

Foreword

I am pleased to deliver the 2019 edition of the *State of the NSW Public Sector Report*. This is my second and final report as NSW Public Service Commissioner. On 21 October 2019, I will take up the role of Secretary of the NSW Department of Customer Service. Finalising this report will be one of my last privileges as the Commissioner, so I am pleased that it reflects the progress on the sector's shared commitment to delivering positive outcomes for the people of NSW.

Earlier this year, the Premier set a priority that includes every one of us across the public sector – delivering a world-class public service. To achieve this, we will need to implement best practice to boost productivity and digital capability, and continue to drive public sector diversity to meet the priority's deadline of 2025.

But what does it mean to be 'world class'? I am sure we will refine our shared vision of what it takes to earn this label as we work towards this priority. To my mind, it means that we will have the best individual and organisational capabilities to deliver for NSW. To do this, we will need a diverse and inclusive workforce with the capacity to meet the challenges of the future.

A world-class public service will be agile and adaptive, and will thrive in changing times. Change is a constant in the public sector, as we continually evolve to better deliver for citizens. This year, we saw significant machinery of government changes to help improve service delivery. Despite the uncertainty this created for some in the sector, employee engagement increased to 65.7%, the highest it has been since the People Matter Employee Survey (People Matter survey) commenced in 2012.

Technological change also presents opportunities for the public sector, with customer-centric digital transformation key to improving service delivery. I am pleased that many of the sector's leaders are taking a thoughtful approach to the opportunities presented by technology, and placing our customers and citizens at the heart of decision making. In practice, we are seeing evidence of planning for the work of the future. Some agencies are already linking strategic workforce planning to business planning, and ensuring employees have the skills to work with the best current and emerging technologies.

While technology is important, it is our people who will be our greatest asset in efforts to become a world-class public service. One of the most enjoyable aspects of my role as Public Service Commissioner has been meeting employees across the sector. I am continually impressed by the professionalism of our workforce and their commitment to the people of NSW.

The case studies in this year's report illustrate just a few examples of the innovative, customer-focused drive of our people. These stories come from different parts of the sector but share a common thread of collaboration – both between agencies in the sector and with other sectors. The public sector is only one part of a broader system to effect change. The sector will need to draw on the capabilities of its employees and others to continue delivering positive, enduring outcomes worthy of a world-class public service.

A world-class public service also needs to reflect the community we serve. We will achieve this by building a diverse and inclusive workforce. In 2019, we made further progress towards our diversity targets.

I commend the sector for achieving the Aboriginal representation target set out in the original Aboriginal Employment Strategy 2014–2017, of 1.8% representation in all non-executive grades. The sector is also well on track to double the 2014 baseline of 57 Aboriginal senior leaders by 2025. The new Aboriginal Employment Strategy 2019–2025 sets an ambitious target of 3% representation in all non-executive grades by 2025. Building a culturally aware and competent workforce, along with other initiatives outlined in the strategy, will help the sector reach this important target.

The representation of women in leadership is also headed in the right direction. For the first time since the target of 50% representation by 2025 was announced in 2014, the sector has moved past 40% representation. While this is encouraging, we must continue our focus and accelerate change, or the sector will fall short of 50% representation in 2025. Bold attraction and retention strategies, and a hiring rate of six female senior leader hires for every 10 senior leader hires are needed to achieve the target.

Momentum around flexible work, while not a silver bullet, will help achieve this. According to People Matter survey results, use of flexible working arrangements was up from 60.4% in 2018 to 62.5% in 2019. An agency-level assessment of flexible work implementation shows that the sector is moving from an ad hoc to a more focused approach. However, challenges remain for frontline roles, where the range of flexible work options is typically smaller, and more forethought and planning are needed.

Disability representation remains far too low, at 2.5%, and requires concerted action across the sector. This is the first year since 2012 that disability representation hasn't decreased, but representation is still a long way from the Premier's Priority target of 5.6% representation by 2025. The sector needs to increase attraction and retention rates for people with disability. It must also improve access to reasonable adjustments in the workplace and create an inclusive environment where employees feel safe to disclose their disability status.

Meeting our diversity targets will only get us part of the way to being a world-class public service. The underlying driver must be inclusive and positive workplaces. Most of our people have good employee experiences and report high levels of general wellbeing, with a sector average of 7.8 out of 10 on the relevant People Matter survey question.

However, I am very concerned that bullying remains particularly high. The percentage of survey respondents who said they had experienced bullying has been relatively stable over the past few years, at around 18%. Disappointingly, experiences of bullying are more common for people with a diagnosed mental health condition, people with disability, Aboriginal and Torres Strait Islander peoples, and people in frontline roles. Changes to policy and processes will not be enough to reduce this. In my view, effective programs and interventions will need to be developed, tested and implemented.

An analysis of People Matter survey data shows that bullying affects not only the victim's wellbeing but also that of bystanders and broader workgroups. This reinforces what we already know: bullying creates corrosive work environments that eat away at wellbeing, productivity and engagement. The Public Service Commission is exploring its data assets and accumulating evidence of best-practice interventions to focus its collaboration with the sector to drive down bullying and promote more positive workplace cultures.

Leaders, managers and human resources teams all have a role to play in shaping positive cultures and employee experiences. We know that learning and development opportunities, flexibility and effective change management are critical components of the employee experience, both in the current context and as we consider the opportunities of the work of the future.

This year's report looks forward as much as it looks back over the last financial year. The public sector is at a critical juncture, poised to meet the challenges of the work of the future and delivering in an increasingly customer-centric world. I am excited to take on the role of Secretary for the Department of Customer Service to help drive those changes directly. I very much look forward to supporting the new Public Service Commissioner once they are appointed, and working alongside them on the Secretaries Board.

Finally, I would like to thank all the agencies of the NSW public sector and the employees that make up these agencies. Thanks for sharing your stories for this report, and striving to make the sector world class – for its employees and for the people of NSW.

Emma Hogan

Public Service Commissioner

20 October 2019