

Foreword from the Commissioner

State of the NSW Public Sector Report 2022

I'm pleased to share the *2022 State of the NSW Public Sector Report* with you. It is my third independent assessment of the performance of the NSW public sector as NSW Public Service Commissioner.

I am proud of the sector's continued dedication to their work and to the people of NSW. We have once again played an important role in helping citizens recover from emergencies and the COVID-19 pandemic. This year's *State of the Customer* report for NSW confirmed that we are successfully delivering services to the people of NSW, with 75% of customers saying they are satisfied with their experience of government services.¹

However, the emergencies that previously only happened once in a generation have repeatedly tested the public sector over the past few years. I am mindful of the impact of these challenges on our people. We don't know what lies ahead, but we do know that a dynamic, sustainable workforce is critical for our continued success.²

The sector has the opportunity to sharpen its focus on the sustainability of our workforce. A sustainable workforce is one in which individual wellbeing is supported. It has sufficient resources and talent mobility to meet changing work demands. By building on our strong foundations to deliver agile services, we can respond to community needs now and in the future. In turn, this will support workforce adaptability and increase job satisfaction, wellbeing and engagement.

A more inclusive and diverse workforce is a more sustainable workforce

Creating a NSW public sector that is diverse and inclusive, and cultivates a sense of belonging will help us to reflect the communities we serve and the outcomes we strive towards. We continue to make progress on Premier's Priority diversity targets for a world class public service.

There are 154 Aboriginal and Torres Strait Islander people in senior leadership roles, well exceeding our target of 114 by 2025. The recently refreshed Aboriginal Employment Strategy 2019–2025 will help the sector to build on this success.

This year, 44% of the sector's senior leaders are women, with a strong pipeline of emerging talent. I note that the Secretaries Board comprises 12 members, 7 of whom were women as of October 2022. The Women's Economic Opportunity Review also developed initiatives that increase women's workforce

participation, including enhanced gender-neutral paid parental leave for public sector employees. The enhancement means more public sector employees are eligible for paid parental leave, regardless of gender, and it encourages more equal sharing of parental responsibilities. Public sector employees will also now have access to five days' fertility leave, recognising the time demands of reproductive treatments. Further, the NSW Government is doubling family and domestic violence leave provisions for all NSW public sector employees, with staff able to access 20 days of paid leave per calendar year from 1 January 2023. These initiatives will promote the NSW public sector as an employer of choice.

The number of people in our human resources systems who identify as having a disability remained at 2.5%. Among People Matter survey respondents, 5.5% identified as having a disability. A recent sector-wide review made 8 recommendations to accelerate progress towards disability employment targets. These include a sector-wide digital workplace adjustment passport, the use of a consistent social definition of disability, and a disability eLearning course for people managers. All clusters are leading specific actions to ensure a sector-wide effort on this priority.

The PSC is also leading a program to increase culturally and linguistically diverse senior leadership representation and promote cultural safety. Consultation with employees from culturally and linguistically diverse backgrounds has identified attitudes that contribute to a range of barriers, and provided the basis for co-designing solutions including mentorships, networking and leadership awareness training.

The sector continues to support LGBTIQ+ employees through local employee networks and the sector-wide Pride in NSW network. The Sydney WorldPride 2023 event will also be an opportunity to showcase the NSW public sector as an inclusive workplace.

Flexible workplace practices are key to supporting long-term sustainability

Providing flexible working arrangements helps support the long-term sustainability and diversity of our workforce. Within the public sector workforce, 62.8% of employees are regularly accessing flexible working arrangements, which has helped to support hybrid working. This shift to greater flexibility can support our employees' wellbeing and our service delivery needs at the individual, team and organisational levels. Offering flexible working arrangements increases workforce diversity, equity and inclusion by enabling a broader group of people to work in the public sector. It also enables us to attract and retain employees to the public sector in a competitive labour market.

This year's People Matter survey results shows that satisfaction with flexible working arrangements slightly declined. As numerous workplaces transition to a truly hybrid model, it is crucial that we get the balance right to maintain our culture, engagement and innovation.

Positive workplace environments support the sustainability of our people

This year's response rate to the People Matter survey was 49% – an increase of 5 percentage points since 2021. This indicates that employees are increasingly comfortable with telling us about their workplace experiences. The 3 highest scoring topics were risk and innovation (72.7%), job purpose and enrichment (70.5%), and customer service (69.8%).

This year's People Matter survey reports a decline in the employee engagement score, from 67.2 to 64.2, and in wellbeing, from 62.4% to 58.4%. While understanding and addressing these declines is a priority, there is a global trend of stagnating employee engagement and wellbeing following the COVID-19 pandemic.³ This may reflect the toll that both the pandemic and rapid change has taken on workers. Sector senior leaders will collaborate with employees to design practical People Matter survey action plans to lift employee engagement and improve areas of concern. The three key areas for the sector to focus on to lift employee engagement include learning and development, recognition, and risk and innovation.

For the first time in the People Matter survey, we asked public sector employees if they were experiencing burnout. Understanding where there is a risk of burning out will help us identify ways to improve wellbeing and build sustainability into our strategic workforce planning.

Employee wellbeing is influenced by workplace culture and behaviours. This year's results show that the levels of negative workplace behaviours that employees experienced have remained largely unchanged since 2021. More work is needed to improve these results.

Any amount of bullying, discrimination, racism or sexual harassment is unacceptable, and we must continue to work to reduce them. While many agencies have seen some success in addressing bullying, there are opportunities to improve efforts to prevent and respond to sexual harassment. The PSC is developing a sector-wide model Sexual Harassment Policy, and this will be supported by education tools to increase awareness and bystander action. The PSC is also undertaking work on anti-racism to address the prevalence of racism in the sector (4.7%).

Recruitment and talent mobility are important parts of any sustainable organisation

A truly sustainable workforce needs to access new talent to grow. This is a significant challenge in the current labour market. Like most industries, the NSW public sector must think differently about recruitment and talent acquisition in the face of skills shortages. What prospective employees value has changed. They are interested in quality physical and digital workspaces that offer flexible work, and employers that are genuinely committed to diversity and inclusion, and that prioritise wellbeing.⁴

One growing source of high-quality talent for our sector is the NSW Government Graduate Program, which is a key enabler for attracting and retaining diverse talent. We placed 185 graduates in 2022, and in 2023 the program is planning to place 323 graduates – the largest intake ever. The program continues to raise the NSW Government's profile in the market, with the program placed second on the *Australian Financial Review's* Top 100 Graduate Employer's 2022 list. The program was also awarded the Most Popular Government and Defence Employer in the country in the GradConnection Top100 Graduate Employers and Future Leaders Competition for the fifth year running. I am excited to see this program continue to expand and to be a reliable source of talent for our sector in the long term.

The PSC is currently undertaking work to refresh the NSW Government's employee value proposition. In the context of a tight labour market, it's more important than ever to work together as a sector to not only attract and retain high-performing talent but also leverage existing talent through mobility and development opportunities such as the NSW Public Service talent pools.

Providing purpose-driven work is key to attracting high-quality talent. Our employees continue to report having a strong sense of purpose and enrichment from their work. This is something we can all be proud of. I look forward to seeing what our sector can continue to deliver into the future.

Kathrina Lo

NSW Public Service Commissioner

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¹ NSW Government, 2022² Accenture, 2020³ Gallup, 2022⁴ QualtricsXM, 2022

Next section: Our KPIs

How we are performing overall as a sector.

