

28 January 2016

## **AUDITOR-GENERAL'S REPORT**

### **Public Sector Management Reforms**

The Public Service Commission is making good progress with leading the implementation of public sector management reforms, according to a report released today by the Acting New South Wales Auditor-General, Tony Whitfield.

“The Commission developed a sound evidence base for the reforms and gained wide public sector support by engaging with agency heads and using public sector working groups to develop options,” said the Acting Auditor-General. “They developed good guidance for government agencies and have improved the senior executive structure in the NSW public sector”, he added.

“The Commission needs to do more to report on how these reforms are contributing to better public services”, said the Acting Auditor-General. “The capacity and capability of human resource units in some agencies remains an impediment to the successful implementation of the reforms. The Commission also provided some of its guidance material to agencies at the last minute, leading to differing approaches across agencies and some rework”, he added.

The reforms are intended to address a range of workforce management issues identified by the NSW Commission of Audit in early 2012. They include changes to recruitment practices, job classifications, senior executive service structures and ethical conduct.

#### **Some agencies lack strategic human resource skills**

In 2012, the Public Service Commission identified a need to develop capabilities in strategic human resource management across the public sector. To remedy this, the Commission offered training that covered a range of subjects, including strategic human resource management. However, only a small number of human resource leaders did the training.

#### **Some reforms monitored more closely than others**

The Public Service Commission monitors how agencies are implementing reforms. However, some reforms are monitored more closely than others. For example, Senior Executive Structure reforms are monitored more actively than recruitment reforms. Agencies self-report the maturity of their workforce management practices annually in the Agency Survey, but responses are not verified. The People Matter Employee Survey is also used to monitor whether reforms are leading to improved outcomes.

#### **There is limited reporting on the effectiveness of reforms**

To date, the Public Service Commission has collected some performance information for each reform area. However, limited performance information has been reported in the annual State of the Sector report. The PSC is currently developing a workforce measurement framework to demonstrate and report on the contribution reforms are making to agency effectiveness.

The Public Service Commission has identified potential benefits for some reform areas. However, it reports limited information on progress towards realising them. The Commission has not established a method or timeframe to evaluate whether the reforms have improved the effectiveness of the public sector.

#### **Further Information**

For further information, please refer to the report's executive summary or full report on the Audit Office website.

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