

CHAPTER 12: MORALE, STAFF PERFORMANCE AND ACCOUNTABILITY

12.1 The Committee's fourth specific term of reference covers the issues of morale, staff performance and accountability. Many issues which could fall under these headings have been discussed earlier in this report. This chapter briefly reports on the Committee's conclusions on morale in DFAT. It also deals with the disciplinary system, with DFAT's management of the Government's equal employment opportunity and industrial democracy policies and with proposals that there be a code of conduct for DFAT officers.

Morale

12.2 Morale is an intangible quality which may be assessed in various ways. DFAT, acknowledging that "like all organisations" it has its "share of internal complaints", suggested that:

The acid test of morale in an organisation is not so much what its members say but what they do (Evidence, p. S79).

The Department cited major achievements in recent years as demonstrating its effectiveness and, by implication, the absence of serious morale problems. Achievements cited in this regard included: laying the groundwork for the successful Asia-Pacific Economic Cooperation (APEC) initiative; support of the internationally acclaimed Australian initiative on Cambodia; leadership of the Cairns Group in the Uruguay round of multilateral trade negotiations; successful collaboration with France and other nations in negotiating a 50-year ban on mining in Antarctica; its efforts on chemical weapons; its work on human rights; its performance during the Gulf war; and DFAT's widely acclaimed efforts in public diplomacy (Evidence, p. 8).

12.3 As more specific indicators of morale, the Department suggested to the Committee the following range of measurable indicators:

- . rates of resignation and transfer;
- . number of formal grievances;
- . number of disciplinary cases;
- . rates of promotion;
- . levels of absenteeism; and
- . level of interest of outsiders in joining the organisation.

On all these indicators, the Department argued that its performance was not indicative of low morale (Evidence, pp. S79-84, S645).

12.4 Other possible indicators of morale mentioned during the inquiry were the level of leaks and the level of staff complaints about the Department. As noted in Chapter 9, DFAT suggested a range of possible motivations for leaking other than low morale and argued that morale was not a major factor in recent leaks. The Committee concluded in paragraph 9.14 of this report that there is no indication that the pattern of recent leaks reflects low morale in the Department. The issue of complaints as an indicator of morale is more complex.

12.5 DFAT argued that there are particular factors which affect the level of internal complaints in the Department (Evidence, p. S79). While there is competition for promotion within all public service departments, DFAT officers face significant competition in the additional important area of postings. The unusually high level of internal competition in DFAT inevitably produces disappointment and complaints in some cases. The special difficulties for both officers and their families associated with overseas service are another common cause of staff complaints. DFAT pointed out that of the top 40 most stressful life events listed in one academic study of stress, 18 correspond to the types of changes associated with an overseas posting and most DFAT officers undertake several postings during their careers (Evidence, p. S79).

12.6 The Committee accepts that these factors could be expected to account for a relatively high level of internal complaints in DFAT at any time. An additional factor operating since 1987 has been the extent and pace of change described in earlier chapters of this report. The departmental amalgamations and destreaming in particular could be expected to have had some adverse effects on morale. Such effects are an inevitable cost of all government decisions of this type and should be taken into account in the balance of costs and benefits when the decisions are made.

12.7 A further factor likely to have damaged morale in DFAT has been the campaigns of the ORC, Mr Carroll and the DFAT Reform Group. Public criticism of the type, extent and duration involved in these campaigns must have some effect on its targets. As noted in Chapter 5, DFAT's ability to respond to these criticisms was limited by privacy and other considerations.

12.8 Given all these factors, it is not surprising that a high level of staff dissatisfaction has been apparent in DFAT in recent years. This inquiry itself can be seen as one response to that dissatisfaction. Almost all the evidence from organisations and individuals with inside knowledge of DFAT including, the PSU, FATA, the FSFA, the DFAT Reform Group, Jirra Moore and the Foreign Affairs Defence and Trade Subcommittee of the ACT Branch of the ALP (whose submission was based in part on interviews and discussions with current and former DFAT staff members) all referred to morale problems in DFAT. On the basis of this evidence, the Committee is satisfied that low morale was a serious problem in DFAT at least in the late 1980s.

12.9 Most of the evidence, however, indicated recent improvement. The PSU and FATA, who together represent a large proportion of the Department's staff, both

indicated that this was the case. The submission of the ACT Branch of the ALP similarly concluded that there have been significant improvements (Evidence, p. S279). The bedding down of the major structural changes of the late 1980s could be expected to have produced some improvement in morale and the progressive removal of many specific management defects documented in earlier chapters of this report should also have had a beneficial effect. A strong general impression conveyed by much of the evidence on the issue of morale is that further improvement will require specific action to improve DFAT's management in areas with direct impact on staff, such as conditions of service and staff selection practices, and to ensure that a consistent management approach is established and communicated to staff. It would be useful too, as proposed by the ACT Branch of the ALP:

for DFAT to more clearly explain the sacrifices that are required from anyone wanting to join the Foreign Service. There is also a need for an induction process which outlines responsibilities and the possible exposure to harsh conditions and an acceptance of possible adverse posting (Evidence, p. S279).

12.10 The Committee also gained the impression that DFAT remains a strongly hierarchical organisation. Hierarchy has a place in public service departments and is particularly important in relation to DFAT's policy development and diplomatic roles, in which it must be responsive to direction from the Government. Likely side-effects of excessive hierarchy, however, are alienation and low morale on the part of lower-ranking staff. This is aggravated when, as is often the case in a security-conscious organisation, there is an unwillingness to share information. Excessive hierarchy and poor information flows may have contributed to morale problems in DFAT.

12.11 As far as the Committee can discern, the current state of morale in DFAT does not indicate a crisis but there is scope for improvement. The Committee would expect further improvements in morale to occur as specific management problems like those discussed elsewhere in this report are confronted and dealt with.

Discipline

12.12 The disciplinary system in the Australian Public Service is established under the *Public Service Act 1922* which provides for quasi-legal proceedings involving the laying and hearing of charges. The Act provides for a scale of penalties ranging from admonishment to dismissal. Like any employer, government departments may also refer matters to the police for investigation of alleged criminal misconduct by an officer and the Director of Public Prosecutions may institute criminal prosecution if a sufficient case exists.

12.13 DFAT's application of the public service disciplinary system was one area of significant criticism in the Auditor-General's report of December 1990 on officers' entitlements and other staff related matters. The auditors found shortcomings in more than half the cases they examined. These included:

- . delays in processing cases to finality (lengthy delays were found in four cases);

- . the need to obtain reliable advice on processes to be followed (in two cases DFAT's Administrative Law Section, without apparently seeking adequate advice from the DPP or referring a case to the AFP, had advised that disciplinary procedures be used when the cases might have been referred for criminal prosecution);
- . inquiry officer performance (in one case an inexperienced inquiry officer had been appointed and complications were experienced as a result);
- . instances where retirement of officers precluded any further disciplinary action under the Public Service Act (in two cases officers past the minimum age of entitlement for superannuation had exercised their right under the Public Service Act to retire before disciplinary proceedings could be brought to a conclusion);
- . inadequate action to ensure that a direction was implemented (in one case an officer who had been demoted two levels was placed on higher duties allowance levels above his new grade within three months of the demotion and another case was detected in which disciplinary records were retained on a personal file after the date specified for their removal (Auditor-General 1990a, pp. 19-25).

DFAT assured the Committee that changes had been made to remedy all these types of defects and provided a copy of its detailed response to the Auditor-General's report (Evidence, p. S580-2).

12.14 References in the written submissions of both the PSU and FATA implied past problems in the disciplinary area. The PSU wrote:

The application of acceptable standards of accountability, applied uniformly to all officers in the Department, is to be applauded. Officers who rort the system can expect to be punished. It is lamentable that this kind of attitude did not prevail in DFAT ages ago (Evidence, p. S305).

FATA commented in its written submission "we support the vigorous pursuit of wrong-doers, without favour or discrimination" (Evidence, p. S500).

12.15 The Committee questioned representatives of FATA and the PSU at a public hearing and concluded that neither organisation believed that DFAT still had problems in this area. The outgoing President of FATA, when asked whether the Association had meant to imply that DFAT had failed in the past to pursue wrong-doers without favour or discrimination, responded:

No, we are not. I think one can say that prior to the last two years we did not have the systems in place to identify and chase up with the rigour that is now available people who were not paying their debts (Evidence, p. 226).

The PSU Liaison Officer in the Department, however, told the Committee that he believed there had been a lack of uniformity in the Department's past application of disciplinary procedures but that:

I believe, now that the Department has been fair dinkum about fraud, that that lack of uniformity has disappeared (Evidence, p. 227).

12.16 The DFAT Reform Group also strongly criticised DFAT's management of the disciplinary system. The criticisms related to alleged failure by the Department to take disciplinary action against senior officers combined with an alleged excessive propensity to take formal disciplinary action against junior officers. The Group also claimed that DFAT had been prone to initiate less rigorous Public Service Act proceedings when criminal proceedings would have been more appropriate. Other complaints by the Group related to the subsequent advancement of officers who had been subject to disciplinary action and a perception that some officers had been allowed to retire with full benefits prior to the conclusion of disciplinary action.

12.17 The Committee's staff reviewed DFAT's disciplinary statistics and the result of that review is summarised in Appendix III. The Public Service Commission also compiled for the Committee comparative statistics on disciplinary actions taken in some other departments (Evidence, pp. S1288-1300). The number of disciplinary cases in DFAT and in the other agencies surveyed by the Public Service Commission were too small for any definitive conclusions to be drawn but DFAT's performance did not appear unusual in that comparison. The Committee also took oral evidence from officers of the Public Service Commission and the Merit Protection and Review Agency who had not discerned any unusual trends in DFAT's disciplinary experience (Evidence, pp. 587, 687-8).

12.18 As noted in Chapter 5, the Committee also reviewed several of the specific discipline-related allegations of the Reform Group. The Committee found that the Group's presentation of the cases was inaccurate and its perceptions of DFAT's actions in them were wrong. In particular, there was no evidence that senior officers had been treated with greater lenience than more junior officers. The specific cases cited by the Reform Group in this regard suggested the opposite conclusion when closely examined. The claim that officers had been able to retire or resign before the conclusion of disciplinary action, while true, was irrelevant since the evidence from the Public Service Commission showed that, with one exception, there is no advantage for an officer in adopting such a course (Evidence, pp. 584-5). The exception, that an officer aged 55 or older may retire with superannuation benefits before disciplinary action is complete, was raised by the Auditor-General in 1990 and has been under review by the Public Service Commissioner since then (Evidence, p. 585). It is a service-wide condition.

12.19 The Reform Group also claimed that officers who had been disciplined for serious offences were subsequently promoted or given desirable postings. If the promotions or postings occurred shortly after the disciplinary action it could be a matter of concern. However, this issue had also been raised by the Auditor-General and the Group provided no example of such action having occurred since the audit report.

12.20 The Reform Group claims did direct the Committee's attention to other defects in the general disciplinary system discussed below. Some of the broader issues flowing from the Reform Group claims were also brought to the Committee's attention in other evidence relating to misuse of entitlements to purchase duty-free cars. The Committee questioned DFAT representatives on the Department's handling of irregularities in duty-free car purchases by the former Ambassador to Ireland, Brian Burke. This matter was canvassed in much more detail at about the same time in the proceedings of Estimates Committee B and this Committee did not attempt to draw conclusions on the facts of the case. During the inquiry the Committee also received a written submission from a career diplomat concerning his or her treatment by DFAT in relation to apparently similar matters. The latter case was the subject of litigation throughout the period of the inquiry and the Committee did not deal with the case at any of its hearings or review it in detail. However, both cases raise issues of broader significance to the disciplinary system.

12.21 The Burke case did not involve a formal disciplinary investigation. In the other case, also involving a head of mission, reports of breaches were first investigated by the Fraud Control and Discipline Section (FCDS) and charges were laid and dealt with under the Public Service Act on the basis of the FCDS investigation. Every disciplinary case has its own special features and comparisons can be risky, but one obvious difference between these cases, discussed below, is the fact that the Public Service Act disciplinary provisions do not apply to a person appointed as an ambassador from outside the public service, as Mr Burke was. The Committee notes that current litigation in relation to the second case involves, among other issues, alleged deficiencies in the departmental investigation and the Committee is not in a position to comment on that issue. However, as a matter of principle, the desirable approach in disciplinary cases is clearly that they be professionally investigated and that charges be laid and heard if the investigation discloses that a case exists. The Committee believes that allegations against officers should be investigated and resolved without regard to the rank of the officer in question. Leaving aside the disputed issue of the quality of the investigation in the case of the career diplomat, the broad process followed by DFAT fits the desirable model and the case is a further indication that the Reform Group allegations of favouritism towards senior officers in the disciplinary process are, at best, out of date.

12.22 An important issue raised in both cases was the extent to which heads of mission are subject to the public service disciplinary system. The Committee was informed that Mr Burke, because he had been appointed to an ambassadorial position from outside the public service, was not subject to the disciplinary provisions of the Public Service Act at all (Evidence p. 854). Public servants who are appointed to head missions, as had occurred in the other case raised with the Committee, are designated as unattached officers under the Act. As a result, they are subject to disciplinary provisions which differ significantly from those applying to other officers, including all or almost all of their subordinates. This is despite the different provisions having been intended to apply to officers on leave without pay or who have been seconded to organisations outside the public service and not to those who in practice are still occupying a public service position.

12.23 Until recently, there were three main differences between the treatment of unattached officers and of other public servants in relation to discipline:

- . only departmental secretaries could act as inquiry officers in disciplinary cases against unattached officers;
- . the range of offences for which such officers could be charged was less than that applying to other officers; and
- . the penalties available were limited to counselling or dismissal while other officers face a wider range of possible penalties (Evidence, p. 586).

The first of these differences was removed by changes to regulations in 1991, having been brought to attention as a result of the case discussed above. The other differences remain in effect (Evidence, pp. 586, 589).

12.24 The different disciplinary conditions applying to heads of mission has been an issue from time to time in DFA and DFAT but dealing with it appears not to have been seen as a high priority until recently. This may be because most or all of the particular cases that brought the issue to attention would not have justified stronger action than counselling and it is possible to counsel officers, unattached or otherwise, outside the disciplinary process. An alternative possibility is that DFA and DFAT did not until recently see it as appropriate to treat heads of mission in the same way as other officers. Whatever the reason, the Committee is strongly of the view that heads of mission should be subject to the standard Public Service Act disciplinary provisions. This should be the case regardless of whether a head of mission is an unattached public servant or not a public servant at all, although some Public Service Act provisions such as a penalty of demotion may not be applicable to a head of mission who is not a public servant. DFAT told the Committee that it has now sought to have the disciplinary provisions applying to heads of mission standardised (Evidence, p. 856). The Committee supports that approach and **recommends that high priority be given to amending the Public Service Act to provide for the extension of the standard disciplinary procedures under the Act to heads of diplomatic missions and posts.**

12.25 A further issue relating to discipline, which arose particularly in relation to the Reform Group evidence and the prior actions of Mr Carroll and the ORC, is the issue of privacy. Disciplinary actions under the Public Service Act are private matters between the officers concerned and the department or agency employing them unless an officer who has been disciplined proceeds with an appeal. Proceedings of Disciplinary Appeal Committees are the only part of the process which are public (Evidence, p. 589). This system differs from that applying in the criminal jurisdiction where proceedings are normally public from the point that charges are laid.

12.26 There is an argument for privacy in relation to disciplinary matters. The Committee was told by Richard Harding, Assistant Public Service Commissioner, that the purpose of the disciplinary system is correction rather than punishment (Evidence, p. 586). The transgressions dealt with by disciplinary action under the Public Service Act are usually less serious than those that lead to criminal action. Such cases can often be dealt with between an officer and departmental senior management in a way which corrects the problem without any need for the considerable additional punishment implied in

publicising disciplinary proceedings. The prospect of publicity might lead to supervisors being less prone to initiate necessary disciplinary action because of concern at this aspect.

12.27 There are also strong arguments for a policy of openness concerning disciplinary proceedings. One is the desirability of preventing the circulation within a department of false and damaging rumours of the kind passed on to this Committee by the DFAT Reform Group. Publicising disciplinary action taken against an officer could also serve to deter future misbehaviour by other officers and to establish and reinforce benchmarks for staff behaviour. An important argument for publicity is its potential for reducing the scope for inappropriate decisions by departments and agencies themselves. In the absence of public information on disciplinary decisions, there may be undue differences between the treatment of similar cases and excessive lenience or rigour in disciplinary decision making may escape attention. Decisions as important to officers and their employers as those relating to disciplinary action should be made openly to help assure their integrity.

12.28 A possible compromise would be the publication of information on disciplinary cases without details that would identify the persons involved. Although identities would often be easily guessed by the colleagues of those involved, publicity outside the organisation of the identities of those who have been disciplined would be inhibited. A considerable potential disadvantage, however, would be the likelihood that speculation about the identity of persons who had been disciplined would sometimes centre on innocent parties. Another compromise approach would be to require departments and agencies to publish statistical summaries of disciplinary action in their annual reports.

12.29 On balance, the Committee believes that the case for publicity is stronger than that for privacy, especially for the more serious offences. Public accountability is a condition of public sector employment and at least the fact of charges having been laid, their nature and the outcome ought to be a matter of public record. **The Committee recommends that the Public Service disciplinary system be changed to provide for disciplinary proceedings to be public at least to the extent of the fact that charges have been laid, their nature and the outcome.**

Codes of conduct

12.30 Both the PSU and FATA suggested to the Committee that it would be desirable for DFAT to promulgate a code of conduct for its staff. The PSU raised this issue in two contexts: failings on the part of some heads of mission who, "as representatives of the Governor-General should have always set the highest standards", and a perceived tendency on the part of some heads of mission to ignore departmental or public service requirements with which they disagree (Evidence, pp. S305-6, 211). The Union saw a formal code of conduct as likely to be effective in encouraging the more uniform application of rules and of high standards of behaviour. FATA argued that a "charter of good management" which it proposed would:

articulat[e] ethical standards that are expected of people who have financial responsibilities or responsibilities for the welfare of staff ... [and be] a reference point for the junior officer who feels that he or she does

not know precisely what are the reference points that a manager operates under (Evidence, pp. 229-30).

12.31 DFAT responded to these suggestions by drawing the Committee's attention to the *Guidelines on Official Conduct for Public Servants*, which were issued by the Public Service Board in 1979, were revised in 1986 and which remain current. Peter Varghese, an Assistant Secretary in DFAT's Corporate Services Division, told the Committee that the Department had looked very carefully at whether the comprehensive public service guidelines needed to be supplemented in any way for DFAT's purposes. The Department had concluded that this was not necessary. In reaching that decision, the Department had regard to the opinion of the Bowen Committee, which was responsible in 1979 for producing the first edition of the guidelines, that it was advisable to have a single code of conduct applying to all public servants. Mr Varghese told the Committee that the guidelines are drawn to the attention of heads of mission as a matter of course when they are appointed (Evidence, p. 230).

12.32 The Committee acknowledges the force of the argument that there should be a single set of guidelines. However, there are special features of DFAT's overseas operations which would seem to make some supplementation of the public service-wide rules appropriate. Most of the Department's staff are dispersed among a large number of missions and posts, geographically remote from its central office. The missions and posts are headed by officers holding a special legal status and title and who traditionally have been treated with an unusual degree of deference. Drawing the attention of those officers to the guidelines without also ensuring that their subordinates are fully aware of them may not be sufficient to ensure the consistent application of the rules. The problem of staff awareness of the guidelines was illustrated at one of the Committee's hearings when the representative of the PSU who spoke on this matter, an assistant national secretary of the union, was not sure whether the guidelines were still current (Evidence, p. 229).

12.33 Much of the work of the overseas staff of the Department is in fields of activity posing a high risk of breaches of important parts of the guidelines. As noted elsewhere in this report, such breaches have occurred on occasion. The issuing of supplementary guidelines on conduct by DFAT could assist in spreading the message that, whatever may have been the past attitude to lapses in official conduct, such lapses are not now taken lightly.

12.34 The Committee believes that DFAT should ensure that the public service guidelines are more widely known among its staff and that the Department should supplement those guidelines with a code of conduct of its own. Since the Public Service Board guidelines are comprehensive, the extent of any supplementary material issued by DFAT could be limited. **The Committee recommends that DFAT institute a continuing system designed to ensure that its officers at all levels are familiar with the *Guidelines on Official Conduct for Public Servants* and that DFAT supplement those guidelines with material designed to relate the guidelines to its own operating environment, to impress their importance on all its staff, and to make clear to all DFAT officers the importance of consistent application of departmental and public service instructions.**

Equal employment opportunity and industrial democracy

12.35 DFAT, like the rest of the Australian Public Service, is bound by Government policy on equal employment opportunity (EEO) and industrial democracy (ID). DFAT dealt with both issues under the morale heading in its submission on the basis that both can have an important impact on morale (Evidence, pp. S84, S88). In both areas, the Government has laid down minimum structural and procedural requirements.

Equal employment opportunity

12.36 DFAT conceded in its written submission that in recent years the Department has come under criticism because of the relatively small number of women in its senior ranks (Evidence, p. S84). The Department accepted that the number of women at SES level and in the feeder groups for the SES is lower in DFAT than the public service average but commented that DFAT was by no means the only or even the worst offender in the Australian Public Service (APS) in this regard (Evidence, p. S85). DFAT also has fewer staff from a non-English speaking background (NESB) than the APS and considerably fewer persons of Aboriginal or Torres Strait Islander (ATSI) descent than the public service average. The percentages of DFAT's staff from each of these groups and of persons with disabilities (PWD) are set out in Table 12.1 below with a comparison to the APS average for each group. The Table distinguished between staff at or above Senior Officer Grade B level (SOG-B) and those below. While the comparison of particular figures with averages can be misleading, DFAT conceded to the Committee that its EEO performance could be improved (Evidence pp. S84-86).

12.37 DFAT argued that it falls short of the public service average for the employment of women in senior positions partly because its recruitment was unbalanced in gender terms until the late 1970s and partly because of the "added burden which overseas service places on female officers balancing career and other aspirations" (Evidence, p. S85). The Department listed a range of actions recently initiated to improve the conditions of service during postings related to spouses and told the Committee that the proportion of women in the graduate recruit intake now commonly exceeds 50 per cent. DFAT also reported that the gender balance in its training courses, which it said are crucial to career development, is approximately equal (Evidence, pp. S85-86).

12.38 In relation to the low proportion of officers with an ATSI background, the Department commented:

Despite a concerted effort over the last several years, the Department has not been successful in attracting suitable ATSI applicants for our graduate recruitment. In part, this reflects a view that it is more difficult to retain links with the ATSI community from a job in DFAT. The Department is seeking to overcome this image by encouraging ATSI officers from other agencies to transfer to the Department - two at the Senior Officer Grade C level commenced in this way this year - and by continuing to target ATSI groups at universities and elsewhere. The Department has also awarded two Aboriginal Undergraduate Study

Awards to enable two of our officers to enhance their skills through full-time studies (Evidence, p. S86).

12.39 The Department also told the Committee that 30 per cent of the 1991 intake of graduate recruits was from an NESB background and that a higher percentage was expected in 1992. The Department also participates actively in the Intellectual Disability Access Program and was a nominee for the Prime Minister's Employer of the Year for its work with that program (Evidence, p. S86).

Table 12.1
Representation of EEO Groups: DFAT compared to APS
30 June 1991

EEO Group	% of DFAT	% of APS
Women		
SOG-B and above	11.5	15.4
Below SOG-B	48.1	47.9
Total	41.3	46.1
NESB		
SOG-B and above	4.7	10.3
Below SOG-B	8.3	12.6
Total	7.8	12.4
ATSI		
SOG-B and above	0.0	0.4
Below SOG-B	0.5	1.3
Total	0.4	1.3
PWD		
SOG-B and above	2.5	4.8
Below SOG-B	3.4	4.4
Total	3.3	4.4

(Sources: DFAT 1991, p. 223; Department of Finance 1991, p. 99)

12.40 Other evidence to the Committee supported DFAT's concession of past failings in the EEO area. FATA described the Department's EEO performance as "relatively poor to date" and expressed hope that the new and ambitious program would improve it (Evidence, p. S510). The PSU told the Committee that the relative independence enjoyed by heads of mission has made it hard to enforce service-wide standards in EEO and similar areas across all the work units in DFAT (Evidence, p. 211).

12.41 The Committee also received a written submission from Jirra Moore, a former DFAT officer who is an Aboriginal Australian. Mr Moore was named by Mr Carroll as a member of the DFAT Reform Group but was unable to attend the public hearing at which the Committee took evidence from the Group. Mr Moore stated in his submission

that he had left DFAT more than two years ago and most of his comments related to the period up to the time that he left the Department, a period he saw as characterised by turmoil, low morale, and inadequate overseas conditions of service. He also made the point, which the Committee accepts, that it is important that indigenous Australians be involved in DFAT's diplomatic and policy development roles (Evidence, p. S925).

12.42 Mr Moore expressed the opinion that persons of ATSI background "will never receive a fair go in this Department" (Evidence, p. S924). He suggested, however, that the system could be made more fair if DFAT were to adopt a policy for the future recruitment of persons of ATSI background direct from other departments as well as through the normal recruitment process (Evidence, p. S924). As noted above, DFAT has recently begun to do this.

12.43 The Committee accepts that DFAT recognises its past failures in the area of EEO. Patterns of employment of EEO groups tend to change slowly because a change to recruitment practices can be expected to take years to have a large effect on the staffing profile of a large organisation. The effects of recent improvements in DFAT's management of EEO could be expected to be more prominent several years from now. The Committee can only endorse the changes and urge DFAT to ensure that they continue to receive appropriate priority.

Industrial democracy

12.44 DFAT's industrial democracy systems are in line with the policy of the current Government. They include:

- . formal recognition of the role of unions;
- . facilitation of the involvement of staff in a wide range of management issues through joint management-union consultative bodies;
- . ad-hoc management-union reviews of policy on specific issues of interest to staff;
- . the employment of a full-time Public Sector Union Adviser as a member of staff; and
- . encouragement of regular staff meetings in all work units (Evidence, p. S88).

12.45 The written submission from the PSU contained numerous complaints about past failures by DFAT management to consult with staff and referred to the persistence of a "big stick" management culture (Evidence, p. S305). However, both in its written submission and in oral evidence from national and DFAT branch officers, the PSU indicated that there had been a considerable improvement in industrial relations in the Department in recent years. Sally O'Loughlin, PSU National Assistant Secretary, told the Committee that "PSU would say that DFAT would come within the top 20 per cent or so of departments in terms of our ability to consult meaningfully and to work through issues in those forums" (Evidence, p. 209). DFAT pointed out to the Committee that the

Department had lost no time in industrial disputes since November 1990 (Evidence, pp. S88, 455).

12.46 The Committee devoted some time at public hearings to questioning of PSU and DFAT representatives about the position of PSU Adviser in DFAT. Some senators expressed concern at the concept of such a position but both DFAT and the PSU argued that the position produced significant benefits (Evidence, pp. 112-118, 232, 455). The Committee was told that the position was modelled on a similar position in the Australian Taxation Office (ATO) and was established in April 1991 (Evidence, p. S294). The ATO, like DFAT, has a distinct organisational culture, historically low rates of mobility between itself and other areas of the public service and has recently undergone extensive change. DFAT's Deputy Secretary, Geoff Forrester, told the Committee:

We have a very positive industrial atmosphere in our organisation, and this particular position, which costs us very little, contributes greatly to that. ... This particular position is of vital importance to the effective running of our operation (Evidence, p. 455).

12.47 Some members of the Committee wish to record their concern at the principle of establishing taxpayer-funded union liaison positions in the Australian Public Service. It is clear that DFAT's establishment of such a position is within the framework of current government policy but some members of the Committee strongly dispute the merit of that policy. The Committee notes that both DFAT and the union with the largest membership among its staff believe that the position has value.

