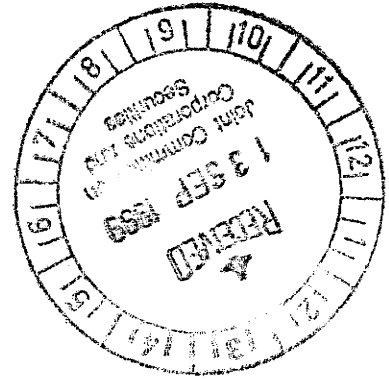


Submission No. 11



The Secretary
Senate Finance and Public Administration
Reference Committee
Parliament House
CANBERRA ACT 2600

I refer to the letter of 30 June 1999 from the Chairman requesting a submission from the Environment and Heritage Portfolio on the review of APS employment matters.

A submission from the Portfolio is attached. The Departmental contact officer is Mr Keith Fairbrother, Assistant Secretary, People Management Branch on telephone number 6274 1250.

David Anderson
First Assistant Secretary
Corporate Management Division

13 September 1999



ATTACHMENT

APS EMPLOYMENT MATTERS

Introduction

The Environment and Heritage Portfolio is responsible for providing advice on and implementing policies and programs for the protection and conservation of the environment, while ensuring its use is ecologically sustainable.

The delivery of this outcome is achieved through:

- The Department of the Environment and Heritage (which includes the Australian Antarctic Division and the Commonwealth Bureau of Meteorology)
- Three statutory authorities (the Great Barrier Reef Marine Park Authority, the Director of National Parks and Wildlife and the Australian Heritage Commission)
- The Australian Greenhouse Office (a prescribed Agency under the Financial Management And Accountability Act 1997)

The following comments are provided under the broad areas identified in the terms of reference.

Changes in the Senior Executive Service

Changes in APS employment practices have affected the Senior Executive Service (SES) in this Portfolio in several ways. The SES staff were the first to be covered by Australian Workplace Agreements (AWAs). This has provided for a more individualised approach to personal employment conditions and has allowed staff to accept greater personal responsibility and accountability for introducing and successfully implementing key Government and management reforms in their areas and in making a contribution across the Portfolio. All SES staff participate in a performance appraisal scheme which requires assessment of results achieved and provides access to three levels of annual performance bonuses.

The ability to make adjustments to employment conditions for the SES has allowed the Portfolio to improve its competitiveness in this employment market and attract many more high quality outside applicants.

Environment Australia has tended to be flexible in its use of fixed term appointments to the SES making assessments based on the circumstances of the vacancy. Recent recruitment action has resulted in mainly permanent appointments.

The greater accountability placed on SES staff together with the process of developing individual performance agreements that are linked to business plans strengthens their ability to achieve agreed outcomes.

Agency bargaining

The employment framework in the Portfolio is managed through AWAs for the SES and some senior executive level staff and 4 Certified Agreements (CAs) for non-SES staff generally. There are currently 91 approved AWAs (57 for the SES and 34 for non-SES) in the Portfolio with approximately 30 in train. By the end of the 1999/2000 year approximately 151 executive level 2 staff are expected to have AWAs.

The impact of agency bargaining has been a positive influence in achieving APS reforms. Strategic use of AWAs and CAs across the Portfolio has included:

- Tailoring selection processes to suit agency needs
- Greater flexibility in managing staffing numbers
- Clearer basis for promulgating the APS values and code of conduct into Agency culture.
- Creating a mechanism for attracting/retaining special skills and knowledge
- Providing retention incentives to maintain productivity in areas which will be outsourced
- Increased options for recognition/reward for achievement
- Establishing more direct performance management and feedback mechanisms
- More direct encouragement of positive leadership and management behaviour
- Gaining acceptance of organisational change
- Using mobility options for best allocation of resources

Performance pay

There are common AWA arrangements across the Portfolio for the SES but non-SES AWAs vary. All current and proposed SES AWAs make provision for performance pay.

The Environment Australia Certified Agreement contains a form of performance pay, where the former annual incremental salary advancement now requires an assessment of performance before the increase is available to the staff member.

The performance pay provision has generally had a positive impact in regard to performance and accountability but some areas of the Portfolio have indicated a perception that performance pay may have a negative impact on team work and organisational performance more broadly.

Summary

The Portfolio recognises the value of the total APS reform agenda which has brought greater flexibility in managing our business activities, and in responding to changing circumstances and market pressures. It has increased the emphasis on accountability and on achieving outcomes. It has also assisted the Portfolio in developing a performance culture. It needs to be noted however that the reforms have raised significant management challenges, with so many reforms and initiatives causing a degree of unease for some staff.

The Department believes that the APS reforms have been successfully implemented in line with Government Policy and are strongly supported by senior managers.