemporary digital services that benefit the community and the internal workforce, while reducing costs to Government. It is also clear that for Service Tasmania to maintain relevance as Government's key service provider, it must take – or perhaps reclaim – a leading role in service delivery transformation.

¹²⁹ See also CPSU submission to this Review.

¹³⁰ Tasmania scores the lowest of all states and territories (excluding the Northern Territory) for digital inclusion (access, affordability, ability): see Measuring Australia's Digital Divide; the Australian Digital Inclusion Index 2019: https://digitalinclusionindex.org.au/.

 $^{131\} Tasmanian\ Government,\ Our\ Digital\ Future:\ Tasmanian\ Government\ strategy\ for\ digital\ transformation,\ 2020:\ https://digital.tas.gov.au/home.$

¹³² See also WA Working Together Report, page 49, which notes the need for service design and delivery that is accessible and fair, particularly for citizens facing access issues.

LEVERAGING ASSETS - SHOPFRONTS

Tasmanians continue to enjoy good access to face-to-face government service delivery through Service Tasmania's 27 shopfronts. Although the overall number of over-the-counter transactions is decreasing by around 1% per year, shopfronts remain critical in Tasmania, particularly where levels of digital access and ability are among the lowest in the country¹³³ and where the option to talk face-to-face is, anecdotally, highly valued even in spite of COVID-19.

The Review accepts the view that Service Tasmania's shopfronts should be maintained in the medium term. This will, however, be an ongoing challenge for Government as face-to-face custom declines and an increasing proportion of the community looks to embrace the convenience of online services. Face-to-face services are relatively expensive; rough estimates from Service Tasmania are that service delivery costs are around \$9-10 for face-to-face and phone services, compared to under \$0.50 for an online transaction. This disparity will inevitably increase as demand for face-to-face services decreases.

Like any service facing decreasing demand, a solution for Service Tasmania is to broaden the range of services it offers. This may include other State Government services, but is also likely to be found through its existing efforts to partner with local and Commonwealth Governments. Such partnerships are of significant benefit to customers, as they speed up and simplify the customer experience via a one-stop-shop model, providing a much better service for Tasmanians. Furthermore, they can also be leveraged to offset the cost of running service centres.

SERVICE TASMANIA PARTNERSHIPS AT A GLANCE

Service Tasmania is co-located with **State Government** (Libraries Tasmania, Tasmania Police or Child and Family Centres) in seven locations.

In three locations it is co-located with **Commonwealth Government**, with Service Tasmania and Services Australia staff working in the same space. In a further 13 locations, Service Tasmania provides services on behalf of the Commonwealth, with Service Tasmania staff trained in Centrelink activities and supporting public use of self-service equipment. Further, all Service Tasmania shopfronts provide certain services on behalf of the Commonwealth Department of Veterans Affairs.

Service Tasmania is co-located with **local governments** in two permanent locations and one temporary location. It also has agreements with six councils to deliver services on their behalf at any Service Tasmania shopfront. In the Devonport paranaple convention centre, which is a more developed example of integrated service delivery, Service Tasmania now acts as the first point of contact and service deliverer for most Devonport City Council customers.]

¹³³ Australian Digital Inclusion Index, Measuring Australia's Digital Divide, 2020: https://digitalinclusionindex.org.au/.

The partnerships above show this would not be new to Service Tasmania. However, leveraging them to provide a significantly better service for customers, while delivering a more sustainable overall funding model, is an opportunity that should be pursued with increased focus.

There are various avenues available to achieve this. One stems from a renewed mandate for Service Tasmania discussed above, which should drive TSS agencies to deliver more face-to-face services through Service Tasmania. Another, which need not be delayed, is to continue pursuing further co-location with and delivery on behalf of the Commonwealth Government. The Review notes pursuit of such partnerships is part of Service Tasmania's new Strategic Plan and understands discussions have been had between Service Tasmania and the Commonwealth, with the latter keen to co-locate where it makes sense to do so; and the Review wishes to encourage this. Finally, there is the opportunity to deliver more services for local government. By any of these means, there is much benefit for customers and Government in expanding on Service Tasmania's partnerships and the Review suggests Service Tasmania prioritise this.

Importantly, Service Tasmania must also begin work on a cost recovery model to ensure its partnerships have an appropriate financial grounding and deliver returns. The Review understands less than a quarter of Service Tasmania's revenue comes from client agency charges and that such charges may not reflect actual costs and are not consistently applied to different clients (e.g. State, local or Commonwealth agencies). The Review also notes the estimated costs per transaction across Service Tasmania's three channels vary considerably from average costs of government service delivery across Australia¹³⁴ but it is not entirely clear why. This emphasises the importance of any cost recovery being underpinned by a sound understanding of operational costs¹³⁵.

Like digitalisation of services, the issues raised above have not been fully explored with Service Tasmania and other stakeholders. It will therefore be necessary to revisit this issue and opportunities in the Final Report.

OPTIMISING PHONE SERVICES

Service Tasmania operates the Government Contact Centre (GCC), which provides information and access to various services (including payments) over the phone. As for the shopfronts, the Review supports maintaining this service delivery channel for the Tasmanian community.

However, again, there is an opportunity to optimise the services available via the GCC and to leverage it in support of Service Tasmania's financial sustainability and for the benefit of the community. The Review has heard support for the idea of making the GCC a true 'one number for government' service, which would integrate all government call centre functions, with capacity to scale up for emergencies or other short-term initiatives.

Many call centre functions have already been merged into the GCC; for example, the former motor registry call centre. The challenge for future integration is how to merge more specialised phone-based services; for example, the Monetary Penalties Enforcement Service or, potentially, emergency-related call centres.

¹³⁴ Deloitte Access Economics, *Digital government transformation*, 2015: https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-digital-government-transformation-230715.pdf.

¹³⁵ See also WA Working Together Report, page 51.

COVID-19 has also demonstrated the potential merits of shared call centre capability, as distinct from the amalgamation of phone-based service delivery. The COVID-19 Public Health Hotline and associated redundancies were established as common infrastructure, with call centre capability both within and outside the Hobart CBD. Both were used by Public Health and Tasmania Police to support COVID-19 operations and both were available for emergency services to use if they needed to shut their primary call centre facilities. The Review considers Tasmania too small to replicate the mature, technologically advanced facilities that are required for modern-day call centres. Serious consideration should therefore be given to the capacity to 'build once – use many times', in the context of call centres and the GCC.

As with other issues relating to Service Tasmania, opportunities to optimise phone-based service delivery will be revisited in the Final Report.

7.2 Contemporary service delivery

The Review notes the need to look at the much broader range of services the TSS provides for Tasmanians, such as community services or building and planning services, which are outside Service Tasmania's remit; and to consider what lessons and opportunities lie more widely to improve service delivery by the TSS. The Review will explore this broader service delivery context in its second phase.

The Review also notes that, irrespective of whether a service is delivered through Service Tasmania or elsewhere, and irrespective of the channel of delivery, there are a range of contemporary approaches to service delivery that most, if not all, agencies are yet to fully engage with – including Service Tasmania. It is critical to remember that quality services not only benefit the community, but also improve respect for government.

Digital transformation is one such contemporary imperative and is discussed above and in the following section. Another is the delivery of services based on 'life events', which might range from presenting services to the customer based on such events through to behind-the-scenes integration of service delivery agencies and organisations (including outside government). This approach makes it easier for customers to find the service they need as well as related services they may not have been aware of; and potentially improves the quality of those services. New Zealand's SmartStart website, for services relating to having and raising children, is an example 136.

Another contemporary model for delivering services is through a place-based approach, whereby service delivery is tailored to a specific geographical location and/or population group. This might mean the services available, or the way they are delivered, differs from place-to-place and, like life events, may involve a change in the way service delivery agencies and organisations are integrated.

The Review will return to these and other contemporary service delivery concepts in its Final Report.

136 New Zealand Government, SmartStart: https://smartstart.services.govt.nz/.

7.3 Digitalisation and data

The TSS is not keeping up with the digitalisation that is expected by and required to efficiently serve the community¹³⁷. This is true in the service delivery environment, as shown above, but also in terms of internal systems, culture and capabilities. Indeed, the TSS is rated the lowest of all Australian jurisdictions in 'digital readiness'¹³⁸, with its overall enabling environment seeing very little change or investment in recent years. Digital infrastructure is outdated; platforms and software are being band-aided, with obsolescence not far off; and there is no whole-of-Government roadmap for bringing the TSS up to date. Moreover, cybersecurity is not highly-prioritised and data is not being used effectively to improve the quality of services.

There are some exceptions to this. The recently-released *Our Digital Future* strategy posits a contemporary approach to government digitalisation, although many of its elements are about direction-setting and significant further investment would be required to establish the digital foundations required to move forward. The *Tasmanian Government Cloud Policy* 140 is also an important step, as it sets a basis for common, agile ICT, rather than duplicative and clunky individual systems.

Consultations have also revealed pockets of forward-thinking among agencies. For example, the Department of Education has a strong culture of treating ICT as an organisational and client enabler, rather than expense. Its relative progressiveness comes from a clear authorising environment, a balanced approach to risk and a deliberate focus on building strategic relationships with vendors. During COVID-19, this also meant the Department of Education was relatively agile in sending its workforce home, as well as in quickly and successfully delivering an online school levy relief program.

However, these relatively few positives is not enough to ensure the TSS is and will be fit-for-purpose into the future. Ambitions to improve the delivery of services to Tasmanians through digitalisation may well go unrealised without digital transformation at the broader TSS-level. As is the case for Service Tasmania's digitalisation, the risks of doing nothing need to be given more weight, to avoid inaction becoming a crippling condition for the TSS.

ENABLING ICT, IN AN ENABLING ENVIRONMENT

The ability of the TSS to deliver services is increasingly dependent upon having contemporary, secure and integrated infrastructure and platforms. However, as the Service Tasmania experience shows, upgrades and investments by single agencies can lead to duplication and inefficiency, without necessarily improving outcomes for the community. For this reason, a whole-of-government, strategic approach to digitalisation is needed, based on a shared understanding of the service delivery objectives the TSS is pursuing.

Moreover, the TSS needs to prepare for a cultural change and invest in building the digital confidence and capability of its workforce. IT is no longer a business area that lives in the basement; it is and should be treated as a core enabler and source

¹³⁷ See, for example, CPSU submission to this Review.

¹³⁸ Intermedium, *Digital Government Readiness Indicator Report*, 2020: https://www.intermedium.com.au/digital-government-readiness-indicator.

¹³⁹ Tasmanian Government, Our Digital Future: Tasmanian Government strategy for digital transformation, 2020: https://digital.tas.gov.au/home.

¹⁴⁰ Tasmanian Government, Cloud Policy, 2020: http://www.dpac.tas.gov.au/__data/assets/pdf_file/0011/537356/Tasmanian_Government_Cloud_Policy_V2.pdf.

of opportunity to improve business practices and outcomes. Investments in the digital enabling environment therefore need to dovetail with workforce planning, to ensure the requisite capabilities are available into the future; while learning and development for all staff will need to be prioritised to build appropriate literacy and ability.

CYBERSECURITY

Cybersecurity incidents affecting the Tasmanian Government are increasing exponentially. To move confidently to greater digitalisation, there must be appropriate protection for the information the TSS holds about the Government and community. The TSS has already undertaken cross-agency work to develop a *Cybersecurity Policy*¹⁴¹, which is being implemented at the agency level and a Cybersecurity Roadmap to further develop cybersecurity across the whole of the service. However, the Review understands progress in this space will be limited without further investment in the TSS' cybersecurity capability.

DATA AS AN ASSET

The Review has consistently heard the TSS is failing to make good use of data. Very little formalised data sharing occurs across the TSS, although where it has occurred, it has been successful in reducing duplication of effort by agencies and improving outcomes for the community. For example, the Safe at Home program includes a purpose-built case-coordination database accessible by all agencies involved, which underpins the integrated, collaborative approach on which the program is based.

Likewise, there appears considerable opportunity to share data outside the TSS. Data sharing arrangements with the Commonwealth may have particular potential for supporting service design and delivery as well as policy development; while the benefits of data linkages with UTAS were set out in Chapter 4. A commitment to sharing data by default, both within and beyond the TSS, would help drive greater efficiency and policy success across the TSS. Of course, any arrangements for data collection, storage or use need to be accompanied by appropriate privacy and cybersecurity protections, which the Review acknowledges is a complex but critical task.

DIRECTIONS

It is clear to the Review the TSS needs to find ways to efficiently and effectively build and protect its digital capability, in order to keep delivering the services Tasmanians need, to the standard they require and expect. A first step might be a whole-of-service digitalisation roadmap for achieving the TSS' service delivery objectives; this would set a clear direction for the TSS and ward off ad-hoc or siloed approaches. It would also provide Tasmania's relatively limited ICT sector more opportunity to build its capability to respond to Government's anticipated needs. Digitalisation and data will be considered in more detail in the second phase of the Review and addressed in the Final Report.

¹⁴¹ Tasmanian Government, Cybersecurity Policy, 2018: http://www.dpac.tas.gov.au/divisions/digital_strategy_and_services/cybersecurity.

CHAPTER 8: Implementation

The recommendations outlined in this Interim Report are intended to be practical and able to be progressed early. They aim to start the process towards meaningful reform of the TSS that will see a more collaborative, modern and efficient service that is fit-for-purpose for present and future needs. They will entail some additional, immediate work by the TSS and its leadership, but with potentially significant pay-off into the future. The benefits for Government and Tasmania are substantial. As quoted earlier in this Report, "Building [public service] capability is not to be a distraction from delivering government priorities – it is the means to achieve them" ¹⁴².

This Interim Report also points to a number of areas for further consideration and consultation during the Review's second phase. Among these is the question of whether amendments to the legislative framework of the TSS are required. The Review's Terms of Reference require it to provide any proposed changes to the Act once it has considered the nine focus areas set out in the Terms of Reference. While the Review is convinced that at least some legislative changes are required – some of which are pointed to in this Report – the Review will detail any proposed changes in its Final Report.

IMPLEMENTATION PROCESS

Authorisation from the Premier, with agreement from Cabinet and endorsement from Heads of Agencies will be crucial precursors to the successful implementation of the recommendations in this and the final report. A united approach and genuine commitment to implementation from the full senior leadership of the TSS will be vital. The support of the TSS as a whole is also vital. The TSS as a whole must be part of the implementation journey.

The Secretary of DPAC, as both the HoSS and head of a key central agency, has an important role to play in bringing together the TSS to take on this Interim Report and drive the implementation of its recommendations.

DPAC (as a central agency), with the HoSS and, for some recommendations, the SSMO, must coordinate implementation of the recommendations, working closely with Heads of Agencies and the senior TSS leadership.

Progress on implementation of the recommendations will need to be overseen by the HoSS and Heads of Agencies and should be regularly reported on to the Premier and Cabinet. All Heads of Agencies should be jointly accountable for how the TSS reform is progressing.

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SAVINGS FROM THE REVIEW

The Review is not designed to produce budget savings from the TSS. However, recommendations that produce greater efficiency will, if implemented, reduce the cost of providing a given level of TSS capability over time. Some recommendations may also produce savings in specific areas. It is unlikely there will be any net savings in the next few years, after allowing for implementation costs, the need to invest in some areas and the time taken for efficiencies to be realised.

The Government may choose to harvest the savings generated from final recommendations from the Review. If that is to be done, the extent available would be much better estimated once implementation is substantially underway and some sense of likely magnitude is known. This will also be easier in some areas than others.

However, the more net savings are harvested, the less funding will be available to help build the capacity and capability of the TSS. Given TSS capability needs to be improved over time to help successfully address the challenges Tasmania faces now and in the future, that could run counter to the objectives of the Review – the trade-off is real. The Review will discuss this issue further in its Final Report.

Appendix 1

Appendix I

Review of the Tasmanian State Service Terms of Reference

September 2020

Objectives

The Review of the Tasmanian State Service (the Review) will ensure the Tasmanian State Service (the TSS) is fit-for-purpose for Tasmania today and into the future. The Review will make findings and recommendations to the Premier and Treasurer for consideration.

Background

The TSS and its nearly 30,000 employees need an operating environment that supports development and can meet the requirements of governments and the community. The *State Service Act 2000* and other laws, policies and procedures establish the framework for management and employment of the TSS. These arrangements determine the structure of the TSS and govern its ways of working.

The novel coronavirus (COVID-19) pandemic of 2020 sparked a whole-of-service response and triggered a number of workplace changes throughout the TSS. This impacted both the physical environment and working pattern of TSS employees and the ways of working both within and across agencies and with the Tasmanian community.

Scope of the Review

This Review will focus primarily on the governing framework of the TSS. It will identify structural, legislative and administrative improvements that will transform current structures, services and practices to deliver a more efficient and effective public service and reflect on lessons learned during the COVID-19 pandemic to identify improved ways of working.

This is primarily a structural review. However, it is anticipated that broader findings related to operational and cultural improvements may arise in the process.

The Independent Reviewer will examine the following key areas of focus:

- 1. Facilitating public service change and innovation that improves the delivery of public policy and services to support the aims of government and meets the needs of the community;
- 2. Identifying opportunities to improve the delivery of government services, programs, projects and other initiatives more efficiently or effectively, including information technology platforms;
- Identifying ways to promote collaboration and partnerships including to support more flexible movement of employees between the private, non-government and public sectors;
- 4. Achieving greater economies and efficiencies in TSS administration, including opportunities to streamline bureaucracy and services where suitable;
- 5. Examining the appropriateness of the current location of government services, and the desirability of any change;

- 6. Facilitating areas of cultural change within the TSS (e.g. promoting risk-based decision-making, increasing diversity, promoting innovation, improving accountability and identifying ways to enhance performance);
- 7. Identifying ways to help develop the long-term capability and agility of the TSS;
- 8. Implementing enhanced workforce management processes across the employee life cycle, including opportunities to implement improvements to how the TSS recognises, develops and manages employee performance; and
- 9. Attracting, developing and retaining a skilled public sector workforce with the capacity to meet emerging economic, social, environmental and technological opportunities and challenges.

Having considered the above focus areas, the Review will then provide proposed changes to the State Service Act and associated administrative arrangements to ensure that the governing framework is fit-for-purpose, and meets the current and ongoing requirements of the TSS.

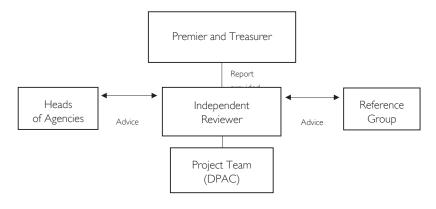
The above issues are to be considered in the context of relevant previous reviews and experiences, in Tasmania, other states and territories, nationally and internationally; and to consider how such reviews may inform a future TSS.

The following items are <u>outside the scope</u> of the Review:

- Employment matters relating to Tasmanian Government employees who are not covered by the State Service Act such as Government Business Enterprises and State-Owned Companies;
- Cultural and operational matters unrelated to the governing framework of the TSS;
- Wages policy and conditions for public sector employees that are negotiated through awards and agreements;
- The role of trade unions to advocate for public sector employees; and
- The introduction of either a minimum or maximum target for the total numbers public sector employees in Tasmania.

Governance

The governance of the Review is set out in the diagram below:



- The Independent Reviewer will lead the Review and provide their report to the Premier and Treasurer.
- The Reference Group will provide advice, community views and industry best practice to the Independent Reviewer to inform their deliberations. It will comprise six to eight members with public and private sector experience, together with a representative from the unions and the not-for-profit sector respectively.
- Heads of Agencies will have the opportunity to provide advice and suggestions to the Independent Reviewer, as will stakeholders.
- A project team based in the Department of Premier and Cabinet (DPAC) will support the Review.

Deliverables

- A report will be provided to the Premier and Treasurer before 31 October 2020. A further report will be provided to the Premier and Treasurer before 31 March 2021.
- The Government will then consider the findings and recommendations of the Review and associated implementation, including any legislative amendments, in 2021.

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