



**SUBMISSION TO THE
STANDING COMMITTEE ON PUBLIC ADMINISTRATION**

PUBLIC SECTOR REFORM

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INTRODUCTION

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 140 Local Governments in Western Australia.

The Association provides an essential voice for 1,249 elected members and approximately 14,500 Local Government employees as well as over 2 million constituents of Local Governments in Western Australia. The Association also provides professional advice and offers services that provide financial benefits to Local Governments and the communities they serve.

COMMENT AND RECOMMENDATIONS

The Association will be addressing two key issues in response to the Committee's Public Discussion Paper, *Public Sector Reform*:

1. The importance of collaboration and coordination between Government departments and agencies and with the Local Government sector; and,
2. Transfer of employment benefits between the State and Local Government sectors.

The Association's discussion in relation to collaboration and coordination can be viewed as a response to questions 1, 2, 3, 4, 6 and 14 from the Discussion Paper.

Commentary regarding the transfer of employment benefits is in relation to questions 18 and 19 from the Discussion Paper regarding labour market mobility.

COLLABORATION AND COORDINATION

Addressing questions 1, 2, 3, 4, 6 and 14 from the discussion paper.

A key goal of any reform of the Public Sector should be to increase collaboration and coordination within the Public Sector and between spheres of Government.

Western Australia in 2013 is in the midst of a number of significant economic, social and environmental trends. How we – as a State – respond to these trends will shape Western Australia for many years to come. As the State’s biggest employer and most significant sphere of Government, the Western Australian Public Sector has a significant determining role in the Western Australia of the future.

The economic, social and environmental trends that will shape our State for the first half of the twenty-first century are well known.

Environmentally, the effects of climate change are likely to accelerate during the twenty-first century and as a state we must also address issues associated with bio-diversity and water security.

Western Australia is in the midst of an economic boom – primarily due to extractive industries – that, along with growth in Queensland, is driving the economic growth of Australia.¹

The mining boom has been a catalyst for social change as international migration to Western Australia has increased and the population of Western Australia continues to grow. Western Australia’s population grew by 2.9 percent in 2011, with approximately 60 percent of this growth attributable to international migration.² This population growth has increased the focus on a number of related issues, including increasing congestion in metropolitan Perth.³ Housing affordability and urban sprawl are other social issues having an impact in metropolitan Perth.

In country Western Australia, there are also issues associated with social and economic adjustment. Many agricultural communities are experiencing an ageing and shrinking population, while some mining and ‘sea change’ communities are experiencing surging growth.

These transformations are occurring against a backdrop of a demographic shift as the Australian population ages.

It is not clear that the public service is equipped to deal with ubiquitous and complex problems of this nature.

Problems with multiple causes and many stakeholders, such as climate change and the impacts of demographic change, can be characterised as ‘wicked problems’.

¹ Davis, K., Lane, K., and Orsmond, D., (2012), “The Recent Economic Performance of the States”, in *Bulletin: March Quarter*, Reserve Bank of Australia, <http://www.rba.gov.au/publications/bulletin/2012/mar/pdf/bu-0312-1.pdf>

² Office of Multicultural Interests (2012), *The Economic and Social Contribution of Migrants to Western Australia*, Government of Western Australia, http://www.omi.wa.gov.au/resources/publications/localgovernment/Economic_Social_Contributions_MigrantsWA_Full_Report.pdf

³ Adshead, G. (2012), “Perth set to ‘die’ from congestion”, in *The West Australian*, 20 February 2012, <http://au.news.yahoo.com/thewest/a/-/breaking/12954460/perth-set-to-die-from-congestiion/>

Wicked problems:⁴

- Are difficult to clearly define;
- Have many interdependencies and are often multi-causal;
- Have conflicting objectives or goals;
- Have no clear solution; and,
- Attempts to solve these problems can lead to unintended consequences.

Further, responsibilities are often blurry, many organisations are usually involved and any solution will require wide-scale behaviour change.

The public sector bureaucracy is typically not equipped to deal with problems of this nature.

Improved collaboration and cooperation is a necessary pre-requisite for the Western Australian public sector to address complex problems with multiple stakeholders. Collaboration must be improved between government departments and agencies, with local governments, with non-government organisations, with business and with the broader community.

The Committee's discussion paper states that the Committee was "struck by the extent to which public sector agencies struggled to negotiate cross-agency initiatives".⁵ These problems are often exacerbated when one or more local governments are also involved. The Association often receives feedback from Local Governments about the difficulties and frustrations associated with negotiating with several government agencies, each with their own requirements, that struggle to take a coordinated approach.

It is clear that the current 'silo' approach is not working and will not be sufficient in the coming decades.

What is needed – as prescribed by the Australian Public Service Commission – is:

- Holistic – not partial or linear – thinking,
- Innovative and flexible approaches,
- The ability to work across agencies,
- Inclusive engagement with stakeholders and the community, and
- The ability to tolerate uncertainty.⁶

A pre-requisite of the prescriptions above is improved coordination and collaboration between and amongst all government actors.

The conclusion that collaboration between and across spheres of government needs to be enhanced was also reached by the Metropolitan Local Government Review Panel, who recommended in their final report that:

⁴ Australian Public Service Commission (2007), *Tackling Wicked Problems: A Public Policy Perspective*, http://www.apsc.gov.au/_data/assets/pdf_file/0005/6386/wickedproblems.pdf

⁵ Standing Committee on Public Administration (2012), *Report – Public Discussion Paper: Public Sector Reform*, [http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3815358c95a8d2528e5856c848257ab60007f806/\\$file/5358.pdf](http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3815358c95a8d2528e5856c848257ab60007f806/$file/5358.pdf), p20

⁶ Australian Public Service Commission (2007), *Tackling Wicked Problems: A Public Policy Perspective*, http://www.apsc.gov.au/_data/assets/pdf_file/0005/6386/wickedproblems.pdf

“The State Government facilitate improved coordination between State Government agencies in the metropolitan area, including between State Government agencies and local government.”⁷

WALGA supports this conclusion, but contends that improved collaboration is necessary in the whole of Western Australia, not just in metropolitan Perth.

Improved coordination and collaboration is required for the public sector to meaningfully contribute to the complex issues that Western Australia is facing. Improved coordination and collaboration will also improve the public sector’s efficiency and effectiveness.

RECOMMENDATION 1

The State Government facilitate improved coordination and collaboration between State Government entities and between State Government entities and the local government sector.

Service Delivery Boundaries of State Government Entities

A related issue is the inconsistency of service delivery boundaries of state government agencies, which can cause issues, particularly for local governments on the margins of different regions for different government service delivery undertakings.

A preliminary analysis undertaken by the Association in 2010 suggested that many service delivery boundaries are similar to the Regional Development Commission (RDC) boundaries. However, there are a number of differences in the southern half of the state between RDC boundaries, police district boundaries and education district boundaries.

To optimise government service delivery and to increase the likelihood of effective collaboration, service delivery boundaries should align with RDC boundaries.

RECOMMENDATION 2

A review of government service delivery boundaries be undertaken with boundaries aligned to the nine Regional Development Commissions established under the *Regional Development Commissions Act 1993* in non-metropolitan regions.

⁷ Metropolitan Local Government Review Panel (2012), *Metropolitan Local Government Review: Final Report of the Independent Panel*, <http://metroreform.dlg.wa.gov.au/Content/Reports/Metropolitan-Local-Government-Review-Panel-Final-Report.pdf>, p13

TRANSFER OF EMPLOYMENT ENTITLEMENTS BETWEEN STATE AND LOCAL GOVERNMENT

Addressing questions 18 and 19 from the discussion paper.

The Association has long advocated for accrued employment entitlements (long service leave, sick leave, superannuation and annual leave) to be transferable between State and Local Government employers.

The inability for employees to transfer their accrued entitlements between sectors can act as a significant disincentive to labour market mobility between State and Local Government sectors.

Anecdotal evidence to WALGA suggests that this restriction is an impediment to staff applying for and accepting positions in the alternate sector. This was particularly the case prior to the Global Financial Crisis when both sectors were experiencing widespread skills shortages.

Increasing labour market mobility by removing this significant institutional barrier will benefit both employees and employers.

For employees, this will facilitate:

- The attainment of broader and more diverse work experience;
- The development of new professional skills, experiences and capabilities;
- Creation of broader professional and personal networks; and,
- Greater appreciation and understanding for the work of other government sectors.

The benefits of an employment entitlement transfer arrangement for the State and Local Government sectors would include:

- Increasing the potential labour pool, thereby improving the capacity to attract the right candidates and reducing the time to fill vacancies;
- Cross-pollination of skills and experiences between sectors, resulting in access to a broader range of skill sets for both sectors;
- Greater workforce diversity; and,
- Greater understanding of both sectors leading to improved collaboration.

A resolution was passed at WALGA's 2006 Annual General Meeting seeking the establishment of a General Agreement between State and Local Government in Western Australia that facilitates the transfer of accrued entitlements (annual leave, sick leave, superannuation and long service leave) for staff transferring their employment between the two sectors.

A General Agreement of this nature is in place between the Federal Government and State Governments.

Work on this project has been ongoing since the Association's advocacy began in 2006 with an Agreement to be based on the existing State-Federal Government Agreement. The project is being led by the Department of Local Government, in consultation with WALGA and other Local and State Government stakeholders, but has stalled despite both sectors supporting the establishment of an Agreement.

For the benefit of both spheres of government and employees, and to increase labour market mobility, WALGA and the Local Government sector is seeking the establishment of a

General Agreement between State and Local Government to allow for the transfer of employment entitlements between the two sectors.

RECOMMENDATION 3

That a General Agreement be established between State and Local Government in Western Australia that facilitates the transfer of accrued entitlements (annual leave, sick leave, superannuation and long service leave) for staff transferring their employment between the two sectors.